

Tea Board must become 'facilitator' instead of 'regulator': Chairman



KOLKATA: Some "radical steps" envisaged by the central government for re-defining the role of the Tea Board have been put on the "back burner" though its performance is still "under the scanner", its Chairman Prabhat K. Bezboruah has said.

The Union Commerce Ministry has asked the Indian Institute of Foreign Trade to look into the functioning of the Board and how its mandate can be altered to serve the interests of the stakeholders of tea industry better, Bezboruah told IANS in an interview.

"In terms of re-organisation of Tea Board, there were some radical steps envisaged by the Centre when Nirmala Sitharaman was the Commerce Minister. Now, I think these have been put on the backburner and the proposals frozen for the time being. I don't think there will be any major structural changes in the commodity boards," he said.

"However, the Board's performance continues to be under the scanner due to widespread dissatisfaction expressed by many segments of stakeholders. As a consequence, the Union Commerce Ministry has requested Indian Institute of Foreign Trade to look at the functioning of the Board and how its mandate can be altered to serve the interests of the stakeholders of tea industry better," he said during the candid chat.

Bezboruah, formerly a banker in the US and a well-known tea planter from Assam, said the Board must "reinvent itself" and play the role of "facilitator" to the industry instead of a "regulator".

"I've tried to push for changing the role of Tea Board from that of a regulator to that of a facilitator. The Board is still suffering from red tapism and a license raj hangover, and this mindset should be altered. There is no sense having a regulator when everything else related to supply and demand is open and unregulated.

"If the Board cannot control supply -- witness the huge growth of the smallholder sector -- what is the point of over-regulating the organised sector" he asked, adding: "despite the Board's efforts at enforcing all kinds of archaic rules, the implementation of its diktats was patchy and varied hugely from state to state depending on the implementing official's whims."

He pointed out that the centre continued to look at downsizing options and re-defining the Tea Board's role within the sector.

According to him, the Board should try to make the industry more efficient by improving its yield and productivity by increasing the demand for tea and by educating consumers about the quality of tea.

"Tea Board should therefore focus on generic promotion of tea, targeted export promotion, improving the efficiency of the gardens, development of the industry by improving the yield, changing the product mix and helping the tea properties to mitigate the effects of climate change, among other schemes" Bezboruah said.

He also said the tea industry, which is in a "Catch-22 situation", has been suffering from low yields, stagnating prices and attrition of workers in the face of "low wages".

"The industry is barely earning any profit, and the sensitivity of the cost of production to wage increases is an absurd 60 per cent, that is, if wages go up by Rs 10 per day, the cost of production of a typical North India garden will go up by Rs 6."

According to him, organised players have actually been losing their crop because of "old bushes, overused soil, water logging, climate change, lack of timely rainfall and shortage of workers, among other factors".

"The Tea Board must look into these problems. The Board and the government should also look at whether there is any organised effort to keep tea prices down," said Bezboruah, who is the first non-bureaucrat and an industry insider to be at the helm of the Kolkata-headquartered organisation, adding that tea prices have gone up only 20 times in the last 60 years whereas prices of staples like rice and wheat have gone up 100 times over this period.

He, however, welcomed the Appointments Committee of the Cabinet approval of the proposal to appoint IPS officer Arun Kumar Ray as Deputy Chairman of Tea Board.

"Having a permanent Deputy Chairman, who is also the CEO of the Tea Board, is what the industry needs. Somebody who stays in Kolkata, would be able to handle the problems that the Board is facing more effectively," Bezboruah explained.

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