



International Journal of Humanities & Social Science Studies (IJHSSS)
A Peer-Reviewed Bi-monthly Bi-lingual Research Journal
ISSN: 2349-6959 (Online), ISSN: 2349-6711 (Print)
Volume-II, Issue-VI, May 2016, Page No. 177-183
Published by Scholar Publications, Karimganj, Assam, India, 788711
Website: <http://www.ijhsss.com>

A Study on the Problems and Strategies required for the development of Small Tea Growers in Assam With special reference to Dibrugarh District

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Abstract

This paper is an attempt to analyze the problems face by Small Tea Growers of Assam and also highlights some strategies required for the development of tea growers of Assam. Tea is the ancient beverage and the most popular drink in the world. Among the tea producing states of India Assam is well known internationally since a long time ago. The state dominates the country's tea map by producing almost half (50%) of the total tea production. Being a labour intensive industry, it is the source of employment for the Assam's indigenous people. It is estimated that there are nearly 90 thousands small tea growers in Assam creating employment for around 1.5 lakh people of Assam. But they face various financial, marketing and managerial problems in present days. So in order to remove these problems, there should be required some strategies for the development of small tea growers of Assam.

Key Words: Tea, Tea industry, Small tea grower, Issues, Strategies.

1. Introduction: The tea industry in Assam is about 180 years old. This industry plays an important role in the state economy. The first Indian tea produced in Assam was sent to United Kingdom for public sale in the year 1838. Since the introduction of tea in India, the industry has contributed immensely towards the Socio-economic development of the tea growing regions. India has sixteen tea growing states, of which Assam, West Bengal, Tamil Nadu and Kerela account for about 95 percent of the country's total tea production. The Small tea plantation sector now occupies an important space in the economy of Assam and contributes to the generation of rural employment and development of the society. Assam produces almost 50 percent of the total production of India. According to all Assam Small Tea Growers Association, the STGs contribute with 29 percent of the state's total tea production and with 14 percent of the country's overall production. The climate of Assam favours to produce sweetness and tangy tea in the region. After startup of tea garden by Britishers some Assamese people from various regions also planted tea for their needs and they indigenously prepared black tea. According to a survey by the State Government (Assam) and Tea Board of India, the major concentration of STGs is found upper Assam districts like Tinsukia, Dibrugarh, Sivasagar, Golaghat and Jorhat. It has been found that there are nearly 90 thousands STGs in Assam and 5 lakh families are associated with this phenomenon.

2. Emergence and concept of small Tea Cultivation: The concept of small tea cultivation came into existing when Kenya (1950's) had decided to produce tea for export. The experiment taken by Kenya(1950's) succeeded and a modern trend of small tea holders or growers arise in developing

and developed countries to produce cash crop like tea since then there has been a steady shift in tea cultivation from big plantation to small holdings (CDPA, 2008). Today in most of the tea producing countries like Indonesia, Kenya, Bangladesh, Nepal, Sri Lanka, or Vietnam small tea cultivation significantly contributes to the country's total tea production along with the large estates. In many ways tea cultivation is very attractive as tea provides long and sustainable income for a long period with comparatively less investment and underutilized lands, gives long time employment opportunities.

The concept of small tea cultivation in home stead gardens and unutilized land along with other crops sell the green leaf to the existing big factories for enhancing farm income was initiated during the seventies by the then Janata Government in Assam, Encouraged by the Government.

Patronage a few farmers of erstwhile Sivasagar district initiated tea cultivation in their high land ranging from 0.13 hectare to 3 hectare. During the end of eighties the department of Tea Husbandry of Assam Agriculture Industry surveyed the possibility of growing tea in small scale and Advisory Cell was established to promote small scale tea cultivation by providing technical know-how. In the meanwhile, the formation of all Assam Tea Growers Association during 1987 was another landmark for extension of small Tea Cultivation in Assam. In 1991, the Tea Board of India approved the proposal of the Agriculture University to provide financial support to the Advisory cell of the Department of Tea Husbandry and Technology and the cell was reconstituted as "Small Tea Growers Advisory Programme" to the broad mandate. Apart from self-Employment the cultivation of tea has opened a wide vista of business opportunities by providing not only indirect employment but also creating a sound base for farm income. In a nutshell tea cultivation could act as a catalyst for the overall economic changes in the rural scenario of Assam especially in tea growing districts. The Small holdings are spread over all the districts; however concentration is in the five upper Assam districts viz. Dibrugarh, Tinsukia, Sivasagar, Jorhat and Golaghat.

3. Objective of the study: The main objectives of this paper is to study

- i) The issues faced at various stages of small tea growers (STGs) of Assam.
- ii) Strategies required for the development of small tea growers of Assam.

4. Methodology of the study:

The study is based on both primary and secondary data.

The primary data are collected through personal interview and questionnaires.

The secondary data are being obtained through journals, research papers, books and by visiting various websites which are being mentioned in the bibliography in the later part.

5. Issues and strategies required for small tea growers:

5.1 Issues: Though the small tea plantation sector now occupies an important space in the economy of Assam, the sector is not free from the problems.

The issues and strategies required for small tea growers of Assam have been taken into consideration and based on five categories of issues for discussion and analysis. They are:

- (i) Marketing Issues
- (ii) Financial Issues
- (iii) Technical, Managerial and Educational Issues.
- (iv) Lack of Irrigation Facility
- (v) Labour issues

Marketing Issues: All the small tea growers sell their green leaf either to nearby big gardens or to bought leaf factories and average price varies only from Rs. 6.70 to Rs. 9.35 for depending upon the quality. They face problems in selling green leaf at reasonable price. As evident from the study the price of green leaf is fluctuating gradually. The factory owners buy on ‘first come first served’ basis or at competitive price and growers had to be at the receiving end. The reasons identified are lack of tea processing factory, competition from other big gardens/ growers selling green leaf through agents, poor support from government etc. The table 1 as depicted below shows the marketing factors of STGs of Assam.

Table-1. Table showing Marketing Aspect of STGs of Assam

Sl. No.	Criteria	Total Response (In Percent)
1.	Parties concerned with price Determination of green leaf a)small tea growers b)Government c) Big companies	0 0 100
2.	Medium of sale of green leaf a)Through Agent b)Directly	70 30
3.	Government marketing support to small Tea growers a)Yes b) No	0 100

Source:

Annual Price Report of All Assam Small Tea Growers Association, Dibrugarh (2010-2014)

From the table 1 it is observed that, big companies have fully dominated the price fixation of green leaf which about 100 %.

As far the medium of green leaf sale is concerned 70 p.c. of STGs sold green leaf through agents and 30 p.c. of STGs sold green leaf directly during 2014-2015.

So as the government support in marketing is concerned STGs have not received any marketing support from government.

The situation has now been solved through the price sharing scheme of tea Board. The scheme states that the growers must be paid minimum @60 percent of the average auction price up to Rs. 70 per Kg of made tea. Beyond this, if auction price is more than the amount should be shared @50:50 basis.

Financial Issues: Out of the farmers visited only a few small tea growers had availed of loan from banks. All others raised plantation with their own funds or borrowed from relatives. Many of them did not approach banks for loan with the apprehension that they will have to waste their time running after banks without any effective results. It was learnt that most of the tea growers did not have patta land. Further, in many cases title was not clear which was a handicap in obtaining loan. The growth of small tea sector has slowed down as account of limited availability of further suitable land as major portion of the land has already been put under cultivation. Further as most of the plantations are 8 to 10 yrs old, there is hardly any possibility of rejuvenation or replantation. Requirement of loans for such operations may arise after another 5-6 years.

In analyzing the questionnaires collected and data received from the Tea Boards records it is revealed that most of the small tea growers have not got any financial help from the Tea Board and other financial institution. The factors identified are lack of registration, poor communication link, lack of having periodic patta, lack of education etc. table 2 shown below reflects clearly the awareness factors of STGs of Assam-

Table 2: Table Showing Financial Awareness of STGs of Assam

1.	Small Tea Growers awareness of Government Scheme i. Yes ii. No	70 30
2.	Government support and Incentives i) Capital subsidy Yes No ii) Interest subsidy Yes No ii) Loan from Bank Yes No	0 100 0 100 10 90
3.	Sources of Investment i) Own ii) Borrowed	80 20
4.	Credit facilities to STGs to buy fertilizer and other chemicals from market Yes No	0 100

Source:

Compiled from questionnaire collected from different Small Tea Growers, 2015

From the above table it is clear that 70% of small tea growers are aware of government Schemes and 30 p.c. of STGs are not aware of Government schemes. But they are not benefited from those schemes.

As far as government support and incentives are concerned, none of the STGs benefited from capital subsidy and interest subsidy schemes where only 10p.c. of STGs have taken loans from Bank.

As far as the source of investment is concerned, 80 p.c. of STGs have invested their own capital. Alternatively 20 p.c. of STGs have invested borrowed capital from private Mahajan by paying huge amount of interest.

So as the credit facility is concerned almost 100 p.c. of STGs purchased fertilizers and chemicals by cash payment.

Technical, Managerial and Educational Issues: It is found that most of the small tea growers are not technically sound or lack of proper knowledge in the field of tea cultivating. These unskilled

cultivators are facing problems in certain areas like- pest management, menuring, darning etc. that is most essential knowledge for the growth and development of this sector.

Looking into the technical problems of the small tea growers, the Tea Board of India, Tea Research Authority and corporate tea producers should take the responsibility to train different aspect of tea cultivation to the small tea growers. This will improve the technical knowhow of the cultivators.

Lack of Irrigation Facility: The Small tea growers of Assam face the problem of lack of irrigation facilities, One hectare standing mature tea plants requires about 10,000 liters of water per day which is equivalent to 2.5mm rainfall. Tea plants also need water after pruning which is generally done during the months of December and January. This period is generally dry in Assam, receives a few showers of retreating monsoon, eventually fruitful for the growth of tea plants after pruning.

However, erratic nature of rainfall in recent times, particularly during the Non-monsoon period, forces the growers to make arrangements for irrigation infrastructure. Considering the size of the holding, however it is uneconomical to make provisioning of irrigation infrastructure. Drawing water from the nearby water bodies, river and extraction of ground water is expensive for the small growers.

Labour Issues: Small tea Gardens do not come under the perview of the plantation Labour Act. on ground of size. On account of limitations of found, they are unable to provide living quarters and all the facilities provided by the large tea estates to the employed labourers.

Ideally, a smallholding of about 2 acres can be run by the family members; however, considering the large size of the plantation, the growers seek the service of hired laborers. Moreover there is demand for additional hands during the peak seasons as the yield of matured tea bushes increases. Generally, the ex-tea garden workers and the casual workers engaged in tea estates are the main source of labour to work in the small tea gardens, along with a segment of daily wage earners from the respective villages.

In analyzing the data received from the personal interview, it is found that the crisis of labour supply is apparent during the festival period of Durga puja and Holi. The hangover of the festivals continues for long leading to absenteeism and subsequent wastage of the leaves. Moreover, availability of relativity remunerative jobs in other non-farm sectors has also created crisis in the supply of labour to works in plantations. In areas of labour shortage, it is seen that the growers offer gifts as well as monetary bonus to the workers during festivals to ensure their availability.

5.2 Strategies required for the development of small tea growers: In order to remove these limitations the following suggestions have drawn for improving the position of small tea growers of Assam:

- (i) In case of Marketing, the All Assam Small Tea Growers Association (AASIGA) can set up co- operative from of cultivation and a standard for production of green leaf for proper price, Government can come to rescue the small tea grower with a minimum support price concept, which is applicable with other agricultural products.
- (ii) The integration of small tea grower's area wise under a single management to synchronize farm activities to the tune of market requirement.
- (iii) Setting up of multi point advisory centers at different locations is essential to encourage small tea growers with proper scientific and technical back up.

- (iv) Creating better awareness among small tea growers about the credit facilities, subsidies and other functional schemes of the Tea Board.
- (v) Government may strengthen the mechanism for price fixation for the small tea growers.
- (vi) The small tea growers may take up organic tea cultivation in a later stage after gaining experience in tea cultivation for years
- (vii) There is a need to frame Government policies for allotment of land pattas to those farmers taking up tree plantation on government /quasi government lands to enable the farmers to register with Tea Board.
- (viii) Facilitating term loan/working capital loan for expanding existing gardens and creating better awareness among small tea growers about the credit facilities, subsidies and other functional schemes of the Tea Board.

6. Conclusion: Present condition of the small the growers shows their multifold layers of dependency. The deficiencies in operational infrastructure and absence of certain regulatory supports have only accentuated dependency of the small growers on variety of external factors. On one hand erratic weather and lack of irrigation facilities, technical drawbacks affect the yield in their plantations and absence of regulation on price front creates anxiety to sell their produce. In addition, these set of factors influence the cost of productions and yield.

The Assam Agriculture University extends its supports as advisory in husbandry and technological fronts. The “Small Tea Growers Advisory Programme” in the Department of The Husbandry and Technology, which receive aid from Tea Board in India. The training and supports are in the areas of pesticide residue and overuse of fertilizers, knowhow of growing tea vis-à-vis pruning, shade trees and production process of made tea. The intervention of the Assam Agriculture University is necessary because at present the question is being raised on the quality of tea plucked in the small tea gardens. It is often reported that, the small growers do not use fertilizers and pesticides rationally because of lack of knowledge. The buyers at the international as well as national markets are now quality conscious, look for organic products and test the presence of residuals of fertilizers and pesticides. To maintain the quality and environmental standard the small tea growers will require a brand name and institutional support, which appears to be beyond imagination at the present regulatory environment, particularly on the pricing front.

Small tea growers though facing serious problems with regard finance, marketing, technical, managerial, education etc. yet they are helping the Government of Assam in solving unemployment problems of the state. Small tea cultivation is one of the most significant developments towards the end of last century. If new generation cultivators taken up commercial cropping of tea this help towards a new social system in Assam. Therefore encouraging these youths in taking up small/medium level tea cultivation would strengthen the backbone of the rural economy and will also curb social unrest in the economy. This will empower the people of Assam will dignity. This silent economic revolution by small tea growers in the rural areas across Assam has helped to tackle unemployment problem apart from using unproductive land in environment friendly manner. There for support should come from every quarter to sustain this socioeconomic revolution.

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