

Big planters flay Tea Board's 50% auction order

Sovon Manna | TNN | Jul 26, 2021, 05:07 IST

Kolkata: The [Tea Board](#) of India has issued a circular to make it mandatory for all producers and planters to sell a minimum of 50% of tea leaves grown in their gardens via public auction in a calendar year. Board, in its circular dated July 15, 2021, advised all the tea producers' bodies and planters in the country to comply strictly with the order or face action.

Although the Tea Board claims that this circular would help "make the auction system robust and bring stability in the price realisation process", producers are not very happy about the move.

Azam Monem, wholetime director of bulk tea producer McLeod Russel, told TOI that producers are fetching better prices outside auctions and this cash-strapped lot will naturally be more interested to take that route. "After all, it is a buyers' market as they demand more customised and quality tea through private sales. Large producers are already under pressure owing to the auction market crash, high wages, weak retail sales in lockdown and drought. This new order might make life more difficult for them," he added.

The Tea Board, in this regard, has conducted a detailed analysis of the auction participation for the last two years and noticed that the manufacturers are not sending at least 50% of their tea through public auctions.

"In case of non-compliance with the above stated order, action will be initiated by the Tea Board as per the provision of the Tea (Marketing) Control Order (TMCO), 2003," says the circular signed by Tea Board secretary Rishikesh Rai.

Notably, after the order was issued for the first time on October 1, 2015, under section 30 of the Tea Act, 1953, almost the entire industry, including producers and buyers, had voiced their opposition, and the Board had kept its plan on a dormant mode.

Now, the planters are at a loss trying to figure out what prompted the Board to revive the order amid inadequate output and price fall.

Indian Tea Association ([ITA](#)) secretary [Sujit Patra](#) said: "Producers have put in efforts and spent money to ensure their products get directly sold at a remunerative price and cash flows quickly, which the present auction system does not facilitate. If it is an experiment, it is detrimental for the tea industry. It doesn't offer any protection against continuous price fall. Tea board should rather implement and ensure a minimum floor price above cost of production to arrest free fall for all teas."

A tea garden owner who doesn't want to be named said: "This is discriminatory. If there is no stipulation on the buyers then there should be no such mandatory stipulation on the sellers."

However, the umbrella organisation of the small tea growers' body [Cista](#) has welcomed the new order of the Tea Board. "This order will enhance the transparency of price realisation," said Bijoy Gopal Chakraborty, president, Cista.

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