

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

RAJYA SABHA
UNSTARRED QUESTION No. 2440
ANSWERED ON 21/03/2025

DEMAND TO INCREASE MINIMUM FIXED PRICE FOR TEA

2440. SHRI VAIKO:
SHRI M. SHANMUGAM:

Will the Minister of Commerce and Industry be pleased to state:

- (a) whether there is price differentiation between Northern and Southern Tea in the minimum fixed price for tea as announced by 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 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

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.
