

Grant for Darjeeling tea

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Calcutta: The Union commerce ministry is pushing for a financial assistance package for the ailing Darjeeling tea industry which was forced to remain closed for 104 days because of political turmoil in the hills.

Based on a plea from planters, the ministry has sought help in the form of a one-time grant to clean the gardens and prune the tea bushes.

Darjeeling tea industry lost 5 million kg tea production, including the world famous 'second flush' crop, with losses running over Rs 700 crore.

Santosh Sarangi, joint secretary (plantations) with the commerce ministry — the administrative ministry of the Tea Board, the tea sector regulator — said the department of expenditure under the ministry of finance was working out the final contours of the rejuvenation package.

"This is going to be an extra budgetary allocation because such a situation was not foreseen. I do not want to put a number or the method of disbursement," Sarangi said on the sidelines of the 134th annual general meeting of the Indian Tea Association.

The Darjeeling Tea Association had asked for a financial package of Rs 320 crore for maintenance activities that include cleaning weeds and pruning bush-



SEEKING HELP

es. However, the Tea Board considered the amount to be too high and worked out an assistance of Rs 100 crore which has now been put forward to the finance ministry for approval.

"Gardens in Darjeeling spend around Rs 1.8 lakh per hectare in a full year for maintenance activity. The package will work out one-third of that since the gardens were closed for a brief period," Tea Board chairman Prabhat Bezbaruah said. Since gardens were closed, bushes had overgrown and weeds covered the tracts.

There are 87 gardens in Darjeeling spread over 17,800 hectares, producing around 8 million kg tea in a year. The industry employs 60,000 permanent and 30,000 temporary workers. DTA secretary

Kaushik Ghosh said the closure has wrecked the financials of the gardens.

"The industry paid around Rs 60 crore of bonus after gardens reopened in October despite having lost out on production of the major crop (second flush). Owners are now fully stretched to meet salary obligations, leave alone taking up maintenance activities," Ghosh said.

The tea industry takes up pruning activity during the winter months when no plucking takes place. Gardens go back to production from March every year.

Tea Board role

The Modi government is looking to rework the role of several commodity boards, including the Tea Board, changing from a mere subsidy disbursing entity to a more proactive body.

"The role of the Tea Board will change from being a subsidy disbursement body to an entity which would closely work with the industry," Sarangi said.

He said the overall turnover of the tea industry was huge, and, therefore, it is not required for the government to dole out subsidies.

"The cost of administering the subsidies through the Tea Board outweighs the quantum of subsidy itself," Sarangi, former deputy chairman of the Tea Board, said at the AGM of the Indian Tea Association here on Tuesday.