

## Plantation crops

8.7 The plantation sector comprising tea, coffee and rubber was plagued by a number of critical problems such as low prices, increasing cost of production, declining export volume and price realization in 2003-04. A general over-supply situation and the slowing down of consumption growth adversely affected the prices of these commodities.

8.8 To mitigate these problems and reenergize the plantation sector, Government took a series of measures in 2003-04. A separate fund for development, modernization and rehabilitation of the tea plantation sector was created by abolition of the excise duty of Re 1/kg on tea and its replacement by an additional excise duty of Re 1/kg by way of

surcharge. The fund would be used for revival/rehabilitation package for closed tea gardens, encouraging production of orthodox tea for exports, assistance to the two major research and development (R&D) institutions in the tea sector in Assam and in Tamil Nadu, and for generic promotion of tea in India.

8.9 In order to provide protection to small coffee growers against volatility of coffee prices, Government approved implementation of a price insurance scheme on pilot basis by the Coffee Board in collaboration with the Commodity Risk Management Group (CRMG) of the World Bank. The production, consumption and trade in respect of the plantation crops, viz. tea, coffee and natural rubber, are given in the Tables 8.6, 8.7 and 8.8, respectively.

**Table 8.6 : Tea production, consumption and trade**

(Qty: Million Kgs Value: Rs crore)

Year	Production		Export		Import		Domestic Consumption
	Qty	Qty	Value	Qty	Value	Qty	
1997-98	835.64	211.26	2003.15	2.61	17.79	602	
1998-99	854.78	205.86	2191.84	8.93	64.73	620	
1999-00	835.35	192.44	1932.66	10.36	61.97	638	
2000-01	848.36	203.55	1889.78	15.23	95.47	658	
2001-02	847.25	190.00	1695.78	16.02	82.70	678	
2002-03	837.60	184.40	1665.04	19.67	90.91	698	
2003-04*	850.49	180.43	1552.61	8.28	50.99	719	

\* Estimated  
Source : Ministry of Commerce and Industry.

**Table 8.7 : Production, export and consumption of coffee**

(Lakh tonnes)

Year	Production	Export			Domestic consumption
		Qty	Rs crore	US\$ million	
1990-91	1.70	1.00	279	108	0.54
1996-97	2.05	1.81	1467	452	0.55
1997-98	2.28	1.79	1708	477	0.50
1998-99	2.65	2.12	1752	431	0.50
1999-2000	2.92	2.45	1901	371	0.55
2000-01	3.01	2.47	1374	243	0.58
2001-02	3.01	2.13	1050	246	0.60
2002-03	2.75	2.07	1051	234	0.70
2003-04*	2.75	2.32	1156	262	N.A.

\*Estimated  
N.A. : Not available

**Table 8.8 : Natural rubber consumption, production and yield**

Year	Consumption ('000 Tonnes)	Production ('000 Tonnes)	Yield (Kg/ha)
1997-98	572	583	1549
1998-99	592	605	1563
1999-00	628	622	1576
2000-01	631	630	1576
2001-02	638	631	1576
2002-03	695	649	1592
2003-04*	718	711	1592

\*Estimated.  
Source : Ministry of Commerce and Industry.