

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
LOK SABHA
UNSTARRED QUESTION NO. 2756
ANSWERED ON 16/12/2025

DOMESTIC TEA PRODUCERS

2756. SHRI PRADYUT BORDOLOI:

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

- (a) whether the Government provides incentives and subsidies to the domestic tea producers of the country, if so, the details thereof along with the categories and criteria for providing such incentives;
- (b) whether the Government plans to establish a minimum sustainable price per KG of produced tea and/or green leaves, if so, the details thereof along with the rate of minimum sustainable price for tea and the rationale behind its determination, if not, the reasons therefor including regarding the reasoning behind not expanding minimum sustainable price to tea;
- (c) whether the Government plans to shift tea from the ambit of the Ministry of Commerce and Industry to the Ministry of Agriculture and Farmers' welfare, if so, the details thereof including the reasoning behind not expanding minimum sustainable price to tea; and
- (d) whether the Government plans to provide subsidies for setting up mini-factories exclusively for the small tea growers, if so, the details thereof, if not, the reasons therefor?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्यमंत्री (श्री जितिन प्रसाद)

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

(a) Tea Board is implementing the 'Tea Development & Promotion Scheme (TDPS)' across the country. Under the scheme, the Tea Board provides support to tea growers for various activities, which inter alia include replantation of old and senile tea bushes, raising of tea nurseries, support for organic certification & conversion, mobilization of small growers into Self Help Groups (SHGs)/ Farmers Producer Organizations (FPOs) and conducting trainings and capacity-building workshops for improving production, productivity, and quality of tea produced in the country. The modalities & guidelines of the TDPS scheme are available on Tea Board's website at https://teaboard.gov.in/pdf/Letter_to_stakeholders_03_10_2024_combined_pdf8764.pdf.

(b) Presently, no such proposal is under consideration. However, 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.

(c) Presently, no such proposal is under consideration of this department.

(d) Under Tea Development & Promotion Scheme, Tea Board provides financial assistance for setting up of mini tea factories by SHGs/FPOs. Financial assistance is provided at the rate of 40% of the actual cost incurred on machinery and civil works, subject to a ceiling limit of Rs 33.00 lakhs per factory (excluding land cost). In case of SC/ ST applicants, financial assistance is provided at the rate of 50% of the actual cost incurred on machinery and civil works, subject to ceiling limit of Rs 50.00 lakhs per factory (excluding land cost).
