

**Nilgiris Nelikolu Micro & Small Tea Growers and  
Farmers' Development Society  
(Reg.No.101/2013)**

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08-04-2019

COONOOR

**Representation submitted on behalf of Small Tea Growers during the Stakeholder's Meeting held on 08-04-2019 at Coonoor.**

Respected Sir,

During the last twenty years, government of India and the Tea Board engaged three expert committees (a) Fergusson & Co (b) Institute of Caste and Works account of India (c) The Indian Institute of Plantation Management to study about the cost of production of green tea leaf and the Made Tea and also to study about the socio-economic conditions of the Small Tea Growers (STGs).

**The findings of the expert committee regarding the STG's are as follows: -**

*a) the low price realization for green leaf is the major deterring effect for the STGs towards producing good quality of leaf.*

*b) as the average price realization was lower than the average cost of production of green leaf, the same was of great and common concern of all the STGs.*

*c) the reason for poor quality of leaf is that, they are not adhering to the pruning cycle in an effort to cut down the wage cost. They adopt coarse plucking as the price they get from the leaf does not encourage them to go for fine plucking.*

*d) they have been encouraged by the BLFs who are accepting poor quality green leaves at a lower price.*

*e) most of the STGs are not even aware of the existing price sharing formula and they are usually accepting whatever price offered by the BLFs*

*f) the average cost of production for green leaf for the year 2002 was Rs. 5.33/-, whereas the same for the year 2006 was Rs. 6.45/-.*

*g) whereas the average price realized by the STGs for the year 2002 was Rs. 4.87/- and for the year 2006 it was Rs. 5.52/-. The proposition of loss was steadily increasing year after year and by the year 2014 the same was more than Rs. 5 per kg of green leaf.*

*h) Therefore the STGs are continuously sustaining loss year after year.*

*The findings of the expert committee regarding the BLF's are as follows: -*

*a) the serious limitations in plant infrastructure and technical know-how in the BLFs are the major cause for the quality of Made Tea.*

*b) the BLFs could play a greater role in ensuring quality of Tea by monitoring the quality of leaf they accept.*

*c) BLFs are accepting poor quality green leaves at lower price.*

*d) BLFs produced different quality tea depending on supply of grade of leaf they received.*

*e) the BLFs lack of good technical knowledge and quality management.*

*f) there is an imbalance in capacities of the different machines at different process stages. Withering troughs were over loaded with leaves with depth of more than 2 feet and the standard average of 3 Kg of leaf per sq.ft of trough is rarely followed by them.*

*g) BLFs are handling the green leaves in a poor manner due to the shortage of their Trough capacity and improper withering which is a major cause of damage on the quality*

*h) the average monthly price realized by the BLFs through private sale is not available to anybody including that of the Tea Board.*

*i) there is lack of transparency and associated administrative problems of the BLFs which often lead to distortion in the distribution of the realized price between the STGs and BLFs.*

*j) the cost of production of 1 kilogram of Made Tea excluding the cost of green leaf for the year 2002-2003 was Rs. 14.30/- and the same was Rs. 15.00/- in the year 2006.*

*k) for the same period, including the cost of the green leaf the cost of production was Rs. 36.20/- and Rs.40.59/- respectively. The increase was 12%.*

*l) whereas average price realized by BLFs for the year 2002-03 was Rs. 36.35/- and the same was Rs. 48.65/- for the year 2006-07, hence the increase was around 33%.*

The above findings of the Expert Committee are binding upon the Government of India and the Tea Board. The Tea Board having decided to implement the order of the Hon'ble High Court Madras dated 12-10-2012 must stand to the cause to secure the Realistic Price for our green tea leaf. In view of the order passed by the Hon'ble High Court and the above stated categorical findings of the Expert Committee it is no more open to the Tea Board to evade the realization of due price to our green tea leaf on the

ground of quality. The constitution of District Level Price Monitoring Committee under the Chairmanship of the District Collector along with the procedure to fix the price for the green leaf on the basis of the average price realized by the BLF's during the previous month is a right course of action.

The writ petitions now filed on behalf of the BLF's Association challenging the constitution of the District Level Price Monitoring Committee are prima-facie unsustainable and have no valid legal grounds. In-spite of the fact that the Hon'ble High Court has not granted any interim order in favour of the BLF's Association, the Tea Board and the District Level Price Monitoring Committee is slack in their performance, thereby allowing the BLFs to continue to make profit month after month and on the other hand strangulate the STGs by denying their livelihood. Mere pendency of the writ petition cannot be a valid ground to postpone the regular meeting of the District Level Price Monitoring Committee. The BLFs having filed the case are not showing interest to conduct the case and they are gaining time by taking repeated adjournments.

In the above circumstances on behalf of the STGs it is requested that,

**either**

**the Government of India & the Tea Board shall take effective steps to defend the present writ petitions filed on the behalf of BLFs by engaging the Additional Solicitor General, Southern India**

**or**

**by exercising the power Under the section 30 of the Tea Act fix Rs. 30/- as the minimum price for the green tea leaf of the STGs, which is to be paid as down payment at the time of supply of the green tea leaf at the factory premises.**

Thanking You.

Secretary

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