

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 2863
ANSWERED ON 18/03/2025

PRICE OF NORTHERN TEA AND SOUTHERN TEA

2863. SHRI RAJA A:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether there is price differentiation between Northern Tea and Southern Tea, in the minimum fixed price for tea as announced by the authorities;
- (b) if so, the reasons therefor;
- (c) whether representations and petitions have come from small tea growers from South India, especially Nilgiris district to increase the minimum fixed price for tea as the current fixed price is inadequate due to rising production costs;
- (d) if so, whether the Ministry would consider to come up with fair price for green tea leaves, as there is decreasing soil fertility, climate change and rise in cost of production; and
- (e) if so, the details thereof?

ANSWER

वाणिज्य और उद्योग मंत्रालय में राज्य मंत्री (श्री जितिन प्रसाद)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

(a) & (b) Currently, there is no provision for fixing minimum price for made tea. Regarding green tea leaf price, District Average Green Leaf tea Price is declared on monthly basis for all tea growing districts of the country based on the average auction price of tea manufactured by the bought leaf factories of a district.

(c) to (e) In order to ensure fair price realization to the tea growers especially the small growers, Tea Board had introduced Price Sharing Formula (PSF) for fair sharing of sale proceeds between the grower and the manufacturer in a certain ratio based on the cost of production of green leaf and made tea. Further, in order to ensure proper implementation of PSF, prices for green leaf are fixed based on average auction price and notified for each tea district and payment of green leaf price to the growers is monitored by the District Green Leaf Price Monitoring Committees headed by the District Magistrates.
