

Marketing efficiency of tea under different supply chains - A study in Nilgiris district of Tamil Nadu

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ABSTRACT

In Tamil Nadu tea is mainly grown in Nilgiris district. Among the different channels, supply of tea through auction centre was predominant. The rest of the supply was private estate cum processing units. A study was conducted to identify different supply chain and estimate cost and margins in each channel. An attempt was also made to analyze the supply of tea and channel consisted of tea producer-green tea leaves collectors/agents - through processors - retailer - consumer was found to be the most efficient channel when compare to other channels. The total marketing costs of tea producer, processor and retailer in this channel were found to be Rs. 28, Rs. 20 and Rs. 13.75, respectively. The marketing margins of these producer and intermediaries have been estimated and they were Rs. 52 for producer, Rs. 30 for processor and Rs. 30 for retailer. Similarly, marketing cost and margins for other channels have been estimated. In this channel, producer, processor and retailer were benefitted mainly because of high margin. The marketing efficiency has been found to be more in supply chain IV. In this channel number of intermediaries were less, hence retailer could directly place demand order to processor and processor supplied the same (demand based supply). In this channel only fine quality leaves are processed for direct retailing in domestic market (INDCO/Estate cum BLF). Hence, supply chain IV was found to be the most efficient.

KEY WORDS : Tea, Price spread, Marketing efficiency, Market intermediaries

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