



NELIKOLU CHARITABLE TRUST

Kekkatty, Elanhalli, Post, The Nilgiris- 643243.
305, Linghi Chetty St., 3rd Floor, Chennai-600001.

நங்கவ நங்க அறிவோ
Let's know ourselves

நெலிகோலு அறக்கட்டளையின் சமூகப் பணிகள்

நீலகிரி சிறு விவசாயிகள் நலனில் நெலிகோலு அறக்கட்டளையின் பங்கு:
பாகம் - 3

நீலகிரி சிறுகுறு தேயிலை விவசாயிகளின் துயர் துடைக்க நெலிகோலு அறக்கட்டளை எடுத்த முயற்சிகள் அவ் விவசாயிகள் மனத்தில் என்றென்றும் நிலைத்து நிற்கும் என்பதில் ஐயம் இல்லை.



LETTER GIVEN TO PARLIAMENTARY COMMITTEE:

Nilgiris Nelikolu Micro and Small Tea Growers & Farmers' Development Society (NSTF),
Admin Office-YBA Buildings, Wenlock Road, OOTY, The Nilgiris-643202,Tamil Nadu.

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10.05.2017

To
The Honourable Members of Parliamentary Committee,
Camp at Nilgiris,
Tamil Nadu.



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Respected Sirs/Madam,

Regarding the **proposed Insurance Scheme for Plantation Crops (RISPC)**, we submit the following suggestions for the favourable consideration of the Hon'ble Members :-

- ❖ The proposal that the **average price** for the insured crop shall be based on average domestic / international auction / indicator price of the last 5 years is causing concern to the Nilgiris Small Tea Growers.
- ❖ The Hon'ble High Court, Madras in its Judgement dated **12.10.2012** had categorically held that the artificial market sources are at play at the Tea Market, therefore it must be the endeavour of the Government of India to provide a **REALISTIC PRICE** to our green tea leaves and it must be based upon ground reality regarding the cost of production of our green tea leaves (ref. para 24 of the Judgment)
- ❖ Following the judgement, the Government appointed **IIPM (Indian Institute of Plantation Management) Expert Committee** by their report dated March, 2013 had also found that the Small Tea Growers could not be able to realize their due price due to artificial market forces coupled with the mismanagement and deliberate misdeeds of the **Bought Leaf Factories (BLFs)** (refer 44 and 60 of the IIPM report).
- ❖ With the above findings glaring at our face, the present proposal to arrive at the Average Price on the basis of domestic/international auction for the last 5 years will not be of any benefit to the Nilgiris Small Tea Growers.
- ❖ Therefore, the methodology to be adopted by the government to the insurance coverage must be as per the Judgment of the Hon'ble High Court dated 12.10.2012 and the findings of the IIPM expert committee, in addition to the cost of production of Green Tea Leaves at **Rs. 16/- (base year 2013)** shall be the Indicator for fixing the **REALISTIC PRICE** for our green tea leaves.
- ❖ Escalation of cost for the last 3 years, at least one rupee per annum, shall be **Rs. 3/-** for the last 3 years
- ❖ Therefore, the cost of production of 1 Kg of Green Tea Leaves as on **01.05.2017** must be **Rs. 19/-**
- ❖ As suggested by **Dr.M.S.Swaminathan**, that at least for survival of small farmers, we are entitled for at least **50% extra to the cost of production**. Therefore, the **REALISTIC/ BENCH MARK PRICE** the small tea growers are entitled for **1 Kg of Green Tea Leaves** is **Rs.28.50/-**, which is to be reviewed annually.
- ❖ Hence, this amount of **Rs.28.50/- (as on 01.05.2017)** shall be the rate receivable by the **Nilgiris Small Tea Growers**, and for the purpose of insurance, the price fluctuation must be arrived at, taking the above rate as the Base Rate into consideration.
- ❖ The Average Price based on domestic/ international auction for the last 5 years should not be made applicable to our green tea leaves because it is already proven to be loss making endeavour to the small tea growers.
- ❖ As we are all aware, the tea being the perennial crop, fixing crop season to Green Tea Leaves may not be advisable. The crop insurance shall be made available on the basis of the annual average crop yield per acre.



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- ❖ Regarding the contribution of insurance premium, the Government of India must ensure, by way of appropriate amendment to the Tea Marketing Control Order (TMCO ACT), that the State Government shall pay their share of 15%. At any cost, it should not be made as a liability on the part of Small Tea Growers.

Hence, we kindly request the Hon'ble Members to look into this matter and do the needful for the sustainable livelihood of The Nilgiris Small Tea Growers.

Thanking You With Regards.

Yours Sincerely,
for NSTF Society,

H N SIVAN, Founder President, S. RAMAN, President & K.KENNEDY, Gen Secretary.