



# CONFEDERATION OF INDIAN SMALL TEA GROWERS' ASSOCIATIONS (CISTA)

Website. [www.cista.india.net](http://www.cista.india.net)

Email - [cista2007@gmail.com](mailto:cista2007@gmail.com)

Office: 20, College Para, P.O. & Dist.- Jalpaiguri 735101, West Bengal, Tele Fax - 03561 - 222258

08/01/2018

To  
The Suresh Prabhu  
Hon'ble Union Minister of Commerce & Industry  
Govt. of India  
Udyog Bhawan  
New Delhi - 11

## Sub:- Demands from Small Tea Growers of India

Dear Sir,

Wishing you happy New Year & warm greetings to you from Confederation of Indian Small Tea Growers Associations (CISTA), the only national apex body consisting of nine state federation bodies & one territory authority body representing more than 2.5 Lakhs of small tea growers of India.

**This year (2018), small tea growers in India are urging the Government of India to move away from its historic tea estate-centric perspective and incorporate a farmer-centric perspective in its policies and programmes, recognizing the fact that they produce more than 50% of tea in India.**

Though the contribution of small tea growers in Indian tea production has seen a phenomenal increase within a period of three decades since early 1990s, the Tea Board of India's official figure are yet to capture the real contribution by small tea growers. Of the 1250.49 million kg of tea produced in India in 2016-17, Tea Board calculates 550.30 million kg (44.01 %) has been produced by the Bought Leaf Factories. This is the figure Tea Board of India gives as the contribution of small tea growers assuming that the entire product of small tea growers goes to the Bought Leaf Factories. This is a gross miscalculation as a very large volume of green leaf goes to the Estate Factories. It could safely be argued that currently small tea growers produce more than 50% of tea produced in India.

For most of the 2.5 lakhs small tea growers in India, owning less than one acre of land, tea cultivation is a means of livelihood and employment and therefore contributes in eradicating poverty in the rural areas. About 1.2 million people are said to be dependent on tea estates. Nevertheless, inclusive of small tea growers and those working in their gardens, people dependent on tea in India must be double the figure of 1.2 million.

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*Chai Piya Mast Jiyo!*

### Constituent associations

- ALL ASSAM SMALL TEA GROWERS ASSOCIATION ● FEDERATION OF SMALL TEA GROWERS ASSOCIATIONS - THE NILGIRIS
- UNITED FORUM OF SMALL TEA GROWERS ASSOCIATIONS WEST BENGAL ● ALL KERALA SMALL TEA GROWERS FEDERATION
- ALL TRIPURA SMALL TEA GROWERS ASSOCIATION ● ARUNACHAL PRADESH SMALL TEA GROWERS ASSOCIATION
- ALL NAGALAND SMALL TEA GROWERS ASSOCIATION ● MEGHALAYA SMALL TEA GROWERS FEDERATION ● MIZORAM SMALL TEA GROWERS ASSOCIATION





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## FALL IN PRICES OF GREEN LEAF:

The greatest challenge being faced by the small tea growers is that the prices they get for green leaf is never sufficient to meet the cost of production, threatening their income security and plunging them into chronic indebtedness. On an average, the farmers obtained only Rs.9.00 and Rs.7.00 in West Bengal and Tamil Nadu / Kerala when the cost of production was Rs.15.50 and Rs.18.50 respectively. In Assam too, the farmers received only Rs.14 .00 when the cost of production was Rs.18.50. It is in a context when the retail prices of tea have never fluctuated. This shows that the measures taken by the Tea Board of India, like declaring a price sharing formula, the declaration of a monthly minimum benchmark price etc. have not helped in ensuring a sustainable price for green leaves. The fact that this is a national phenomenon hints at structural reasons for the failure in making tea cultivation sustainable. The situation in Tamil Nadu, West Bengal & Kerala is worse because the tea processing factories engage in reconditioning of tea during the lean period, bringing down the quality as well as the prices of tea. **In this context, we strongly urge that the Government of India, under provision Section 30(a) of Tea Act, 1953 declare minimum support price for green leaf produced by the small tea growers.**

## IMPACT OF CLIMATE CHANGE AND COMPENSATION FOR CROP LOSS:

Small tea growers are essentially farmers engaging in the cultivation of tea as a crop. Tea is grown only in specific geographical and ecological conditions, but these areas are highly sensitive to climate change induced factors. Tea farmers face heavy crop losses due to recurring instances of hailstorms, frost, heavy rains and droughts. At present, there are no systems to compensate farmers for such unexpected losses of crop and income. Moreover, vulnerability increases in the absence of mitigating strategies and preparing farmers to overcome negative impacts of climate change. **We strongly urge the government of India to implement crop insurance schemes and invest in preparing farmers to face the challenges of climate change.**

## IMPACT OF INDO-ASEAN FTA ON SMALL TEA FARMERS:

The implementation of the Free Trade Agreement (FTA) in goods signed between India and ASEAN countries began from 1st January 2010 and paves the way to mutually eliminate or modify tariffs on approximately 4500 products, including tea, in a time bound manner.

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Among ASEAN countries, Vietnam is the 6th largest and Indonesia, the 7th largest producer of tea globally. Share of ASEAN in total global tea exports is 3.41%. Among ASEAN countries, India's tea exports are higher than Cambodia, Thailand, Singapore and Philippines. Though a tariff cushion of 45% will remain after tariff cuts are imposed, this cushion may not be sufficient to protect domestic prices. Negative impact of the cheap imports from the major tea producing countries of Indonesia and Vietnam will cause havoc to the small tea growers, who have no other protection than the price realised on a daily basis. **We strongly suggest that India must consider this matter in the Joint Committee under the agreement and ensure that the FTA does not impact farmers in the tea producing countries.**

## FINANCIAL ALLOCATIONS AND DISBURSEMENTS:-

STGs are aggrieved by the fact that financial allocations to small tea growers are not commensurate with the contributions of small tea growers to Indian tea industry. Worse, only a very small percent of the minuscule allocation to small tea growers actually reach them. This attitude must change.

### Our Specific Demands

1. Tea board of India must move out from its historic tea estate-centric perspective and incorporate a farmer-centric perspective in its policies and programmes.
2. Government of India, under provision Section 30(a) of Tea Act, 1953, must declare minimum support price for green leaf produced by the small tea growers.
3. Government of India must empower small tea growers to free themselves from the debilitating dependence on leaf agents and to set up a centralised agency to facilitate manufacture and marketing of small grower tea.
4. Government of India must implement crop insurance schemes and invest in preparing farmers to face the challenges of climate change.
5. Considering the negative effect the Indo-ASEAN FTA would have on domestic prices of tea in the coming years, Government of India must renegotiate the clauses in the Joint Committee under the agreement and ensure that the FTA does not impact farmers in India.

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We hope our genuine demands will be considered by the Union Govt.

Thanking you

With regards

Sincerely yours

(BIJOY GOPAL CHAKRABORTY)  
President, CISTA

CC to :-

- (i) Sri Pravat Kamal Bezbarua  
Chairman, Tea Board of India
- (ii) Sri Santosh Sarengi  
Joint Secretary (Plantation)  
Ministry of Commerce & Industry, Govt. of India
- (iii) Sri Shyamal Misra  
Dy Chairman  
Tea Board of India
- (iv) Sri S Soundarajan  
Director, Tea Development  
Tea Board of India

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