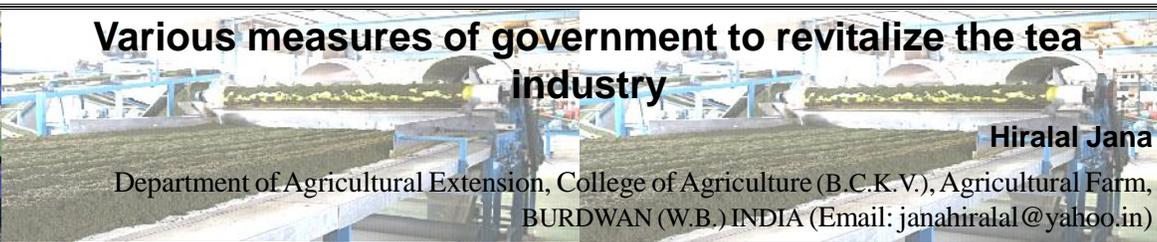


## Various measures of government to revitalize the tea industry

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Tea plantation industry is a combination of industry and agriculture. Production of leaf is an agricultural activity while its processing is an industrial activity. Most of the large estates process raw leaf in their own factories. India continues to be the largest producer of tea accounting for 28.09 per cent of global output. India is also the largest consumer of tea. In terms of area, it occupies 19.05 per cent of the world tea area. Although India holds a leading position in production and export, the current position of tea trade reveals that its share in the world production and export has been declining steadily over the past three decades. India was the top producer of tea for nearly a century, but recently China has overtaken India as the top tea producer due to increased land availability. The Indian export is stagnated around 200 million kg which is 15.6 percent of the total world export and 24.43 per cent of total tea production in India. Tea is the most popular of all non alcoholic beverages in the world. Two-third of world population drinks tea. It has several benefits such as removes depression, cures heart diseases, regulates diabetes, prevents esophageal cancer, helps in weight loss, reduces bad cholesterol in the blood, delays the deterioration caused by Alzheimer's and Parkinson's diseases, prevents tooth decay, reduces the risk of high blood pressure, has anti-viral and anti-bacterial substances, inhibit spread of many diseases and used for skin care mainly. Tea has become one of the powerful commodities of commercial value during the colonial period. Tea industry is of considerable importance in the national economy of India in terms of income generation, earning foreign exchange, contribution to the nation exchequer and overall employment generation. Day by day the glorious industry is going to be a sick industry due to several existing and emerging problems.



**Employment generation :** Tea plantation industry provides employment to many people especially poor and weaker sections of the population. Average daily number of labour in Indian tea plantations is 1032267 according to Tea Board estimation in 1997-1998. Out of this 490187 are male, 492899 are female and 49181 are adolescents.

### Problems of tea cultivation:

#### *Production related problems :*

- High cost of production - mainly due to low productivity, high energy cost and high social cost burden.

- Tea gardens in Assam are becoming age-old, hence, the productivity of these old gardens are declining day by day - Tea plants are propagated from seed and cutting; it takes about 4 to 12 years for a tea plant to bear seed and about three years for a new plant to produce leaves for harvesting. Younger age of bushes

provides better quality of tea. In Indian context, nearly 38 percent have crossed the economic threshold age limit of 50 years and another 10 per cent on the edge of crossing this limit shortly.

- One big hurdle is that organic certification by recognized agency costs money and requires a mandatory waiting period of three years before the certificate is given. Very few growers have the luxury of going through this tedious process.

### Problems related to demand of tea :

- Demand of tea is already in recession due to better quality tea supplied by countries like Sri Lanka, Cuba, Kenya etc. at comparatively lower prices.

- Since the market for tea is of an international one, trade liberalization and free import of tea, import of inferior quality of tea and re-export of it mixing with the traditional products have caused problems both in the domestic and international markets.

– The disintegration of the former USSR (United Soviet Socialist Republic) which accounted for more than half of the total exports of India caused serious problems in Indian tea exports.

– European buyers have gone for Kenyan teas since their cost of production is much lower and Kenyan growers have also shifted to organic production much sooner than Indian growers.

– Aggressive marketing by soft drinks companies.

– Lack of value addition segment through product innovation: Indian tea has virtually lost all global markets because it continues to be traded as a commodity. The much talked about value addition is limited and rather late.

– Climate of globalization has brought competition in market.

– For some time, there were no buyers of medium and plain tea.

– Fall in the price of medium and plain tea.

#### **Infrastructure related problems :**

– *Lack of infrastructure:* Poor infrastructure of approach roads to gardens, inadequate warehousing at ports, constraints in availability of containers, placements of vessels and high ocean freight charges.

– Low investment on infrastructure.

– Lack of modernization.

#### **Problems of small growers :**

– Lack of adequate resources of small growers.

– Small growers are deprived of access to bank loans.

– Lack of negotiation power of small growers with the large tea factories for a remunerative price for their green leaf.

– Unorganized nature of small growers with fragmented small and scattered holdings leading to production of poor quality teas mainly due to non-availability of technical know-how at doorstep-means weak extension service.

#### **Labour problem :**

– Lack of work force:-diminishing availability of workforce particularly in South India. The problem was further aggravated by the introduction of 100 days work security programme (MGNREGA).

– Lack of manpower compels to chemical agriculture.

– Tea industry is labour intensive.

– Local labour is expensive and erratic.

#### **Insect-pests and diseases problem :**

– A major problem due to termite infestation, back rot disease mainly and other insect-pests and diseases infestation.

#### **Other problems :**

– Lack of efficient management

– Lack of wholehearted efforts of tea planters.

– Lack of proper training

– Lack of services of consultants and experts.

– Lack of quality monitoring mechanism for teas particularly sold through private sales.

– Difficulties in introduction of mechanization of field operations due to topographical and quality limitations.

– Remote location of the plantations and transportation of teas over long distances from tea gardens to sale points.

#### **Solutions :**

– The tea industry should be modernized with a change in techniques of plantation and following scientific cultivation.

– Improvement in quality by emphasizing new plantation and encouraging organic farming.

– Cost effectiveness.

– Increase in domestic demand by good awareness programmes (using mass media) indicating health benefits of tea.

– Identification of newer export markets by Govt. efforts.

– Needs electronic tea auction.

– Needs properly organized production systems in which small tea producers find a respectable place.

– Control of insect-pests and diseases infestation following IPM practices.

– Redefining the roles of various agencies like the Tea Board and Producers' organizations, and developing a healthy partnership with the labour.

– Strong research is needed on enhancement of quality tea production by the well established research institutions.

– Labour welfare laws must be implemented strongly for protecting workmen.

– All the stakeholders of agricultural development must strengthen their extension service system for providing proper training to tea planters especially new planters.

– Tea garden is labourers' way of survival. Hence, the tea garden labourers should not go to frequent strike or to make a deadlock condition. Sometimes, the emerging problems should be mitigated by their judgment power and mutual understanding with owner.

#### **Government's efforts to revitalize the tea industry :**

– Beginning in 2013, the Union Ministry of Commerce and Industry has been actively promoting the sale of tea in the country's top five export markets *i.e.* Egypt, Iran,

Kazakhstan, Russia and the United States of America.

– The Indian tea industry as the second largest employer in the country has enjoyed the attention of the Indian Government. When export sales went down, the Govt. has been sympathetic to the demand of the industry and its cultivators. It has passed resolutions supporting the industry domestically and has also lobbied extensively with organizations like the WTO internationally.

– Furthermore, the Indian Govt. took cognizance of the changed tea and coffee market and set up an Inter-Ministerial Committee (IMC) to look into their problems in late 2003. The IMC has recommended that the Govt. will share the financial burden of plantation industry on account of welfare measures envisaged for plantation workers mandated under the Plantation Labour Act 1951. Moreover, IMC has recommended to introduce means so that the agricultural income tax collected by the state governments can be stopped and the tea industry be made competitive. It has recommended that sick or bankrupt plantation estates should be provided analogous level of relaxation.

– Assam Orthodox Tea is set to receive the Geographical Indications (GI) distinctiveness. A GI stamp identifies a certain product as originating from the specific territory, so the attributes, quality and reputation are maintained properly.

– A Special Tea Term Loan (STTL) for the tea sector was announced by the Indian Government in 2004.

– In addition to these measures, the Tea Board plans to launch a new marketing initiative to search new markets. It also plans to renew its efforts in traditional markets.

– The Cabinet Committee on Economic Affairs (CCEA) set up the Special Purpose Tea Fund (SPTF) under the Tea Board on December 29, 2006. The aim is

to fund for re-plantation and rejuvenation (R and R) programme.

– Processing leaf would represent a big step towards self-sufficiency for small growers. It was announced by the Central Government for establishment of five cooperative tea factories in Assam and West Bengal each. These would be set up at a cost of Rs. 40 lakh each and would be maintained by the small growers through cooperatives or self-help groups.

**Conclusion:** India occupied prime position in production for a long time, but recently, China has bypassed our glory of quantitative and qualitative tea production. There are several reasons for our backwardness as well as there are several ways to find out proper solutions. Out of those- there is needed new plantation by removing age-old plants and bushes as well as following organic cultivation is most important one. IPM practices of controlling insect-pests and diseases should be used in such a way that the production must be free of residual effects of pesticides. Recently, the market of every commodity is so competitive due to globalization, liberalization and privatization. Therefore, value addition is needed to make product qualitative as well as up-to-date. Hence, the time has come to do critical analysis on it by all the entities those are directly or indirectly related with this industry. In the line of Government supports, extension service system also needs to do work actively to drive the tea planters in a proper way for their betterment by providing scientific knowledge of tea cultivation and sound marketing knowledge. If we really want to regain our lost glory, whole-hearted efforts of all the stakeholders are very essential to revitalize the tea industry from the present background.

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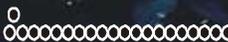
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