

CHENNAI STGs GROUP

Discussion meeting held on 08.09.2018 at YWCA, Chennai.

Presided by R.Ambalavanan I.A.A.S

Key Note

Dear Brothers,

A Group for STGs (Small Tea Growers) at Chennai; is there any meaning behind this purpose?

Our assertive answer is YES.

Majority of us assembled here may be the 1st or 2nd generation salaried group. Earlier to that, the predominant occupation of our Community was Agriculture which needs no further elaboration. Our independent identities, which includes our tribal qualities are sustained even till date (at least at a dormant level) only because of the reason that our above avocation and our home land were interconnected, thus we were able to preserve identities.

Whereas, during the last 30 years, there is a large scale migration of our native people to the neighbouring Districts and States. Due to time constrains we are not elaborating many of the reasons behind this issue of migration, but for stating that the down fall in the price for our Green Tea Leaf is one of predominant reasons. Consequences of migration need not to be expressed in elaborate terms. Therefore, as a concerned BADAGA, we thought it necessary to understand more about the issues pertaining to Tea Trade and the status of our Small Tea Growers. After a preliminary understanding this Group is convinced that the present state of our Brethren STGs in Nilgiris is our own creation, hence educating them or at least enlightening them is inevitable.

We honestly believe that the present crises can be resolved, provided we make our brethren STGs aware of certain basic facts regarding this Tea Trade. Our attempt is not to discuss about the international scenarios, but to address certain basic issues. To

understand the present Tea Trade, it is necessary to know the History (rather the Politics) of the Tea Trade.

Brief History: -

Tea is the native of China, who considered it sacred and kept the Technology secret. When the European Royal Communities came to know about that "China Drink", they were desperate to taste the same. Smuggling was the only way out. It was a surprise that in 1834 the Tea Committee was established under the control of the then Governor General of India. The great East Indian Company engaged Mr. Robert Fortune for an annuity of £500. He was successful in his mission, 13,000 plants and 10,000 seeds were smuggled by him into India, thus originated the Tea Gardens in Eastern India (Assam, Bengal etc.). Supply of Branded 'Made Tea' to the Royal Britishers was one of the main trade activity involved by many of those Companies.

Therefore, the 1st lesson we should understand was that tea was introduced to India not as means of livelihood for our countryman, but it is to serve the British Royals. Even post-independence, the scenario continues as same. This is obvious from the fact that the very object of the "The Indian Tea Control Act, 1938" was "to control the export of Tea and extension of its cultivation". Even the present Tea Act, 1953 was enacted with an object "to provide for control by the Union of India in pursuance of the International Agreements now in force of cultivation of Tea, and of the export of Tea from India and to levy a duty of excise on Tea product".

Thus, neither the History nor the present day politics is of any help to the STGs. Therefore, we have to create our own rights.

Is there any right created.?

The answer is YES.

✍ In pursuant to the order passed by the Hon'ble High Court, Madras in W.P No. 39192 of 2002, the Price Sharing Formula was announced. Please

understand that, earlier to this order, there was no methodology regarding the price sharing between STGs and BLFs (Bought Tea Factories).

Secondly, pursuant to the order dated 12.10.2012 made in W.P No's. 8780 & 10091 of 2008 the following developments took place:

Para 30A(5) of T.M.C.O was duly amended by constituting

- ☛ A District Level Price Monitoring Committee (DPMC) under the Chairmanship of the District Collector.
- ☛ A precise formula was announced to arrive at a "Realistic Price" to which the STGs are entitle.

We consider the above are remarkable achievement in the present day scenario where Agriculture has become a neglected sector. However, our brethren are yet to realize the fruits. Hence it has become necessary to analysis the reasons behind the same.

Whether Tea cultivation is a profitable avocation...?

No doubt the STGs are sustaining loss and we were not able to realize at least our manufacturing cost is the major issue. Whereas we must realize, but for the STGs, all other stake Holders including the BLFs are earning profit. We are making the above statement with reference to the data as found in the ICWAI and IIPM Committee reports, which in pursuant to the above orders of Hon'ble High Court, Madras.

S No.	Year	Quantity of Green Leaf supplied by STGs (in Kg.)	Probable Quantity of made Leaf produced (in Kg.)	Loss sustained by STGs per Kg. Of Green Leaf.	Profit earned by BLFs per Kg. Of made Tea
1.	2002-03	6,05,000	1,51,250	Rs.0.46/-	Rs.2.57/-
2.	2006-07	15,31,000	3,82,750	Rs.0.93/-	Rs.11.57/-
3.	2013-14	1,84,50,000	46,12,500	Rs.4.55/-	Rs.16.58/-

As stated above the present DPMC during their 10th meeting held on 04.10.2017 had estimated that Rs.37/- crores is the default amount by the BLFs for the period of just 20 months between Dec,2015 to Aug,2017.

The above data by itself will prove beyond doubt that our share of profit is eaten by somebody. The purpose of this meeting is to find a way to realize our share.

Whether small tea sector is viable. Here again we affirm the small tea sector is definitely viable. The alleged reasons like non availability of labour etc can be better addressed once we are able to secure the price which actually is due to us. In fact we take strength in asserting that this avocation is still viable by quoting the following:-

TATA Tea Box

1. As you all are aware, TATA, India's leading Enterprises Group had invested a very substainal amount, focusing the domestic tea market. In fact, they termed it as a social cause.
2. Recently a chain of Tea outlet "Chai King" was launched at the investment of Rs.2 crores by an NGO "Chennai Angles".
3. Thirdly, Mr. Rudra Chatterjee, Managing Director, Lakshmi Tea Co. Pvt. Ltd. one of the leading Tea industries had stated as below

"I consider growth of small tea segment a net positive as it has created so many livelihoods for the youth who may have strayed otherwise. However, there is a need to regulate the BLFs sector which process the crop of STGs. People will not stop drinking tea but there is some inherent structural issue which need to be looked into"

The scope of tea trade is enormous, provided we are able to shift our focus and look behind the Green Tea Bushes.

The present initiative is to create few other similar Groups and make our brethren STGs more aware about their own rights and scope of their avocation.