

GREEN LEAF CESS

**9.2. SHYLOCK SEEKS HIS POUND OF FLESH :
Green Leaf Cess in Assam may Bleed small Tea Growers to Death**

N.K. Jain, Editor IJTS

ABSTRACT

The silent economic revolution by small tea gardens across Assam has helped tackle rural unemployment apart from using land in an environmentally friendly manner. Instead of a reward for putting the otherwise unproductive land to good use the small tea growers have been asked to pay green leaf cess @ 20 paise(\$0.004) per kilo of green leaf, which amounts to Rs. 650/ per bigha(\$100/ha) per annum, says a news item in The Indian Express of April 8, 2009, edited version of which is reproduced in the text below.

There are 65000 first generation small tea gardens across Assam, which support more than 300,000 families, including 2,78,000 laborers and 10,000 clerical staff employed. The green leaf produced by these small holder growers is processed by some 210 bought leaf factories, which produce 130 million kilo tea or 25% of the Assam States' total production. The small tea growers have now been asked to pay the green leaf cess in addition to a land cess of Rs. 22 per bigha(\$ 3.30/ha) and a fine of Rs. 200 per bigha(\$ 30.00/ha) if they put under tea the Government fallow land. Will this levy suffocate a green technology and kill the proverbial goose that lays the golden eggs of rural prosperity and environmental health? Global experience shows that if the State could organise these small growers on the pattern of KTDA (refer to chapter 2 in this special issue) or TSHDA in Srilanka (refer chapter 3 in this issue) or closer home in Uttarakhand Tea Development Board (refer chapter 4 in this issue) or Kangra Tea Cooperatives, with technical support, processing and marketing facilities, the growers will earn more income and the state more revenue.

Introduction

Small growers will have to pay at least Rs 650 per bigha annually (News in the Indian Express dated 08.04.09)

" A CESS of 20 paise (\$0.004) per kg imposed by the Assam State Government on green leaf produced by small tea growers has not only caused large-scale resentment among the 65,000 people producing tea in their backyard gardens. Many feel that it is a very heavy burden on them.

Most of the small tea growers are villagers who have converted their homestead land into small tea estates. Paying 20 paise (\$0.004) per kg of green leaf is just impossible," said the President of the All Assam Small Tea Growers' Association.

Interestingly, while the state Government, in its budget for 2008-09 initially proposed to impose the cess on the tea factories that purchase green leaf from the small growers, a gazette notification published in February this year has passed on the burden of the cess to the small tea growers.

N.K. Jain, Editor
International Journal of Tea Science.
A 298, Sarita Vihar, New Delhi -110076(India)
E-mail : teascience@gmail.com

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“This is in addition to a fine of Rs 200 per bigha(\$30.00 per hectare) on those small growers who have been cultivating on fallow land belonging to the Government. Plus, a land revenue tax at the rate of Rs. 22 per bigha(US \$ 3.25/ha) and a fine of Rs. 200 per bigha(\$30.00/ha) per annum has been imposed on all tea growers irrespective of the size of his or her garden,” Khanikar added.

The small tea garden movement, which began way back in 1981, and became prominent by 1987, today not only has 65,000 first-generation tea growers across the nine districts of Upper Assam, but also supports over three lakh more families, including 2.78 lakh labourers and 10,000 clerical employees.

Simple arithmetic shows every small tea grower will now have to cough up at least Rs 650 per bigha annually as the newly imposed cess. While the average price of green leaf hovers around Rs 8 per kg, the production cost of green leaf is anywhere between Rs 6 and

Rs 7(\$0.12-0.14) per kg.

“The contribution of the small tea gardens is very big. As many as 210 tea factories have come up exclusively depending on green leaf produced by the small gardens. And the total tea produced from leaves supplied by these gardens alone comes to about 130 million kg per annum, according to the President of the Assam Bought Leaf Tea Manufacturers' Association. The small tea gardens account for nearly a quarter of the total tea produced in Assam today.

State Industry and Commerce Minister, describes the small tea garden movement as a silent economic revolution in the Upper Assam region that has helped tackle rural unemployment to a large extent. “But it is a fact that the small tea growers have never given a single paise to the Government so far. This 20 paise(\$0.004) per kg cess will be pumped back to the small tea growers sector,” he said. But the small growers are still not convinced.

Editors' Note: Small holder tea growers have brought an unprecedented improvement in the landscape and ushered rural prosperity. Will this levy of 20 ps/kg leaf on smallholder tea growers by Govt. of Assam suffocate a green technology and kill the proverbial goose that lays the golden eggs of rural prosperity and environmental health? Global experience shows that if the State could organise these small growers on the pattern of KTDA (refer to chapter 2 in this special issue) or TSHDA in Sri Lanka (refer to chapter 3 in this issue) or closer home in Utrkhand Tea Development Board (refer chapter 4 in this issue) or Kangra Tea Cooperatives with technical support, processing and marketing facilities, the growers will earn more income and the state more revenue.