

Bought tea leaf manufacturers agree to pay minimum fixed rates to small tea growers in Assam

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Guwahati, Jul 26: To ensure price realisation of green tea leaves provided by small tea growers and to maintain the quality of the tea manufactured by BLFs, the Assam Bought Leaf Tea Manufacturers Association has decided to pay minimum benchmark price for green tea leaves and accept only the fine quality leaves, as per stipulations laid down by Tea Board India.

The decisions were taken unanimously at a meeting at Dibrugarh on Sunday and will be effective from July 27, Chand Kumar Gohain, president, Assam Bought Leaf Tea Manufacturers Association, told PTI.

All the member factories have been requested to abide by the Tea Board norm of strictly accepting fine quality leaves which should form 65 per cent or above by weight, he said.

Gohain also requested all members to pay minimum benchmark price of green tea leaves as declared by the Tea Board, and further urged the members to inform their respective green tea leaves supply chain of the decisions.

The low price realisation of green tea leaves supplied by the small tea growers to the Bought Leaf factories (BLFs) has been a persistent problem for the growers, which was placed before the Assam government in a meeting with the state's Industry minister on Friday.

The green leaves price which was around Rs 40 per kg in April-May this year had dropped down to Rs 15-20 per kg this month, tea industry sources said and claimed that the prices fluctuate without any apparent reason.

The BLFs, on the other hand, allege that the leaves provided are of inferior quality, which lead to low auction rates and consequent drop in prices for procuring the green leaves.

The Confederation of Indian Small Tea Growers Association (CISTA) had written to Union Industry and Commerce Minister, Piyush Goyal, on Saturday urging him to declare Rs 25 per kg as the minimum support price of green tea leaf produced by small tea growers of the country.

CISTA president BG Chakraborty in the letter claimed that small tea growers of Assam and West Bengal had to recently sell their green leaves at Rs 15-17 per kg and the prices, determined by the 'whims of factory owners', are never sufficient to meet the cost of production.

Chakraborty had further alleged that factories are not interested in following the rules laid down by the Tea Board relating to paying minimum benchmark price to small tea growers.

Sunday's meeting has tried to address both the issues and urged both sides – the small tea growers and the BLF owners, to abide by a 2013 circular of the Tea Board in this regard, industry sources said.

As per the circular, "The minimum price of green tea payable for the month, district wise, shall be determined after taking into account the average price of CTC teas sold through auction during the previous month and no downward variation should be made for the entire month."

The District Price Monitoring Committees will notify the prices on the basis of the auction rates for the previous months, which would be uploaded on the Tea Board's website at the beginning of every month.

The price payable will also have to be displayed prominently in the factory premise, the circular had further said.

On the matter of quality, the circular had specified that the manufacturing units have to ensure that fine shoots consisting of 2-3 leaves and a bud and very soft banjis form 65 per cent by weight of the green tea leaves they accept. Similarly, soft banjis must not form more than 30 per cent by weight and coarse leaf are not more than 5 per cent by weight.

Moreover, green leaf rejected by one factory in view of poor quality cannot be accepted by another factory, the circular specified.

"Non-compliance of the above guidelines on the part of any registered manufacturer outsourcing green leaf from small tea grower may lead to cancellation of registration under the Tea Marketing Control Order, 2003," it had added.

Welcoming the move, Dinesh Bihani, secretary, Guwahati Tea Auction Buyers' Association, said it will be beneficial for all stakeholders.

He said, "It's is good move for the entire tea industry. In the long run, quality tea leaves will lead to better tea being manufactured, which will fetch good remunerative prices. It will, in turn, benefit the small tea growers as well as the tea factories."

There are about 2 lakh small tea growers in the state, who account for nearly 50 per cent of the state's annual tea production.

Out of 618.20 million kg tea produced in the state in 2020, small tea growers accounted for 285.19 million kg and big growers/ gardens for 333.01 million kg, as per Tea Board India data.

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