

M. KARUNANIDHI
CHIEF MINISTER



SECRETARIAT
CHENNAI - 600 009

Date: 11.8.2007

Dear Kandrase

The Nilgiris District in Tamil Nadu survives primarily on tea business. Tea is a predominant crop here, which has been cultivated for more than 155 years. Tea is grown mainly, as it involves less attraction of pest and insects problem and would withstand all seasons. Therefore, cultivation of tea is important for the economy of Nilgiris District apart from Tourism. The Nilgiris District account for more than 70% of total tea produced in the State of Tamil Nadu. The price paid to the Small Tea Growers' green tea leaves varies from region to region and factory to factory. The prices are fixed by the individual tea manufacturing factory, after taking into account, the sale proceeds of made tea and the manufacturing cost.

The condition of the small tea growers in Nilgiris District are pathetic that many of them have mortgaged their lands for raising the tea crops and are unable to repay the loan amount. Since 1998, the Small Tea Growers and the labourers are agitating for fixing reasonable price for green tea leaves grown by them. Considering their pathetic condition when the DMK was in Coalition Government, on 1.5.2000, the then Hon'ble Union Minister for Commerce Thiru.Murasoli Maran announced in Parliament, payment of subsidy at the rate of Rs.1.25 per Kg. payable from 1.5.2000 onwards. This was paid to the tea growers and subsequently on 24.7.2000, the subsidy was increased from Rs.1.25 to Rs.2.00 per Kg. Apart from the subsidy announced to the tea growers, the then Union Minister Thiru.Murasoli Maran, was instrumental in increasing the import duty on tea from 15% to 35% so as to discourage the import of tea from the foreign countries.

Now, I invite your kind attention to the decision passed by the Hon'ble High Court in W.P.No.39192 of 2002, dated 15.6.2007, wherein the Hon'ble High Court has passed the following order :

Para-12 : "Considering the facts and circumstances of the case and after going through the averments made by the petitioner and the

respondents, we are not able to accept the submissions made by the learned counsel for the first respondent that it is not mandatory to fix the minimum price on the tea leaves who manufactures green tea.

Therefore, considering the difficulty expressed by the petitioner in the affidavit with regard to fixation of minimum or maximum price as they are not able to compete with the tea merchants like Hindustan Lever, Tata and AVT and also due to change in circumstances, without expressing any opinion and the rival contentions, we consider it appropriate to direct the respondents to consider the representation made by the petitioner on 3.4.2002 and pass appropriate orders within a period of two weeks from the date of receipt of a copy of this order. With these observations, the writ petition is disposed of. No costs."

Under these circumstances, on behalf of small tea growers in Tamil Nadu, I kindly request you to fix the minimum price at a very reasonable level for green tea leaves grown by small growers; protect them from financial crisis; and enable them to raise their standard of living. I will be grateful for an early action.

Kind Regards

Yours sincerely,

M. Karunanidhi

(M.KARUNANIDHI)

To

Thiru Kamal Nath,
Hon'ble Union Minister of Commerce & Industry,
NEW DELHI-110011.

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