

REPORT NO.

171



PARLIAMENT OF INDIA
RAJYA SABHA

DEPARTMENT RELATED PARLIAMENTARY STANDING COMMITTEE
ON COMMERCE

ONE HUNDRED AND SEVENTY FIRST REPORT

**Issues Affecting the Indian Tea Industry especially in
Darjeeling Region**

(Presented to Hon'ble Chairman, Rajya Sabha on 15th June, 2022)

(Forwarded to Hon'ble Speaker, Lok Sabha on 15th June, 2022)

(Presented to the Rajya Sabha on 21st July, 2022)

(Laid on the Table of Lok Sabha on 21st July, 2022)



Rajya Sabha Secretariat, New Delhi
July, 2022/ Ashadha, 1944 (Saka)

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सत्यमेव जयते

**Rajya Sabha Secretariat, New Delhi
July, 2022/ Ashadha, 1944 (Saka)**

CONTENTS

	PAGES
1. COMPOSITION OF THE COMMITTEE	(i)
2. INTRODUCTION	(ii)
3. ACRONYMS	(iii)
4. REPORT	1-10
5. RECOMMENDATIONS/ OBSERVATIONS - AT A GLANCE	11-14
6. MINUTES	15-25

COMPOSITION OF THE COMMITTEE
(Constituted w.e.f. 13th September, 2021)

1. Shri V. Vijayasai Reddy — *Chairman*

RAJYA SABHA

2. Shri P. Bhattacharya
3. Shri Anil Desai
* 4. Shrimati Roopa Ganguly
5. Shri Naresh Gujral
6. Shri Sushil Kumar Gupta
7. Shri Om Prakash Mathur
8. Shri Deepak Prakash
9. Shri Dharmapuri Srinivas
@ 10. Shri Jugalsinh Lokhandwala

LOK SABHA

11. Shri Prasun Banerjee
12. Shri Raju Bista
13. Shri Rajkumar Chahar
14. Shri Rameshbhai Lavjibhai Dhaduk
15. Shri Arvind Dharmapuri
16. Shri Santosh Kumar Gangwar
17. Shri Manoj Kotak
18. Shri Ajay Kumar Mandal
19. Shrimati Manjulata Mandal
20. Shri Nakul Kamal Nath
21. Shri Hemant Shriram Patil
22. Dr. Gautham Sigamani Pon
23. Dr. Manoj Rajoria
24. Shri Nama Nageswara Rao
25. Shri Ashok Kumar Rawat
26. Shri Magunta Sreenivasulu Reddy
27. Shri Prajwal Revanna
28. Shri Gowdar Mallikarjunappa Siddeshwara
29. Shri Kesineni Srinivas (Nani)
30. Shri Mansukhbhai Dhanjibhai Vasava
31. Vacant

SECRETARIAT

Shri S. Jason, Joint Secretary
Shri T.N. Pandey, Director
Smt. Nidhi Chaturvedi, Additional Director
Shri Kuldip Singh, Under Secretary
Ms. Saraswati Saraf, Assistant Committee Officer

* Retired w.e.f. 24th April, 2022.

Retired w.e.f. 9th April, 2022.

@ Nominated w.e.f. 8th December, 2021.

INTRODUCTION

I, the Chairman of the Department Related Parliamentary Standing Committee on Commerce, having been authorised by the Committee, present this One Hundred and Seventy First Report of the Committee on 'Issues Affecting the Indian Tea Industry especially in Darjeeling Region'.

2. As a part of examination of the subject, the Committee considered the subject in detail in its two meetings wherein it heard the views of Department of Commerce, Ministry of Commerce and Industry; Tea Association of India; Indian Tea Association; Confederation of Indian Small Tea Growers Associations (CISTA); Darjeeling Tea Association; Terai Indian Planters' Association; Darjeeling Terai Doars Chia Kaman Mazdur Union; National Union of Plantation Workers & Indian National Plantation Workers Federation (INPWF); Himalaya Plantation Workers Union; Bharatiya Tea Workers Union; and All India Plantation Workers Federation & Cha Bagan Mazdur Union. The Committee also sought written inputs from Tea Board.

3. The Committee considered the draft Report and adopted the same at its meeting held on 8th June, 2022.

NEW DELHI;
8th June, 2022
Jyaishta 18, 1944 (*Saka*)

V. VIJAYASAI REDDY
Chairman,
Department Related Parliamentary
Standing Committee on Commerce
Rajya Sabha.

ACRONYMS

KGS	Kilograms
DGTR	Directorate General of Trade Remedies
DoC	Department of Commerce
FSS	Food Safety and Standards
FSSAI	Food Safety and Standards Authority of India
GI	Geographical Indications
NABARD	National Bank For Agriculture And Rural Development
NABL	National Accreditation Board for Testing and Calibration Laboratories
NOC	No Objection Certificate
STGs	Small Tea Growers

REPORT

INTRODUCTION

A significant contributor to India's economy since 170 years, the tea plantations of India plays a major role in global tea map by making the country the second largest producer of tea in the world. A colonial-era legacy, the tea sector has been instrumental in socio-economic development of millions of people residing in far-flung, remote and interior hilly regions of the country. Besides being an agro based and labour intensive industry, the tea sector of India is a substantial foreign exchange earner and significant to India's trade.

1.2 The tea industry of India has garnered a robust reputation of being a producer of premium quality teas in the world including the distinct brand of Darjeeling Tea. Known as 'Champagne of Teas', Darjeeling tea yield a high export price. Exclusively grown in the foothills of eastern Himalayas in Darjeeling district of West Bengal, it is the only tea in the world to be tagged as Darjeeling Tea under Geographical Indication. Despite being globally renowned as a specialty tea, the tea production in Darjeeling is reeling under various issues which *inter alia* include dumping of substandard and spurious tea from neighbouring countries especially Nepal, delay in releasing of subsidies, low wages and absenteeism of labourers.

1.3 This Report of the Department Related Parliamentary Standing Committee on Commerce has highlighted some of the prominent issues plaguing the tea sector in general and Darjeeling Tea in particular and the suggestive measures to overcome the problems. The Report aims to bolster the efforts of Department of Commerce and Tea Board in achieving long term sustainability of the performance and overall growth of the tea sector of India.

DUMPING OF CHEAP AND SUBSTANDARD TEAS FROM NEIGHBOURING COUNTRIES ESPECIALLY NEPAL

2.1 The Committee interacted with various organizations associated with the tea industry to enquire about the issues affecting the tea sector of India, especially located in the Darjeeling area. One of the major constraints highlighted was the influx of cheap and substandard teas from the neighbouring countries, especially Nepal. The details of overall tea imports of India are as following:-

Tea Import data vis-à-vis Tea Production

Year	Import quantity (million kgs)	Production (million kgs)	% of Import to Production
2018	24.92	1338.63	1.86
2019	15.86	1390.08	1.14

2020	23.79	1257.53	1.89
2021 (upto November)	22.94	1264.53	1.81

Source: Department of Commerce

2.2 The Committee was also apprised that around 22.94 million kgs of tea had been imported into India from the month of January to November in the year 2021 as against around 21.40 million kgs during the same period of the previous year. It was further stated that except for certain genuine imports of tea which were meant for re-exports, most of the imports were cheap and of low quality. The inferior quality of tea was re-exported under the brand name of Indian, Darjeeling or Assam teas to global markets. This is tarnishing the image of Indian tea in international markets.

Influx of Cheaper Teas from Nepal

2.3 The stakeholders of tea industry further informed the Committee about the dumping of inferior tea from the neighbouring country of Nepal. The details of tea imported from Nepal are as following:

Tea imports from Nepal

(In million kgs)

Year	Amount of tea imported
2013-14	10.22
2014-15	10.36
2015-16	11.49
2016-17	11.55
2017-18	12.18
2018-19	16.09
2019-20	7.29
2020-21	10.74

Source: Tea Association of India

2.4 The Committee was also informed that due to large volumes of inferior tea originating from Nepal being wrongfully branded as Darjeeling tea, the premium prices of authentic Darjeeling tea in the global markets is experiencing an undercut. This is because the tea from Nepal is sold at a much cheaper price due to their low cost of production and inferior manufacturing process. Due to this, huge financial losses are being incurred on India's exchequer. It was further stated that more than half of the total tea imports of India is from Nepal. The details of tea imported from Nepal vis-à-vis the total tea imports of India are as following:-

Total Tea Imports of India vis-à-vis Imports from Nepal

(In million kgs)

Year	Total Tea Imports of India	Tea Imports from Nepal
2019-20	15.54	7.29
2020-21	27.75	10.74

Source: DoC and Tea Association of India.

2.5 It was further submitted that the Indo-Nepal treaty, namely, ‘Revised Treaty of Trade between the Government of India and the Government of Nepal’, provides exemption of basic customs duty and ease of quantitative restrictions on the imports of mutually agreed products on a reciprocal basis. The products eligible for preferential treatment also include tea. This enables easy influx of tea from Nepal.

2.6 The Committee was also informed that the present trade of tea between India and Nepal is unfavourable to India since the Government of India does not levy any import duty on Nepal tea whereas the Government of Nepal is imposing 40 per cent import duty on Indian teas.

2.7 The Committee was further informed that restricting entry through a single land custom station would help in effective compliance of FSS (Import) Regulations, 2017 which would ensure quality check of tea coming from Nepal and other neighbouring countries. Further, only few parameters of imported tea are being tested at custom stations. It was, therefore, suggested that a mandatory sanitary and phytosanitary certificate for the import of each consignment of tea from Nepal is necessary in order to ensure quality tea imports.

2.8 It was also submitted that a minimum import price should be stipulated for tea which should be in line with the average auction tea price of India in order to restrict influx of inexpensive teas. Further, a quantitative restriction or an anti-dumping duty should be imposed to curb the cheap tea imports. Measures should also be undertaken to strengthen the import inspection regime of India to ensure that the imported tea is in compliance with necessary guidelines and quality norms. It was further stated that the present rate of 100 per cent import duty on tea should be maintained since any move to alter the existing rate would result in influx of cheap teas in Indian market.

2.9 It was further highlighted that Darjeeling tea has been registered as a product under Geographical Indication (GI) under the provisions of the Geographical Indications of Goods (Registration & Protection) Act, 1999 wherein India is the place of origin for Darjeeling tea. Therefore, it should be ensured that the teas being imported to India should have the name of the country from which it originated in order to prevent the duplicity of Darjeeling or Indian tea. On being enquired about

the steps being taken by the Government in this regard, the Department of Commerce informed that it had requested the Department for Promotion of Industry and Internal Trade to issue notifications under Section 71 of the GI Act for making it mandatory to specify the country of origin by wholesalers, packers and retailers while selling the imported teas in domestic and global markets.

2.10 The Department further informed that the importers had been directed to mention the place of origin of imported tea in all their sale invoices. Further, the Department has directed the distributors and blenders to clearly indicate on the label of packaged tea about the source of origin of the contents of blended tea irrespective of whether the imported tea has been bought directly or through an intermediary. It also informed that FSSAI and custom authorities had been requested to ensure strict compliance of Food Safety Standard (Packaging & Labelling) Regulations, 2011 and FSS (Import) Regulations, 2017 on the imports of tea.

2.11 The Department apprised the Committee that directions had also been issued to Tea Board for constituting a team of senior officials to examine the issue of import of cheap tea and investigate the records of Indian importers of Nepal tea. It was informed that the Tea Board had instructed the manufacturers located in 87 tea gardens of Darjeeling to not purchase green leaf from outside the area demarcated for Darjeeling GI. Importers had also been directed to inform the place of storage of imported teas to the nearest Tea Board office within 24 hours of their storage. Random sampling tests would also be conducted by Tea Board to ensure that the origin of stored teas has been mentioned in the sale invoices.

2.12 The Committee is distressed to note that the unhampered and easy influx of substandard tea from neighbouring countries especially Nepal is jeopardizing the tea industry of India. It is further appalling to observe that the imports of inferior quality of teas from Nepal are being sold and re-exported as premium Darjeeling Tea which not only is diluting the global brand image of India but is also affecting domestic tea prices. Tea industry is the backbone of the economy of Darjeeling district in West Bengal and the surge in duplicity of Darjeeling Tea poses a threat to the production of tea and the livelihood of small tea growers in the region. Moreover, the fake Darjeeling tea from Nepal undermines the vision of 'Atmanirbhar' Bharat or self-reliant India of the Government. The Committee, therefore, recommends the Department to undertake strong and vigilant measures to counter the import of low quality and cheap tea from neighbouring countries, especially Nepal.

2.13 The Committee also recommends the Government to review and revisit Indo-Nepal Treaty for incorporating stringent requirements for certificate of origin on tea imports from Nepal. It further urges to make the administrative

framework and import inspection regime more robust especially at porous borders of India. The Committee recommends the Department to establish an NABL accredited Quality Control Lab in Darjeeling district for checking the conformity of quality standards of each consignment of imported teas. It also recommends the Department that an investigation should be conducted by Directorate General of Trade Remedies (DGTR) on the dumping of teas from Nepal for suggesting remedial measures and imposition of anti-dumping duty on imported tea.

PENDENCY IN DISBURSAL OF TEA SUBSIDIES

3.1 During its meetings with the stakeholders of tea industry, the Committee was informed about the pendency in payments of subsidies and financial assistance to beneficiaries under various activities and schemes of Tea Board and Ministry of Commerce and Industry.

3.2 On being enquired about the measures to expedite the disbursement of outstanding payments, the Department informed that a provision of Rs. 298.76 crore has been made under the Tea Development and Promotion Scheme (2021-22 to 2025-26) towards settling the pending liabilities of tea sector. The allocated amount would be utilised in settling the outstanding payments for undertaking activities under the Schemes of 12th Five Year Plan and Medium Term Framework period. It was further apprised that till date, an amount of Rs. 124.07 crore has been disbursed and there exists no pendency.

3.3 However, it was informed by the stakeholders of the tea industry that the subsidies under various programmes and Schemes are granted on the condition of satisfactory completion of field work, such as, replantation and rejuvenation activities, extending plantations and procurement of field mechanization unit and commissioning of irrigation equipments. Further, the subsidies are disbursed only when Tea Board issues an inspection report or a 'sanction letter' to the tea estates after physically verifying the completion of activities. But to start such activities, the tea estates have to apply for a No Objection Certificate (NOC) from the Tea Board in the beginning.

3.4 The Committee was informed that after obtaining an NOC certificate, the Tea Estates had undertaken substantial development activities due to which a large proportion of outstanding amount spent on undertaking such activities is pending with the Tea Board. However, as per the recent decision taken on 2nd February, 2022 by the Executive Meeting of Tea Board, the subsidies would not be paid to Tea Estates in cases where NOC had been issued but no 'sanction letter' had been provided by the Board. Due to this, a large section of beneficiaries are being deprived of the pending subsidies for undertaking activities on account of non-issuance of sanction letters even after obtaining an NOC from the Tea Board.

3.5 The Committee is deeply concerned to note the travails of the tea growers and estates in receiving their outstanding dues for undertaking bona fide tea developmental activities. The Committee observes that the administrative decision to accord no objection certificate (NOC) for conducting developmental activities leads to huge investments and expenditure by the tea growers and estates which they expect to receive in the form of subsidies. However, the recent decision of the Department to deny any grant of pending subsidies on not receiving a Sanction Letter by the Tea Board even after the conclusion of developmental activities indicates nonchalance and ambiguities in decision making to clear the dues. The Committee recommends that the permit to undertake developmental activities in form of NOC is an assurance to the tea growers which should be a basis for reimbursement to tea growers and estates. It recommends that the Department should earnestly review its decision in order to settle the outstanding subsidies of beneficiaries who had been accorded an NOC for completion of the concerned activities.

LAND RIGHTS TO TEA WORKERS

4.1 The Committee was informed that the tea garden workers in Darjeeling hills, Terai and Dooars do not have land or 'Parja-Patta' (land rights) on their ancestral tea growing lands. It was stated that the tea garden workers are permitted to dwell on their ancestral homes only if one of their family members works for the tea company. On failure to send a family member for work, they lose their rights to live on their ancestral lands. Since the land rights are vested with tea company, there have been instances when the aged workers having no children were denied the right to even repair their houses on their ancestral lands.

4.2 It was apprised that the tea growers continue to toil irrespective of any change in ownership of the tea estates. At times the tea garden workers are able to occupy only 5 per cent of the land since most of the land is under cultivation with 15 per cent of the land earmarked for tourism purposes. The tea workers are in such dire straits that they have to approach the tea company to request for land even for burying their dead family members.

4.3 It was informed that since the tea workers do not own 'Parja-Patta' or land rights, they are not able to avail benefits of the Central Government Schemes such as Pradhan Mantri Awas Yojana, etc.

4.4 The Committee is dismayed to note the plight and deprivation of the tea workers of Darjeeling, Dooars and Terai region for not being conferred 'Parja-Patta' or land rights on their own ancestral lands which they have toiled for generations. It is deplorable to note the feudalistic set up in the region to alienate tea workers from their basic land rights despite seven decades of independence which starkly undermines the clarion claims of

successful land reform movements in the country. The perpetual struggle of tea workers to seek rights for their own lands not only for living but even for burying their dead family members is unfortunate and saddening. The Committee strongly recommends the Government to immediately undertake a detailed scrutiny by a dedicated body of eminent persons on the present status of land rights or ‘Parja-Patta’ of tea workers of the region.

4.5 The Committee further recommends the Government to make efforts to take corrective reform measures to ensure land rights to tea workers. In this direction, a specific legislation needs to be enacted which recognizes the rights and ownership of small and marginalised tea workers to their ancestral lands and resources.

DECENT LIVING WAGES FOR TEA WORKERS

5.1 The Committee notes that millions of tea workers in northern districts of the State of West Bengal such as Darjeeling, Alipurduar, Jalpaiguri, Cooch Behar and North Dinajpur are directly or indirectly dependent on tea gardens for their livelihood and financial stability. However, it was informed that the tea workers are being denied a decent living wage which is a serious threat to their existence. Without any sort of revision in their wage rates, the tea workers are being paid a meager amount for their labour thus affecting their very survival. Due to meager wages, the workers are shifting to other occupations resulting in a rise in absenteeism of workers in tea plantations.

5.2 The Committee was informed that non-application of Minimum Wages Act to fix the wages for workers of tea gardens is intensifying the already deplorable state of their living conditions. The Minimum Wages Act is, however, being applied to all sectors of industries across the State of West Bengal. Also, the minimum wages for unskilled workers in the agriculture sector is pegged at around Rs. 271 per day, around Rs. 298 per day for semi-skilled and around Rs. 328 per day for skilled workers. However, despite being a highly skilled job, the workers of tea gardens are being paid a minimal amount of around Rs. 202 per day as wages, which is among the lowest wages paid to any industrial worker in the country.

5.3 The Committee was also informed that the workers of tea gardens of Dooars region are getting as low as around Rs. 130 of wage per day and the rest is being received in kind or as fringe benefits. However, the tea workers had been complaining that most of the benefits are redundant with certain benefits in form of weekly ration.

5.4 In order to provide minimum wages to labourers, Code on Wages, 2019 was enacted to ensure that the tea companies provide 85 per cent of wages in cash while

15 per cent could be in kind. However, it was apprised that the Code on Wages has not yet been implemented in the tea sector.

5.5 The Committee takes cognisance of meager wages being paid to tea workers of Darjeeling and other areas of North Bengal which is below the statutory threshold of minimum wage in the country. It notes with concern that insufficient wages which are minimal to the extent of not meeting the basic needs of workers manifests a severe crisis in the tea sector. The Committee recommends that the Government must take all efforts for the upward revision and fixation of a minimum daily wage of tea workers. The threshold of minimum wage should be fixed only after a consensus has been reached between tea planters and tea workers' unions which would ensure the workers an adequate wage that increases their purchasing power and keeps pace with the cost of living. The Committee also recommends the Government to expedite the implementation of Code on Wages, 2019 which would give a legal force and clarity on 'in kind' components and monetised value of facilities in a wage component.

WELFARE MEASURES FOR TEA WORKERS

6.1 The Committee was informed about the dire straits of tea workers in tea plantations areas who are facing a very vulnerable existence with no proper basic facilities and working conditions. It was stated that more than 50 per cent of labourers are women, mainly employed for plucking and pruning of tea bushes. However, social security and welfare measures such as maternity benefits, child care support, quality health and education entitlements, provident fund, etc. are completely lacking for women workers in tea plantations. With poor hygiene and sanitation conditions and no work place safety, the tea workers especially women labourers in plantations are leading a subjugated and inhumane life.

6.2 The Committee was informed that non-compliance of Plantation Labour Act, 1951 by tea companies which ensures 'in-kind' components of wages which compensates monetised value of facilities, had been a major concern for the labourers. The Act mandates facilities to be extended by tea companies to workers such as ration, housing, education, firewood and medical benefits. However, failure of implementation of Plantation Labour Act has led to deterioration in conditions of tea workers.

6.3 The Committee was further apprised that Occupational Safety, Health and Working Conditions Code, 2020 which seeks to regulate health and safety conditions of workers in plantations would subsume the Plantations Labour Act. However, the implementation of code is still pending. It was suggested to the Committee that the code should give recognition to welfare amenities and in-kind

benefit components in order to ensure humane working conditions and overall enhancement of living of tea workers.

6.4 The Committee notes with anguish that the abject working and inhumane living conditions of tea labourers is reminiscent of the indentured labour introduced in colonial times by British planters. It notes with distress the blatant violation of socio-economic justice wherein the labourers of tea sector, with a high prevalence of female workers, have to endure an abysmal and dismal life with no access to basic amenities and living standards. It further views that inadequacy and absence of political will in executing Plantations Labour Act, 1951 has led to deterioration of working standards of tea labourers. The Committee recommends the Government to earnestly endeavour for ensuring welfare measures, health and housing benefits and decent working conditions for labourers in tea sector.

6.5 The Committee further recommends that the Department should prepare a database of plantation workers at the earliest for extending welfare facilities to the targeted beneficiaries through Government Schemes or Direct Benefit Transfer. It also recommends speedy implementation of Occupational Safety, Health and Working Conditions Code, 2020 which would stipulate obligations for providing welfare benefits in both cash and kind components to the tea labourers.

SUMMATION

7.1 For time immemorial, the tea sector has served India's social and economic interests. A means of subsistence for many, the tea industry is a source of income and employment for millions of citizens most of whom are women, tribals and dwellers of hilly terrains. This necessitates holistic efforts to achieve a growth path which is sustainable and embraces the development of all who substantially contribute to the tea sector.

7.2 The emergence of Small Tea Growers (STGs) as primary stakeholders in tea sector requires effective measures to bring them under the purview of promotional schemes of Tea Board. With a burgeoning share of more than 50 per cent in India's tea production, STGs should have a level playing field with the tea estates in moving up the tea value chains. However, a policy review should also be done in order to make specific regulations for STGs as distinguished from the rules stipulated for organised tea estates.

7.3 Further, the tea produced by STGs in Darjeeling district should also be recognized as GI registered product at par with 87 tea estates to ensure better price premium. The Committee also recommends mobilising of STGs into producers' organisations and producers' companies for improving the access

of tea growers to various schemes, investments, technology and inputs. Proper channels for marketing of tea for the tea growers should be devised and an e-auction centre should also be established in the Darjeeling district. Further, being an agrarian product, the tea sector should be benefitted by certain agricultural Schemes of the Union Government such as Pradhan Mantri Krishi Sinchai Yojana, etc.

7.4 The Committee has further learnt that the post of Chairman of Tea Board has been demarcated as a non-executive office while the Deputy Chairman has been entrusted with all administrative and executive functions. **However, for smooth functioning and prompt decision on administrative matters, it is recommended that the posts of Chairman and Deputy Chairman should be merged by assigning a single executive administrator at the helm. Further, the Committee recommends the restructuring of Tea Board to make it more vibrant as well as representative and to prevent the channeling of decisions through bureaucracy thereby maintaining the autonomy of the Board.**

7.5 The Committee also notes the stagnant production and adverse fallout on tea sector of Darjeeling district due to unprecedented prolonged shutdown in 2017 for more than 100 days followed by Covid-19 induced lockdown of 2020. **Hence, a financial package as a revival mechanism should be extended by the Government of India to the Darjeeling Tea Sector. It further recommends the Tea Board to take steps for extending special assistance to modernise and mechanise the tea industries of Darjeeling district and North Bengal in collaboration with financial institutions of NABARD.**

7.6 The Committee is of the view that predominance of women labourers in tea sector warrants their empowerment by encouraging their participation in Tea Trade Unions and Associations. The presence of women labourers in decision making would thus ensure resolution of issues that concern their welfare and development. Also, anganwadi kendras for women and children, Ayush health and wellness centres, skill development centres and proper education facilities should be established and facilitated for the overall well being of women labourers.

7.7 Prosperity of tea sector relies on the sustainable growth of all facets of industry by providing a thrust to every stakeholder contributing towards each value chain from farm gate to global markets. **It is, therefore, recommended that the role of the Tea Board should be redefined as a facilitator instead of a licenser.**

RECOMMENDATIONS/OBSERVATIONS - AT A GLANCE

DUMPING OF CHEAP AND SUBSTANDARD TEAS FROM NEIGHBOURING COUNTRIES ESPECIALLY NEPAL

Influx of Cheaper Teas from Nepal

1. The Committee is distressed to note that the unhampered and easy influx of substandard tea from neighbouring countries especially Nepal is jeopardizing the tea industry of India. It is further appalling to observe that the imports of inferior quality of teas from Nepal are being sold and re-exported as premium Darjeeling Tea which not only is diluting the global brand image of India but is also affecting domestic tea prices. Tea industry is the backbone of the economy of Darjeeling district in West Bengal and the surge in duplicity of Darjeeling Tea poses a threat to the production of tea and the livelihood of small tea growers in the region. Moreover, the fake Darjeeling tea Nepal undermines the vision of Atmanirbhar Bharat or self-reliant India of the Government. The Committee, therefore, recommends the Department to undertake strong and vigilant measures to counter the import of low quality and cheap tea from neighbouring countries, especially Nepal. (Para 2.12)

2. The Committee also recommends the Government to review and revisit Indo-Nepal Treaty for incorporating stringent requirements for certificate of origin on tea imports from Nepal. It further urges to make the administrative framework and import inspection regime more robust especially at porous borders of India. The Committee recommends the Department to establish an NABL accredited Quality Control Lab in Darjeeling district for checking the conformity of quality standards of each consignment of imported teas. It also recommends the Department that an investigation should be conducted by Directorate General of Trade Remedies (DGTR) on the dumping of teas from Nepal for suggesting remedial measures and imposition of anti-dumping duty on imported tea. (Para 2.13)

PENDENCY IN DISBURSAL OF TEA SUBSIDIES

3. The Committee is deeply concerned to note the travails of the tea growers and estates in receiving their outstanding dues for undertaking bona fide tea developmental activities. The Committee observes that the administrative decision to accord no objection certificate (NOC) for conducting developmental activities leads to huge investments and expenditure by the tea growers and estates which they expect to receive in the form of subsidies. However, the recent decision of the Department to deny any grant of pending subsidies on not receiving a Sanction Letter by

the Tea Board even after the conclusion of developmental activities indicates nonchalance and ambiguities in decision making to clear the dues. The Committee recommends that the permit to undertake developmental activities in form of NOC is an assurance to the tea growers which should be a basis for reimbursement to tea growers and estates. It recommends that the Department should earnestly review its decision in order to settle the outstanding subsidies of beneficiaries who had been accorded an NOC for completion of the concerned activities. (Para 3.5)

LAND RIGHTS TO TEA WORKERS

4. The Committee is dismayed to note the plight and deprivation of the tea workers of Darjeeling, Dooars and Terai region for not being conferred 'Parja-Patta' or land rights on their own ancestral lands which they have toiled for generations. It is deplorable to note the feudalistic set up in the region to alienate tea workers from their basic land rights despite seven decades of independence which starkly undermines the clarion claims of successful land reform movements in the country. The perpetual struggle of tea workers to seek rights for their own lands not only for living but even for burying their dead family members is unfortunate and saddening. The Committee strongly recommends the Government to immediately undertake a detailed scrutiny by a dedicated body of eminent persons on the present status of land rights or 'Parja-Patta' of tea workers of the region. (Para 4.4)

5. The Committee further recommends the Government to make efforts to take corrective reform measures to ensure land rights to tea workers. In this direction, a specific legislation needs to be enacted which recognizes the rights and ownership of small and marginalised tea workers to their ancestral lands and resources. (Para 4.5)

DECENT LIVING WAGES FOR TEA WORKERS

6. The Committee takes cognisance of meager wages being paid to tea workers of Darjeeling and other areas of North Bengal which is below the statutory threshold of minimum wage in the country. It notes with concern that insufficient wages which are minimal to the extent of not meeting the basic needs of workers manifests a severe crisis in the tea sector. The Committee recommends that the Government must take all efforts for the upward revision and fixation of a minimum daily wage of tea workers. The threshold of minimum wage should be fixed only after a consensus has been reached between tea planters and tea workers' unions which would ensure the workers an adequate wage that increases their purchasing power and keeps pace with the cost of living. The Committee also recommends the

Government to expedite the implementation of Code on Wages, 2019 which would give a legal force and clarity on ‘in kind’ components and monetised value of facilities in a wage component. (Para 5.5)

WELFARE MEASURES FOR TEA WORKERS

7. The Committee notes with anguish that the abject working and inhumane living conditions of tea labourers is reminiscent of the indentured labour introduced in colonial times by British planters. It notes with distress the blatant violation of socio-economic justice wherein the labourers of tea sector, with a high prevalence of female workers, have to endure an abysmal and dismal life with no access to basic amenities and living standards. It further views that inadequacy and absence of political will in executing Plantations Labour Act, 1951 has led to deterioration of working standards of tea labourers. The Committee recommends the Government to earnestly endeavour for ensuring welfare measures, health and housing benefits and decent working conditions for labourers in tea sector. (Para 6.4)

8. The Committee further recommends that the Department should prepare a database of plantation workers at the earliest for extending welfare facilities to the targeted beneficiaries through Government Schemes or Direct Benefit Transfer. It also recommends speedy implementation of Occupational Safety, Health and Working Conditions Code, 2020 which would stipulate obligations for providing welfare benefits in both cash and kind components to the tea labourers. (Para 6.5)

SUMMATION

9. The emergence of Small Tea Growers (STGs) as primary stakeholders in tea sector requires effective measures to bring them under the purview of promotional schemes of Tea Board. With a burgeoning share of more than 50 per cent in India’s tea production, STGs should have a level playing field with the tea estates in moving up the tea value chains. However, a policy review should also be done in order to make specific regulations for STGs as distinguished from the rules stipulated for organised tea estates. (Para 7.2)

10. Further, the tea produced by STGs in Darjeeling district should also be recognized as GI registered product at par with 87 tea estates to ensure better price premium. The Committee also recommends mobilising of STGs into producers' organisations and producers' companies for improving the access of tea growers to various schemes, investments, technology and inputs. Proper channels for marketing of tea for the tea growers should be

devised and an e-auction centre should also be established in the Darjeeling district. Further, being an agrarian product, the tea sector should be benefitted by certain agricultural Schemes of the Union Government such as Pradhan Mantri Krishi Sinchai Yojana, etc. (Para 7.3)

11. However, for smooth functioning and prompt decision on administrative matters, it is recommended that the posts of Chairman and Deputy Chairman should be merged by assigning a single executive administrator at the helm. Further, the Committee recommends the restructuring of Tea Board to make it more vibrant as well as representative and to prevent the channeling of decisions through bureaucracy thereby maintaining the autonomy of the Board. (Para 7.4)

12. Hence, a financial package as a revival mechanism should be extended by the Government of India to the Darjeeling Tea Sector. It further recommends the Tea Board to take steps for extending special assistance to modernise and mechanise the tea industries of Darjeeling district and North Bengal in collaboration with financial institutions of NABARD. (Para 7.5)

13. The Committee is of the view that predominance of women labourers in tea sector warrants their empowerment by encouraging their participation in Tea Trade Unions and Associations. The presence of women labourers in decision making would thus ensure resolution of issues that concern their welfare and development. Also, anganwadi kendras for women and children, Ayush health and wellness centres, skill development centres and proper education facilities should be established and facilitated for the overall well being of women labourers. (Para 7.6)

14. It is, therefore, recommended that the role of the Tea Board should be redefined as a facilitator instead of a licensor. (Para 7.7)

MINUTES

XIII*
THIRTEENTH MEETING

The Department Related Parliamentary Standing Committee on Commerce met at 03.00 P.M. on Monday, the 7th March, 2022 in Main Committee Room, Ground Floor, Parliament House Annexe, New Delhi.

MEMBERS PRESENT

1. Shri V. Vijayasai Reddy - Chairman

RAJYA SABHA

2. Shri P. Bhattacharya
3. Shri Anil Desai
4. Shrimati Roopa Ganguly
5. Shri Naresh Gujral
6. Shri Om Prakash Mathur

LOK SABHA

7. Shri Raju Bista
8. Shri Santosh Kumar Gangwar
9. Shri Manoj Kotak
10. Shri Nakul Kamal Nath
11. Shri Ashok Kumar Rawat
12. Shri Magunta Sreenivasulu Reddy
13. Shri Gowdar Mallikarjunappa Siddeshwara

SECRETARIAT

Shri S. Jason, Joint Secretary

Shri T.N. Pandey, Director

Shrimati Nidhi Chaturvedi, Additional Director

Shri Kuldeep Singh, Under Secretary

WITNESSES

I. TEA PRODUCERS' ASSOCIATIONS

REPRESENTATIVES OF TEA ASSOCIATION OF INDIA

1. Shri Ajay Jalan, President
2. Shri P.K. Bhattacharjee, Secretary General

* 1st to 12th Meetings of the Committee pertain to other matter.

REPRESENTATIVES OF INDIAN TEA ASSOCIATION

1. Ms. Nayantara Pal Chowdhuri, Chairperson
2. Shri Arijit Raha, Secretary General

REPRESENTATIVES OF CONFEDERATION OF INDIAN SMALL TEA GROWERS ASSOCIATIONS (CISTA)

1. Shri Bijoy Gopal Chakraborty, President
2. Shri Bhawesh Niroula, Executive Member

REPRESENTATIVES OF DARJEELING TEA ASSOCIATION

1. Shri Balkishan Saria, Chairman
2. Shri Sandeep Mukherjee, Principal Advisor
3. Shri Deepak Berlia, Member

REPRESENTATIVES OF TERAI INDIAN PLANTERS' ASSOCIATION

1. Shri Mahendra Prasad Bansal, Chairman
2. Shri Subhankar Mittal, Executive Committee Member

II. TEA WORKERS' UNIONS

REPRESENTATIVES OF DARJEELING TERAI DOARS CHIA KAMAN MAZDUR UNION

1. Shri Sunil Rai, Secretary
2. Shri Bhupen Chettri, Central Committee Member

REPRESENTATIVES OF NATIONAL UNION OF PLANTATION WORKERS & INDIAN NATIONAL PLANTATION WORKERS FEDERATION (INPWF)

Shri Mani Kumar Darnal, General Secretary

REPRESENTATIVES OF HIMALAYA PLANTATION WORKERS UNION

1. Shri Bishnu Kumar Rai, President
2. Shri Santa Kumar Lama, Secretary

REPRESENTATIVES OF BHARATIYA TEA WORKERS UNION

Shri Jugal Kishore Jha, President

ALL INDIA PLANTATION WORKERS FEDERATION & CHA BAGAN MAZDUR UNION

Shri Ziaul Alam, General Secretary

2. The Chairman, at the outset, welcomed the Members of the Committee and informed them about agenda of the meeting. He then welcomed the representatives of various Tea Associations and sought their views on the 'Issues affecting the Indian Tea Industry especially in Darjeeling region'. The Chairman invited suggestions on challenges faced by tea growers and exporters in their business, policy measures required for revival of Tea Industry, and dumping of inferior tea originating from neighbouring countries on Indian Tea exporters. He also sought information on benefits accrued from schemes implemented by the Tea Board for small tea growers of the Darjeeling region.

3. The representatives highlighted concerns regarding stagnation in area under tea cultivation, financial distress leading to non-replantation of tea bushes, rise in cost of inputs causing decline in tea production and lack of competitiveness in the wake of high inland and ocean freight costs. They desired for an increased rates under Remission of Duties and Taxes on Export Products (RoDTEP) Scheme for cost mitigation to boost exports, fixing Minimum Import Price to safeguard domestic tea industry against import of cheaper tea from Nepal and adherence to stringent quality parameters while importing tea. They also stressed for inclusion of small growers in the ambit of Geographical Indication (GI) tag for allowing them to use Darjeeling logo. The representatives informed about huge labour shortage being witnessed in tea plantation areas affecting harvest and suggested for mechanisation option to carry out timely plucking of tea leaves. Stress was also laid on extending benefits of Agricultural sector schemes to the tea sector since 90 per cent of activities under the tea sector comprise of agricultural activities. They also demanded expeditious disbursement of pending subsidies for tea industry and invited attention towards the long-drawn process for availing subsidies, involving various cumbersome and time consuming clearing stages. Need for Digital platform for promotion of tea was also put forth by the representatives to enhance marketing and per capita tea consumption in the country along with creation of consumer access point for buying tea. Suggestions were also submitted for setting up of testing labs to check the presence of pesticide

residues as required by the tea importing countries and also to counter the imposition of non-trade barriers in the export trade.

4. The representatives dwelt upon non-availability of Tea Marketing Control Order (TMCO) Certificate from Tea Board due to which entrepreneurs who have installed mini-factories in Darjeeling after taking loans from Banks were not able to market their tea and, therefore, facing huge crisis in the business. The representatives also suggested declaration of a Minimum Floor Price so that purchaser gets the produce at a little higher rate than the cost of production which would benefit the small tea growers. The representatives also demanded enhanced budgetary support to tea producing States outside the North Eastern Region (NER) which is already getting 10 per cent of the total allocation. Absence of any Vision Document to anticipate future of the Indian tea industry affecting export prospects of the produce inspite of enhanced tea production witnessed during the past years was also discussed upon during the deliberation. The Committee also dwelt upon the need for amending the Plantation Labour Act, 1951, so that, amenities such as medical facilities, meals provisions and residential rights may be extended to workers in the present conditions and demand.

(Tea Producers' Associations' witnesses then withdrew)

5. The Chairman welcomed the representatives of Tea Workers' Unions and sought their suggestions on the challenges faced by the tea plantation workers and the benefits extended to them from the welfare measures and policies of Government for the workforce.

6. The representatives informed the Committee about decline in tea production on account of labour migration owing to low wages leading to shortage of workers. Therefore, they demanded enforcement and implementation of Minimum Wages Act for financial benefit of the workers. Issues pertaining to absence of land rights, dearth of quality education for kids, lack of health facilities and insufficient budgetary allocation was also discussed upon. The representatives also raised issues of decline in the quality of Darjeeling tea due to aged bushes and lack of replantation and rejuvenation activities for want of financial aid and demanded better wages structure and welfare measures for workers. The representatives also demanded revival of sick and closed tea gardens through enhanced budgetary support and better coordination among related Ministries/Departments. The representatives raised concerns regarding child starvation deaths occurring in tea gardens, prevalent practice of child trafficking, excess use of pesticide leading to cancer and kidney diseases among tea workers' families. The representatives sought the coverage of Tea Workers under ESI and setting up of ESI hospitals in the Tea Gardens for better health facilities.

7. The Chairman thanked the representatives for the information provided and requested them to furnish further issues not addressed during the interaction in writing to the Committee.
8. A verbatim record of the proceedings of the meeting was kept.
9. The Committee then adjourned at 06.10 P.M.

XIV FOURTEENTH MEETING

The Department Related Parliamentary Standing Committee on Commerce met at 11.00 A.M. on Tuesday, the 8th March, 2022 in Committee Room '4', First Floor, Block 'A', Parliament House Annexe Extension, New Delhi.

MEMBERS PRESENT

1. Shri V. Vijayasai Reddy —Chairman

RAJYA SABHA

2. Shri P. Bhattacharya
3. Shrimati Roopa Ganguly
4. Shri Naresh Gujral

LOK SABHA

5. Shri Raju Bista
6. Shri Santosh Kumar Gangwar
7. Shri Ashok Kumar Rawat
8. Shri Magunta Sreenivasulu Reddy

SECRETARIAT

Shri S. Jason, Joint Secretary
Shri T.N. Pandey, Director
Shrimati Nidhi Chaturvedi, Additional Director
Shri Kuldeep Singh, Under Secretary

WITNESSES

REPRESENTATIVES OF DEPARTMENT OF COMMERCE

1. Shri Diwakar Nath Misra, Joint Secretary (Plantations)
2. Dr. K. N. Raghavan, Deputy Chairman, Tea Board
3. Shri S. Soundararajan, Director (Tea Development), Tea Board
4. Ms. Anjali Anand, Under Secretary (Plantations)
5. Shri Rajan Sharma, Deputy Director

2. The Chairman, at the outset, welcomed the Members of the Committee and informed them about the agenda of the meeting. The Committee, then, deliberated on the next subject that may be taken up for examination and report by the Committee. After a brief discussion, the Committee decided to take up 'Promotion and Regulation of E-Commerce in India' as the next subject. The Committee also decided to undertake a study visit to Hyderabad, Bengaluru and

Mumbai from 25th to 29th April, 2022 to have an on-the-spot analysis of the subject.

3. The Chairman, thereafter, welcomed the representatives of Department of Commerce to the meeting on the subject 'Issues affecting the Indian Tea Industry especially in Darjeeling region'. The Chairman highlighted various issues flagged by representatives of tea industry, such as, inadequate Government support for marketing and promotion of Indian tea, grant of land rights to tea growers, implementation of minimum wage rate, enhancement of RoDTEP rates for encouraging tea exports, dumping and blending of Nepal tea with Darjeeling tea, pending subsidy to tea industry, GI tag to small tea growers, extending benefits of agricultural sector to tea industry and fixing of Minimum Floor Price for tea.

4. The Committee was informed that tea auction system is currently monopolised by four companies and they determine the auction price of tea. To address this, it was informed that the Department of Commerce has taken initiatives to bring in more private players into the tea sector thereby creating competition and drive up the auction price.

5. With regard to the stagnating tea export, the Committee was informed that lower profit margin in export market vis-à-vis domestic market, cut throat competition in international market, tariff and non-tariff barriers in certain export markets and low quality tea with the exception of Darjeeling, Nilgiri and Assam tea is discouraging tea export.

6. The Committee was informed that the Department of Commerce supported the request for providing GI tag to small tea growers in Darjeeling. However, this could not be carried forward due to opposition by 87 tea gardens that have already been granted GI registration. The Committee was further informed that the Department has been negotiating with the 87 tea gardens to resolve the impasse and assured the Committee that the issue will be resolved within three months.

7. With regard to blending and rebranding of tea imported from Nepal as Darjeeling tea, the representatives informed the Committee that it had issued a notification banning the blending of Darjeeling tea with any other tea. They further informed that the Department has made it mandatory for exporters and importers to mention the place of origin in sales invoice to keep a check on such practice of blending.

8. The Committee, then, discussed at length the pending liabilities under the erstwhile Tea Development and Promotion Scheme for Medium Term Framework of Tea Board. It was informed that Tea Board had issued sanction orders under the schemes without budgetary allocation and the scheme was later withdrawn thereby leaving pending liabilities under the scheme. It was further informed that one time settlement of Rs. 298.00 crore was approved by the

Expenditure Finance Committee (EFC) to clear the pending liabilities. However, payment is to be made only to those applications where sanction order has already been issued or first instalment has been disbursed, thereby, excluding those applications which remained pending with Tea Board.

9. The representatives informed the Committee that a new scheme intended towards welfare of tea workers is under submission to the Department of Expenditure. The Committee opined that the benefits under the scheme may be transferred directly to the beneficiaries as most of the infrastructure components envisaged under the scheme are already covered under existing schemes.

10. The Committee, thereafter, discussed the need for constituting a high-powered Committee to analyse in detail the issues plaguing the Indian tea industry; necessity of making amendments to the Tea Act, 1953 in tune with the current scenario; bringing about uniformity in Plantations Labour Act across States; and framing land leasing guidelines for the tea estates.

11. The Chairman thanked the representatives for the information provided and requested the Department to furnish the replies in writing on the issues not addressed during the interaction.

12. A verbatim record of the proceedings of the meeting was kept.

13. The Committee then adjourned at 01.15 P.M.

XX*
TWENTIETH MEETING

The Department Related Parliamentary Standing Committee on Commerce met at 1.00 P.M. on Wednesday, the 8th June, 2022 in Committee Room No. 4, Block 'A', First Floor, Parliament House Annexe Extension Building, New Delhi.

MEMBERS PRESENT

1. Shri Magunta Sreenivasulu Reddy — *In the Chair*

RAJYA SABHA

2. Shri Om Prakash Mathur
3. Shri Deepak Prakash
4. Shri Jugalsinh Lokhandwala

LOK SABHA

5. Shri Prasun Banerjee
6. Shri Rajkumar Chahar
7. Shri Rameshbhai Lavjihbai Dhaduk
8. Shri Santosh Kumar Gangwar
9. Shri Manoj Kotak
10. Shri Ajay Kumar Mandal
11. Dr. Gautham Sigamani Pon
12. Dr. Manoj Rajoria
13. Shri Nama Nageswara Rao
14. Shri Kesineni Srinivas (Nani)

SECRETARIAT

Shri S. Jason, Joint Secretary
Shri T.N. Pandey, Director
Shrimati Nidhi Chaturvedi, Additional Director
Shri Kuldip Singh, Under Secretary

2. In the absence of Chairman, Shri Magunta Sreenivasulu Reddy, who had been authorized by the Chairman, presided over the meeting. He welcomed the Members of the Committee and informed about the agenda of the meeting. The Committee, thereafter, took up for consideration the (i) * * *
(ii) Draft 171st Report on Issues Affecting the Indian Tea Industry especially in Darjeeling Region; and (iii) * * *

* 15th to 19th Meetings pertain to other matters.

*** Pertain to other matters.

After a brief discussion, the Committee adopted * * *
the Draft 171st Report without any changes. * * *

3. The Committee also authorized the Chairman to present all the above-mentioned Reports to Hon'ble Chairman, Rajya Sabha since both the Houses of Parliament are not in session. Thereafter, these Reports will be presented/laid in both the Houses of Parliament during the next session. The Committee decided that these Reports will be presented in Rajya Sabha by Shri Deepak Prakash, M.P. and in his absence by Shri Jugalsinh Lokhandwala, M.P. In Lok Sabha, Shri Manoj Kotak, M.P. and in his absence, Shri Magunta Sreenivasulu Reddy, M.P. would lay these Reports.

4. The Committee then adjourned at 1.30 P.M.

*** Pertain to other matters.