सत्यमेव जयते

Department of Industries & Commerce
Government of Assam

Tea & The New Emerging Sector
- Small Tea Growers

BACKGROUND

Assam Tea is a matter of pride for the entire nation. Of late, however, concerns have been raised about the declining quality. Different factors have been attributed by different circles for this deterioration in quality. For any initiative for improving the quality we required a database. Although a fairly good database existed for the estate gardens, the absence of data for the small tea growers, has long been felt by the policy makers. There had been a consensus that this segment has become an important player in the industry but absence of any ground survey and analysis made it well neigh impossible for the Governments to plan any policy initiative in this area. Figures had to speak.

At the initiative of the Minister Industries and Commerce, Mr. Pradyut Bordoloi , it was decided that the State Government would take the lead in arresting this decline in the quality of the teas from Assam. A series of meetings were taken by him personally with the Industry Captains as well as the small growers. At this stage it was decided that the Industries Department would undertake the task of conducting a State wide garden to garden survey. This was necessary for the Government for undertaking any quality up gradation / certification program. This was a daunting task with figures of 50000 being floated. We discussed this with the Tea Board and worked out the forms and the finance. The whole of the Industries Department was geared in the field to undertake this first of its kind survey by the Department. The officers and staff of the Department rose to the occasion and in November 2009 the survey finally took off. Small Tea growers Associations were requested to join in a big way which they did after the initial doubts and hesitation. District level meetings with the Deputy Commissioners were conducted. Revenue officials were also roped in with the help of the Deputy Commissioners. A very strong monitoring followed by the Director Tea and his team visiting district after district. I personally visited six districts to conduct these monitoring meetings with the DC's. Minister Industries kept reviewing our progress In April 2010 we were finally able to complete the survey in 14 districts. As the survey forms started rolling in the NIC lead by State Information Officer Mr. Dipak Goswami designed the software so that these entries of the survey forms could be made.To facilitate any problems a number of video conferences were conducted with the district officials. The District Information Officers of NIC on the other hand uploaded the reports of their district and the State unit started its operation of data cleaning. This was another very difficult task as wrong entry, omission of a data etc would make a lot of difference. After a series back and forth sending of missing/wrong data, final analysis of the data were carried out. After compilation we debated on the form in which we would place the findings. It was then decided that two publications would follow – one – a directory of the small growers and the other one – a presentation of the findings for the policy makers which is before you. A separate directory of the Small Tea Growers has also been prepared, district wise, a database of 68465 Small Tea Growers in the 14 districts surveyed.

This entire Survey has been possible only because of the leadership provided by the Minister Industries, constant monitoring by the Director Tea and his team, Deputy Commissioners, General Managers and the District team of officers, State Information Officer of NIC and his team, the Small Tea Growers associations and other tea bodies. Having reached a logical conclusion to this survey, Industries Department is now tightening its belt to start the quality certification program which is the primary aim.. This survey is the beginning of the long journey ahead to ensure that Assam Tea should retain its name and fame.

Ravi Capoor, I.A.S.
Commissioner & Secretary
Industries & Commerce
Dispur

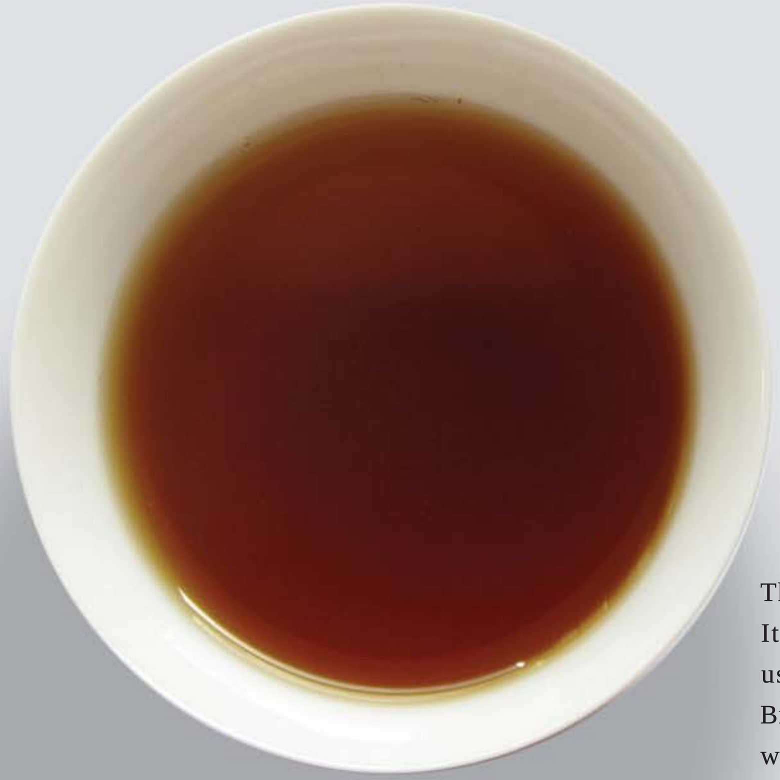
Contents

A Drop O' Tea

*'**Bring me a drop o' tea** when morning breaks,*
That I may toast "the teapot dome" of heaven,
And while the sun his forenoon journey takes,
Bring me a drop o' tea-about eleven;
And when the midday meal is timed to stop
Bring me for goodness sake, another drop!

And in the drowsy land of Afternoon,
When time hangs heavy and the spirits droop,
Bring me a little tray, a little spoon,
A little teapot (with a decent "stroup")
A little sugar, and a little cream
A little drop o' tea - and let me dream"

- AQUILO



Indian Tea Industry

The tea industry in India is about 172 years old. It occupies an important place and plays a very useful part in the national economy. Robert Bruce in 1823 discovered tea plants growing wild in upper Brahmaputra Valley. In 1838 the first Indian tea from Assam was sent to United Kingdom for public sale. Thereafter, it was extended to other parts of the country between 50's and 60's of the last century.

However, owing to certain specific soil and climatic requirements its cultivation was confined to only certain parts of the country. Tea plantations in India are mainly located in rural hills and backward areas of North-eastern and Southern States. Major tea growing areas of the country are concentrated in Assam, West Bengal, Tamil Nadu and Kerala. The other areas where tea is grown to a small extent are Karnataka, Tripura, Himachal Pradesh, Uttaranchal, Arunachal Pradesh, Manipur, Sikkim, Nagaland, Meghalaya, Mizoram, and Bihar. Unlike most other tea producing and exporting countries, India has dual manufacturing base. India produces both CTC and Orthodox teas in addition to green tea. The weightage lies with the former due to domestic consumers' preferences. Orthodox tea production is balanced basically with the export demand. Production of green tea in India is small. The competitors to India in tea export are Sri Lanka, Kenya, China, Indonesia and Vietnam. Tea is an agro-based commodity and is subjected to vagaries of nature. Despite adverse agro climatic condition experienced in tea growing areas in many years, Indian Tea Plantation Industry is able to maintain substantial growth in relation to volume of

Indian tea production during the last one decade. There has been a dramatic tilt in tea disposal in favour of domestic market since fifties. While at the time of Independence only 79 M.Kgs or about 31% of total production of 255 M.Kgs of tea was retained for internal consumption, in 2008 as much as 802 M.Kgs or about 82% of total production of 981 M.Kgs of tea went for domestic consumption. Such a massive increase in domestic consumption has been due to increase in population, greater urbanization, increase in Income and standard of living etc. Indian tea export has been an important foreign exchange earner for the country. There was an inherent growth in export earnings from tea over the years. Till 70s', UK was the major buyer of Indian tea Since 80s' USSR became the largest buyer of Indian tea due to existence of the trade agreement between India and erstwhile USSR. USSR happened to be the major buyer of Indian tea accounting for more than 50% of the total Indian export till 1991. However, with the disintegration of USSR and abolition of Central Buying Mechanism, Indian tea exports suffered a set back from 1992-93. However, Indian Tea exports to Russia/CIS countries recovered from the setback since 1993 under Rupee Debt Repayment Route facilities as also due to long term agreement on tea entered into between Russia and India. Depressed scenario again started since 2001 due to change in consumption pattern, i.e. switch over from CTC to Orthodox as per consumer preference and thus India has lost the Russian market. Another reason for decline in export of Indian tea to Russia is offering of teas at lower prices by China, South Asian countries like Indonesia and Vietnam. The major competitive countries in tea in the world are Sri Lanka, Kenya, China and Indonesia. China is the major producer of green tea while Sri Lanka and Indonesia are producing mainly orthodox varieties of tea. Kenya is basically a CTC tea producing country. While India is facing competition from Sri Lanka and Indonesia with regard to export of orthodox teas and from China with regard to green tea export, it is facing competition from Kenya and from other African countries in exporting CTC teas. Because of absence of large domestic base and due to comparatively small range of exportable items, Sri Lanka and Kenya have an edge over India to offload their teas in any international markets. This is one of the reasons of higher volume of export by Sri Lanka and Kenya compared to India. Another important point is that, U.K has substantial interest in tea cultivation in Kenya. Most of the sterling companies, after Indianisation due to implementation of FERA Act started tea cultivation in Kenya. So, it makes business sense for U.K. to buy tea from Kenya and Kenya became the largest supplier of tea to U.K. Tea is an essential item of domestic consumption and is the major beverage in India. Tea is also considered as the cheapest beverage amongst the beverages available in India. Tea Industry provides gainful direct employment to more than a million workers mainly drawn from the backward and socially weaker section of the society. It is also a substantial foreign exchange earner and provides sizeable amount of revenue to the State and Central Exchequer. The total turnover of the Indian tea industry is in the vicinity of Rs. 9000 Crs. Presently, Indian tea industry has (as on 18-12-2009).

1692 registered Tea Manufacturers,

2200 registered Tea Exporters,

5848 number of registered tea buyers,

Nine tea Auction centres.

Tea Across the Globe

World production

(Figs. In M. Kgs.)

Country	2009 (E)	2008 (E)	2007	2006	2005
China	1310.00	1257.60	1140.00	1028.06	934.86
India	979.00	980.82	986.43	981.81	945.97
Kenya	314.20	345.82	369.61	310.58	323.50
Sri Lanka	289.78	318.70	304.61	310.82	317.20
Vietnam	154.00	166.38	148.27	142.50	133.35
Turkey	153.00	155.00	178.00	142.00	135.00
Indonesia	136.48	137.50	137.25	146.85	156.27
Bangladesh	59.24	58.82	57.96	53.27	60.60
Malawi	52.56	41.64	48.14	45.01	37.98
Uganda	46.47	42.75	44.91	36.73	37.73
Tanzania	32.09	31.61	34.86	31.35	30.36
Others	333.13	327.82	342.60	350.67	345.07
Total	**3859.95**	**3864.46**	**3792.64**	**3579.65**	**3457.89**

(Source : ITC Annual Supplement, March, 2010)

World export

(Figs. In M. Kgs.)

Country	2009 (E)	2008	2007	2006	2005
Kenya	342.48	383.44	343.70	312.16	348.28
China	302.95	296.94	289.43	286.59	286.56
Sri Lanka	279.84	298.82	294.25	314.92	298.77
India	191.49	203.12	178.75	218.73	199.05
Vietnam	95.00	104.00	110.93	105.12	87.92
Indonesia	93.00	96.21	83.66	95.34	102.29
Argentina	72.00	77.23	74.88	70.72	66.39
Malawi	44.24	40.07	46.59	41.96	42.98
Uganda	41.75	42.39	43.64	32.70	33.07
Tanzania	21.51	24.77	29.13	24.13	22.50
Zimbabwe	7.54	5.65	7.60	11.38	8.45
Bangladesh	3.00	8.39	10.56	4.79	9.01
Others	76.18	68.37	62.52	63.09	64.84
Total	**1570.98**	**1649.4**	**1575.64**	**1581.63**	**1570.11**

(Source : ITC Annual Supplement, March, 2010)
(E) Estimated and subject to revision

World demand and supply of tea

(Figs. In M. Kgs.)

Year	World Supply	World Demand	(+) or (-)
2005	3457.89	3349.12	108.77
2006	3579.65	3473.55	106.10
2007	3792.64	3698.69	93.95
2008 (P)	3864.46	3679.76	184.70
2009 (P)	3859.95	3743.37	116.58

Tea in India

Tea is indigenous to India and is an area where the country can take a lot of pride. This is mainly because of its pre-eminence as a foreign exchange earner and its contributions to the country's GNP. In all aspects of tea production, consumption and export, India has emerged to be the world leader, mainly because it accounts for 31% of global production. It is perhaps the only industry where India has retained its leadership over the last 150 years. Tea production in India has a very interesting history to it. The range of tea offered by India – from the original Orthodox to CTC and Green Tea, from the aroma and flavour of Darjeeling Tea to the strong Assam and Nilgiri Tea- remains unparalleled in the world.

Statistical facts about the Indian Tea Industry:

- The total turnover of the tea industry is around Rs. 10,000 crores.
- Since independence tea production has grown over 250%, while land area has just grown by 40%.
- There has been a considerable increase in export too in the past few years. Total net foreign exchange earned per annum is around Rs. 1847 crores.
- The labour intensive tea industry directly employs over 1.1 million workers and generates income for another 10 million people approximately. Women constitute 50% of the workforce. Tea trading in the domestic market is done in two ways- Auction and Private Selling. Market Reports are received from the six major auction centres in India namely, Calcutta, Guwahati, Siliguri, Cochin, Coonoor, Coimbatore and N.I. teauction.com Bulk trading is done through the auctions held in these centres.

Area under tea in India

(Figures in Hectares)

Year	North India	South India	Total
2004	406190	115213	521403
2005	435788	119823	555611
2006	447371	119649	567020
2007	458718	119740	578458

Tea growers in India

Year	**Small Growers** (Area up to 10.12 hectares)	**Big Growers** (Area more than 10.12 hectares)	**Total**
2004	127366	1661	129027
2005	139041	1672	140713
2006	141544	1673	143217
2007	157504	1686	159190
2008 (E)	157504	1686	159190

Area under tea growers

(Figures in hectares)

Year	**Area under tea Small Growers** (Area up to 10.12 hectares)	**Area under tea Big Growers** (Area more than 10.12 hectares)	**Area under tea Total**
2004	110787	410616	521403
2005	142985	412626	555611
2006	154099	412921	567020
2007	162431	416027	578458
2008 (E)	163326	416027	579353

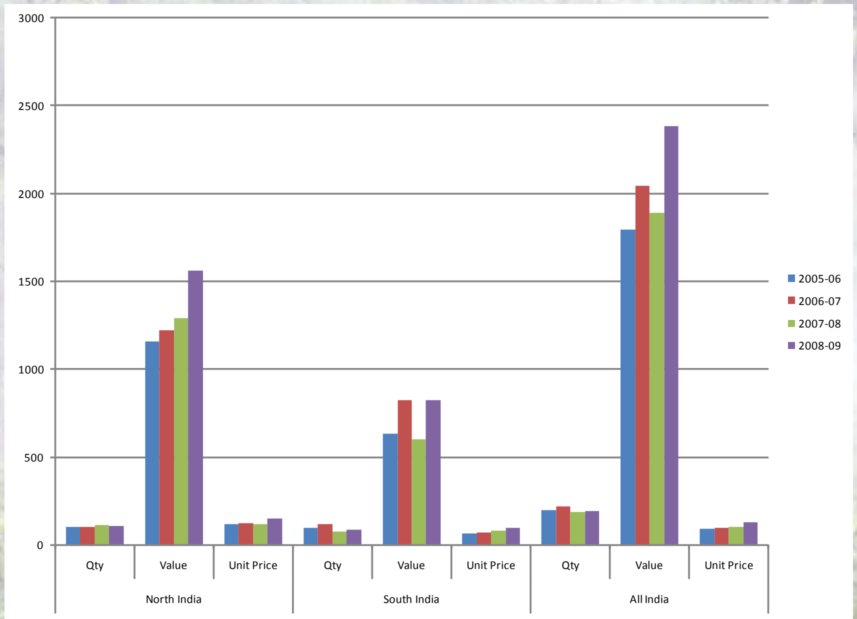
Small and big tea growers production

(Figures in Million Kgs)

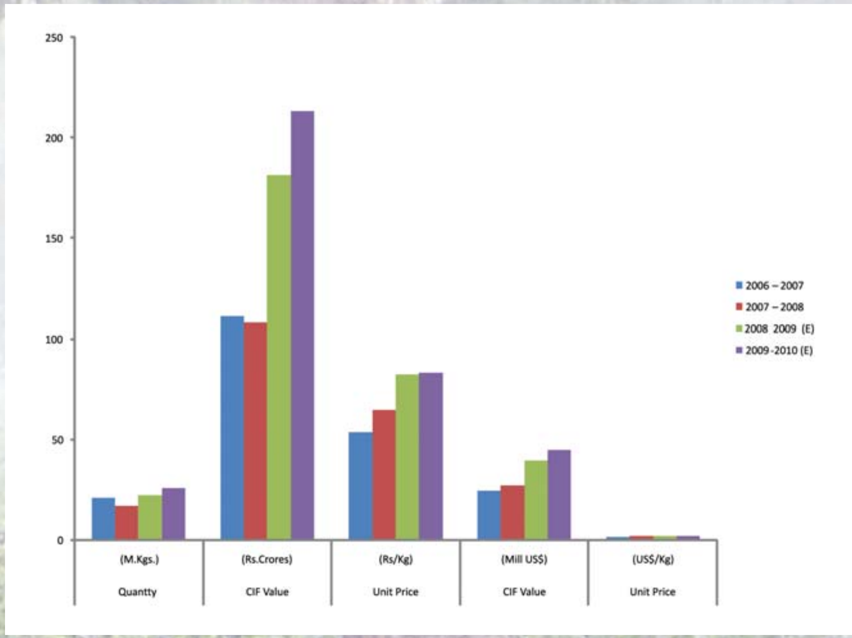
Year	**Small Growers Production (Area up to 10.12 hectares)**	**Big Growers Production (Area more than 10.12 hectares)**	**Total Production**
2004	201.96	691.01	892.97
2005	231.29	714.68	945.97
2006	249.71	732.09	981.80
2007	257.46	728.97	986.43
2008 (E)	257.46	723.36	980.82

(E) Estimated and subject to revision

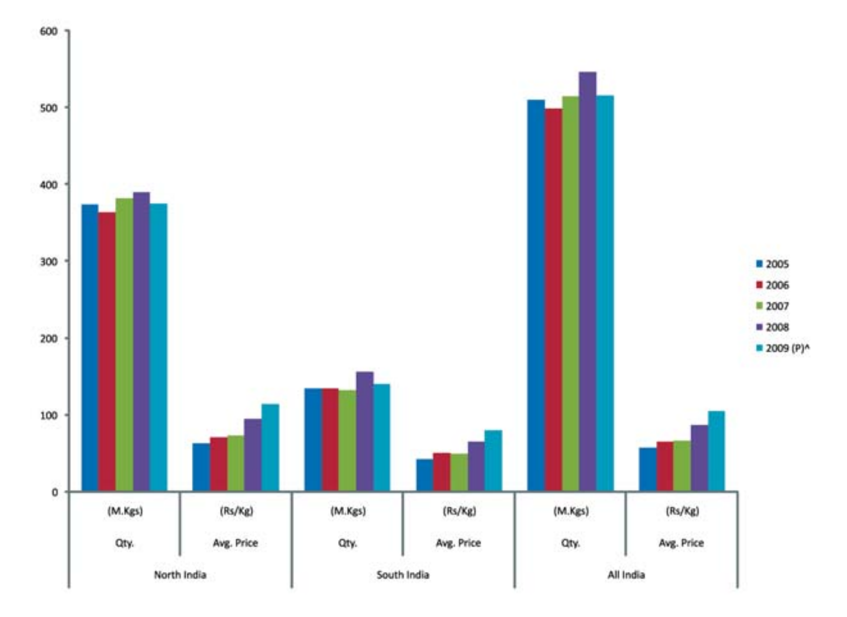
Exports of Tea from India



Import of Tea into India



Tea price situation



Assam Tea – an invigorating brew

Assam is the world's largest tea-growing region, lying on either side of the Brahmaputra River, and bordering Bangladesh and Burma (Myanmar). This part of India experiences high precipitation; during the monsoon period as much as 10 to 12 inches (250-300 mm) of rain per day. The daytime temperature rises to about 103F (40°C), creating greenhouse-like conditions of extreme humidity and heat. This tropical climate contributes to Assam's unique malty taste, a feature for which this tea is well known.

Assam tea is manufactured specifically from the plant *Camellia sinensis* var. *assamica* This tea, most of which is grown at or near sea level, is known for its body, briskness, malty flavor, and strong, bright color. Though "Assam" generally denotes the distinctive black teas from Assam, the region produces smaller quantities of green and white teas as well with their own distinctive characteristics.

Historically, Assam is the second commercial tea production region after southern China. Southern China and Assam are the only two regions in the world with native tea plants. Assam tea revolutionized tea drinking habits in the 19th century since the tea, produced from a different variety of the tea plant, yielded a different kind of tea.

The Assam Tea has its international reputation since long. As of today, Assam tea commands significant share in the world Tea Market. The total area under tea cultivation in Assam is accounting for more than half of the country's total area under tea. Moreover, Assam alone produces more than half of India's tea production. The estimated production of tea in Assam was 499.97 Million Kg in 2009, which constitutes more than 50 per cent of the total tea production of the country.

Quantity and average price of tea sold In the Guwahati Tea Auction Centre Quantity in million kg. (Auction + Private)

YEAR	C.T.C.	AVG.P.	ORTHO.	AVG.P.	DUST	AVG.P.	DUST ORTHO.	AVG.P.	TOTAL	AVG.P.
2005	101.94	61.11	0.61	61.65	40.30	59.19	0	0	142.85	60.57
2006	100.53	69.79	0.81	76.20	41.00	68.25	0	0	142.34	68.10
2007	108.91	68.89	1.33	74.60	42.30	71.37	0	0	152.54	69.63
2008	110.14	90.20	0.56	92.51	41.99	95.73	0	0	152.69	91.73
2009	98.32	108.52	0.44	112.64	39.74	115.10	0	0	138.50	110.42

Small Tea Growers – The Emerging Sector

Tea cultivations were once the domain of aristocrats with hardnosed British sahibs on horseback supervising them. But tea plantation in Assam has come a full circle as hundreds of small farmers have taken to growing the crop. The profession has now shifted from the rich to the common man, especially unemployed youths who have taken up tea cultivation as a business venture. Some even cultivate it in their backyards!

Monoram Gogoi was until recently wandering aimlessly after completing his post graduation in economics.

I decided to grow tea in about 25 hectares of land sometime in 2002. Unlike the British sahibs who gave orders, I work alongside the workers for the whole day, said Gogoi.

He is already reaping the benefits, producing about 30,000 kg of green tea leaves annually.

The small tea growers sell the leaves to the nearby big plantations and bought leaf factories where it is processed - a kilogram of green tea leaves is sold at Rs.8 to Rs.12 depending on the market.

Assam is considered the heart of India's $1.5 billion tea industry and accounted for about 55 percent of the total production of 980 M. kg last year.

Most of us were born amidst tea gardens and so we thought why not give a try to cultivating on our own as getting a government job in Assam is very tough. The plan clicked, said Arindam Saikia, another small tea farmer.

Across this tea-growing belt in eastern Assam, people in large numbers have started growing the crop in 3 to 5 acreas of land. They have been provided with technical support and advice by experts at the Assam Agriculture University in Jorhat and also help from the Tocklai Tea Research Station for better yield and quality. The overheads and consequently the production cost of green tea leaves for small growers is much lower than those of the big gardens and so the profit margin is reasonably good. And with many of youths now taking up tea cultivation augers well from the unemployment scenario in the state.

Spurred by the mushrooming growth of small tea growers, the Ministry of Commerce, Government of India recently took a team of young tea farmers from Assam to Kenya and Sri Lanka to help them get first hand knowledge about the success of small tea cultivation in the two countries.

Since 1988, the Indian tea industry was facing a crisis with prices dropping in the weekly auctions. The slump in prices was largely attributed to cheap and inferior quality teas produced by many new tea-growing countries, thereby pushing premium quality Indian teas to facing stiffer competition in the global market. But the industry is showing signs of resurgence with prices firming up in the auctions and exports increasing as well.

Existence as a small player in any industrial sector and the journey ahead has always been found to be full of hurdles and so is the case with the tea industry too. The problem here is not a singular problem but it manifests in the form of a plural one. These form different phases of the struggle and come in all colours in the journey from being an unknown small tea grower to being transformed in a small but little established player in the tea market.

This journey becomes more complicated for a small tea grower, especially in the North East. The essence of having a strong backward and forward linkage in the Tea Value Chain; and the necessity of a network to be created and established by small Tea Growers with Financial Institutions present in their area respectively are two crucial elements and good enough to turn this struggle into a struggle worth opting.

Small planters in Assam grow 25 percent of the state's produce and 14 percent of the country's overall produce. Indian tea is facing tough competition in the international market as the cost of production in the other countries is much lower than in India. At one time, about 220 million kg of India's tea was exported every year, but gradually the figure came down with Kenyan and Sri Lankan tea capturing the international market.

According to reports based on 2004 figures, the cost of production in India is $1.62 per kg, much higher than in the other tea-producing countries. Encouraging small tea growers would go a long way in reducing production costs in India.

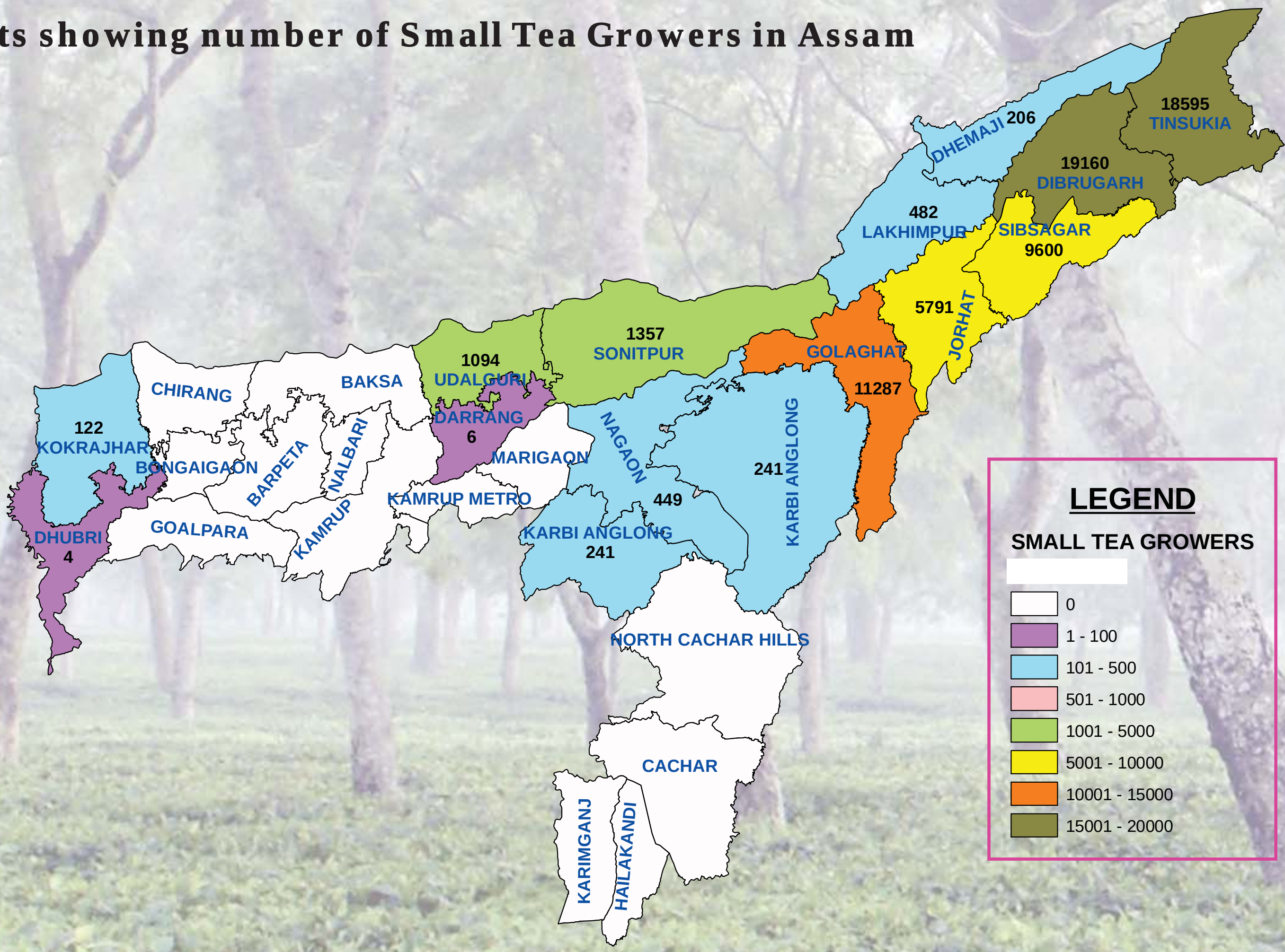
In an endeavour to regain Assam tea's quality, the Assam government was planning bringing all small tea growers and Bought Leave Factories (BLF) under an umbrella and emulate the Kenyan model of success in the tea sector.

After leading a team of officials and small tea growers to Kenya, State Industry & Commerce Minister **Shri Pradyut Bordoloi** said, Government was mulling several steps to enhance the quality of Assam tea, which was fast losing its international brand image due to unchecked increase in production.

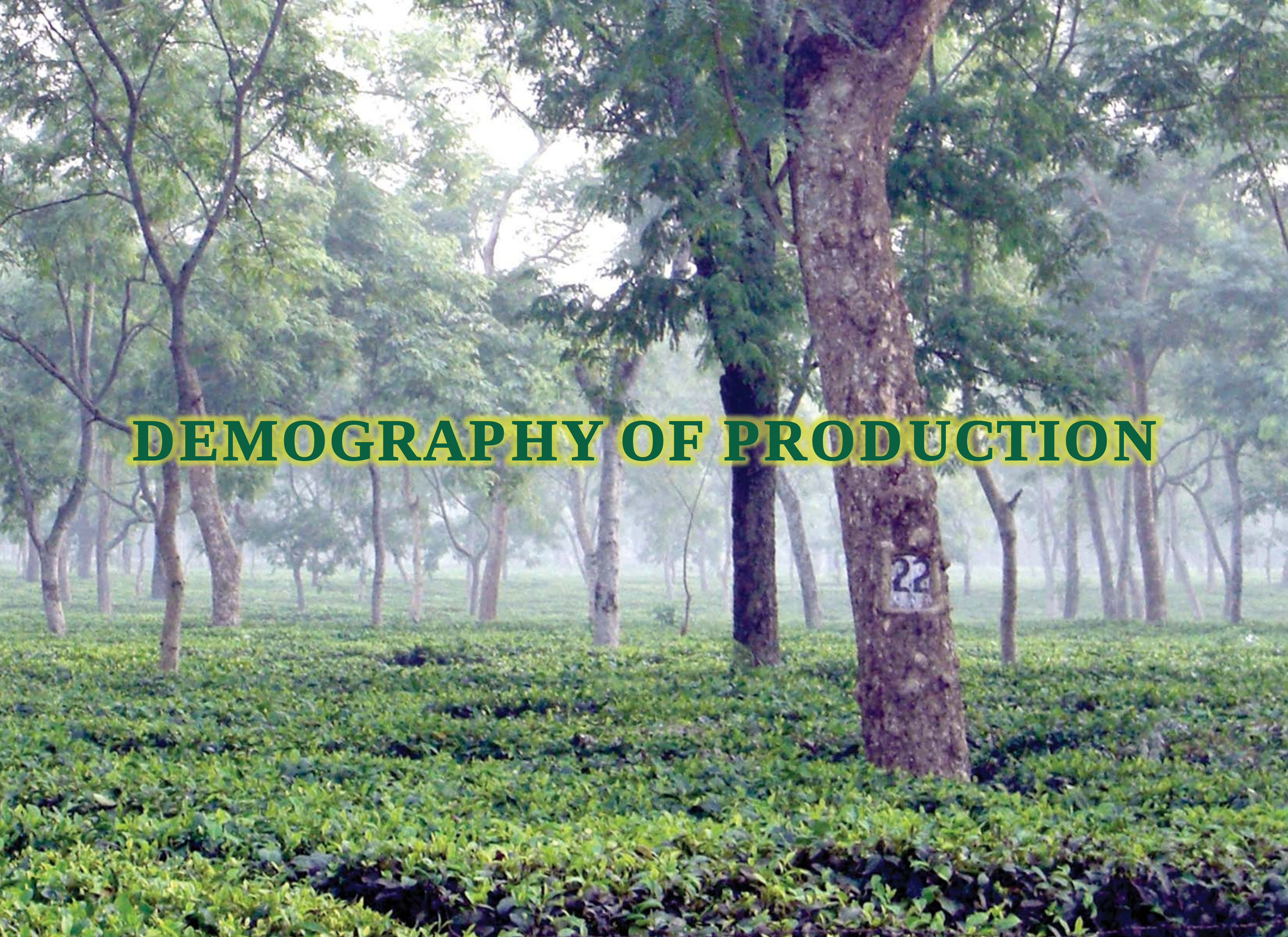
The small tea growers, which contribute 25 per cent of total tea leaves produced in the state, must be organized as declining quality of Assam tea is also linked with uncontrolled rise of small tea gardens and BLF. The state government was mulling registration of BLF and laying down mandatory clauses, like demarcation of catchment areas of potential for each BLF, to check the mushrooming growth and bring more accountability on part of the producers. An independent agency will certify the tea factories on basis of qualityvery soon and it would considerably help check quality. The government would also be approaching Tocklai Tea Research Centre for guiding the small tea growers against nominal charges as ignorance of fertilizers and chemicals leads to decline in quality very often, Shri Bordoloi said.

Highlighting that Kenyan tea had captured world market after starting production with imported seeds and clones from Tocklai here, the minister said most of the new proposals being now actively mooted by the state government were in emulation of the Kenyan success story. Pointing that Kenya's small tea growers accounted for about 60 per cent of its total production, the role of cooperatives and self-help groups, besides organisation of the sector in a systematic manner, had gone a long way in ensuring small tea growers success in the way of African country.

Districts showing number of Small Tea Growers in Assam



DEMOGRAPHY OF PRODUCTION



The Surge of the small tea growers

A sizable number of small farmers especially in upper Assam have taken up tea cultivation during last 15 years. Their relative contribution vis-à-vis the big gardens is more than 20% and the big gardens purchase a major part of their green leaf production. Using clone varieties of tea seedlings on small holdings, these small and marginal farmers are dependent on their crop as the main source of income.

The graph below depicts the surge of small growers in different districts of the Brahmaputra Valley in last few years.

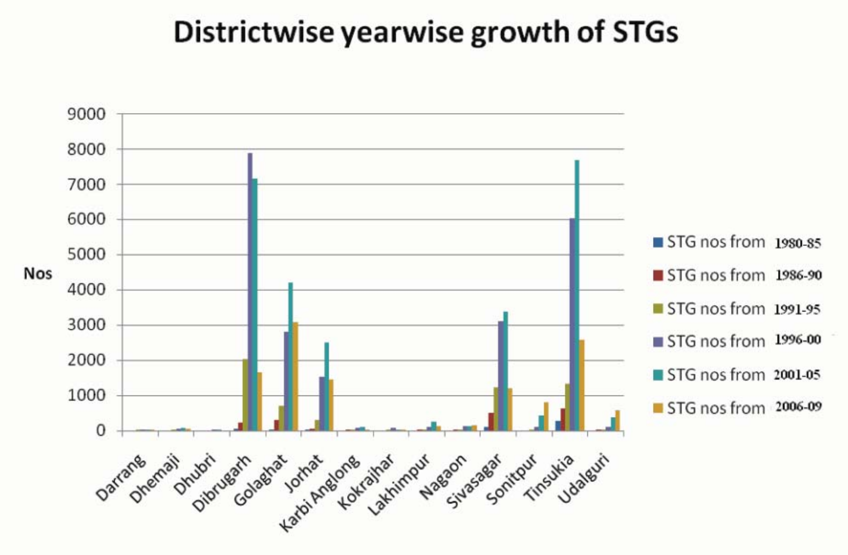


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- Total number of small growers in 14 surveyed districts of Brahmaputra Valley is 68,465.
- Maximum growth occurs from 1996 to 2005.
- Growth in five upper Assam district is 64,519 (94%).
- Apart from upper Assam, the districts of Udalguri, Sonitpur and Nagaon have seen remarkable growth.

Distribution of Small Growers

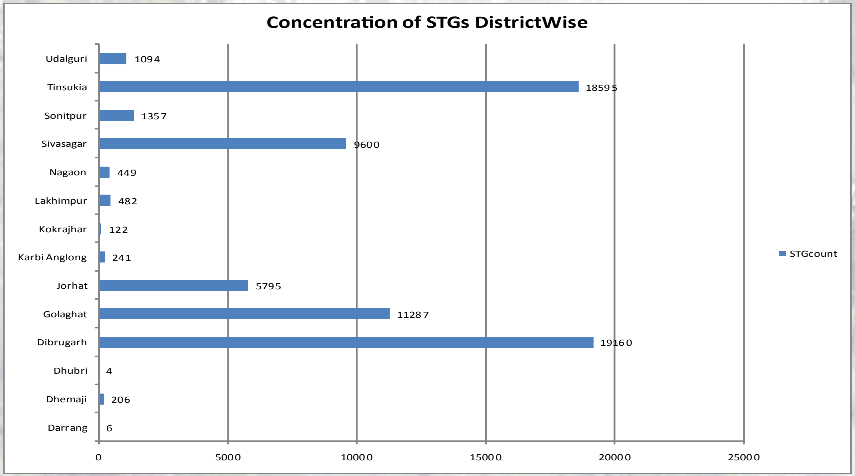


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- Dibrugarh and Tinsukia districts of upper Assam have remarkable numbers of small growers and in these two districts their number is 37,755 (55%).
- Udalguri, Sonitpur, Nagaon and Karbi Anglong districts have in rising trend.
- The rest of the districts other than upper Assam districts seem to be steady.

Land under Tea Cultivation by Small Tea Growers

The graph below shows the total land used in tea cultivation by the small growers in different districts of the Brahmaputra Valley.

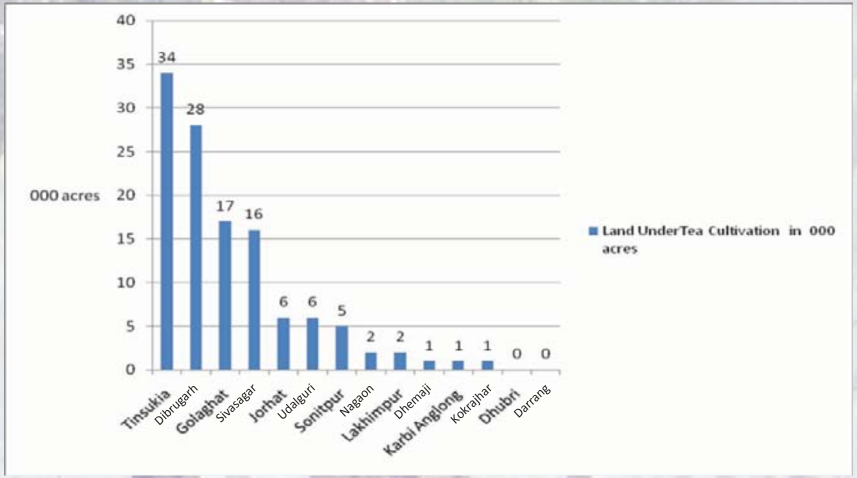


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- Total land under tea cultivation of small grower is 117 thousand acres.
- There is shift from paddy to tea in high lands.
- Small growers used patta land as well as other Government land for tea cultivation.

Patta Land owned by Small Tea Growers used in tea cultivation

The Revenue Department, Government of Assam has given allotment/ settlement to the small growers to the limit of 30 bighas (10 acres) who cultivated tea on Government land excepting the reserved land. The graph below shows the percentage of patta land in different districts owned by small growers and used in tea cultivation.

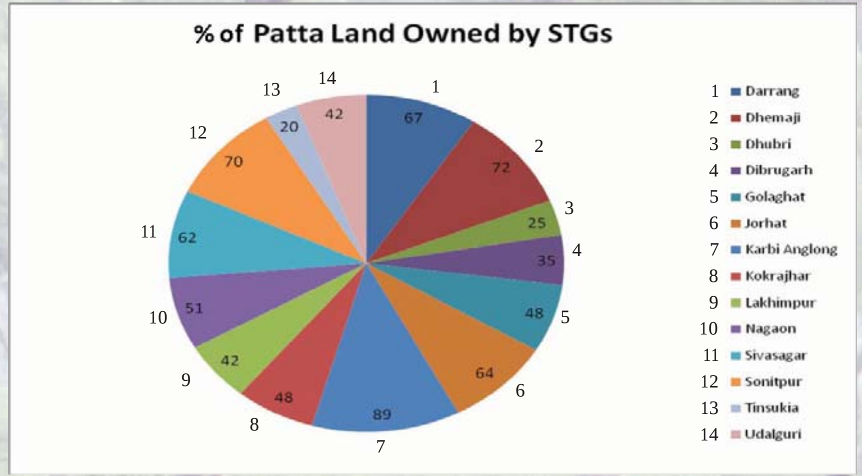


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- 41% of small growers cultivate tea on patta land (28723 nos.).
- Barring Karbi Anglong, Sivasagar and Sonitpur, the tea cultivation in patta land is below 40%.

Age Profile of Tea Bushes in small gardens

This small tea growing sector of tea industry has very good potential of producing tea of high quality at very competitive prices because of young plants. The following chart shows the distribution of age of Tea Bushes in small gardens in the Brahmaputra Valley.

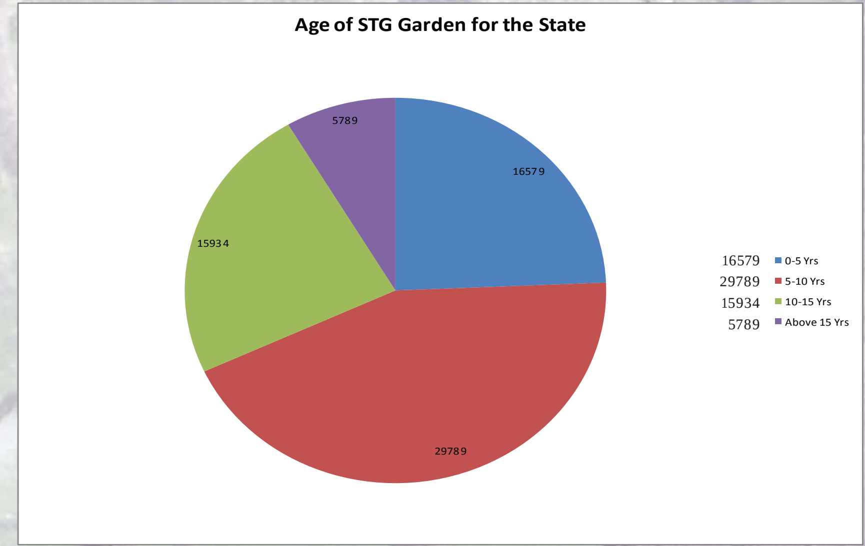


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- 67% of the tea bushes are below 10 years (46,474 numbers of small garden) of age.
- Only 8% (5792 numbers) are above 15 years of age.
- Big gardens have purchased major portion of their production due to young character of plant.

Size of Holding among small tea growers

The following chart shows the distribution in the size of holdings among small tea growers in the Brahmaputra Valley.

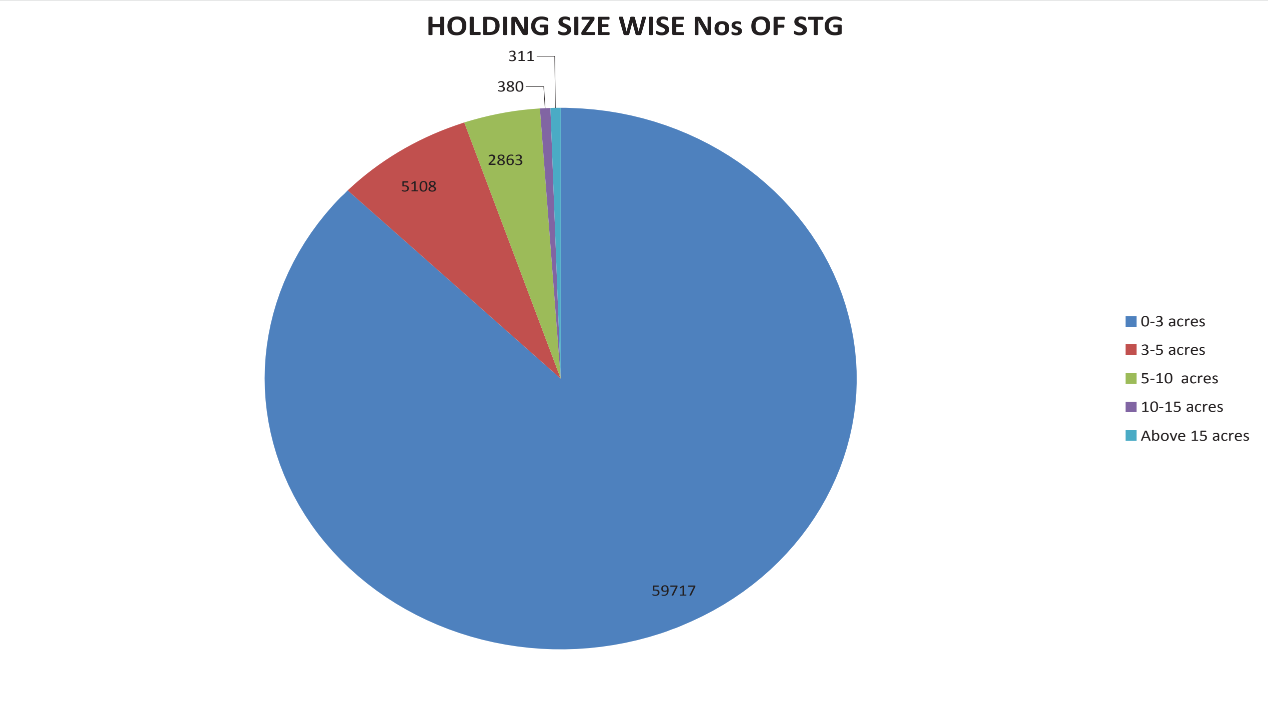


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- 59717 small gardens have the holding size of less than 3 acres i.e. 87% of the small growers are small farmers.
- Only 380 small growers have comparatively a bigger size of holdings (above 15 acres).
- There is little scope of raising the size of holding, mostly because of the paddy cultivation in adjacent areas.

PRODUCTION

Production of Green Leaf

Production starts from the fifth year of planting. 76% of small gardens start production of green leaf.

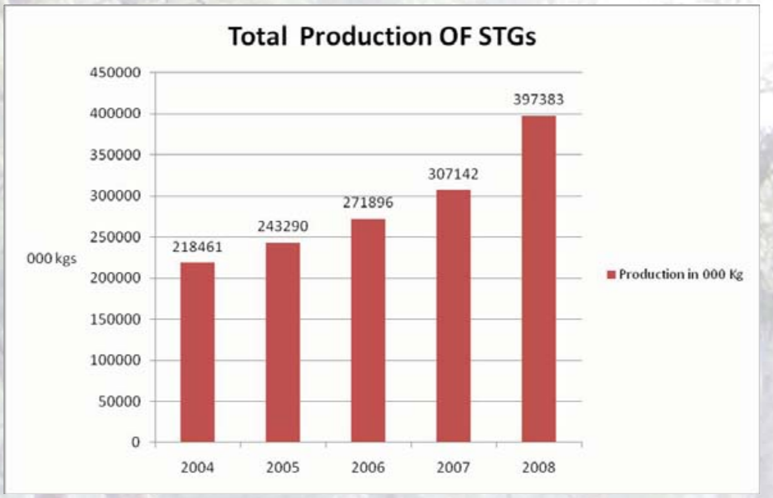


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- 400 million kgs. of green leaf was produced by the small growers in 2008.
- Trend of production is rising.
- Production may exceed 500 million kgs. in the coming years.

Annual Yield of Small Tea Growers

The following chart depicts the annual yield of the small tea growers according to the age of the tea bushes and the size of holdings.

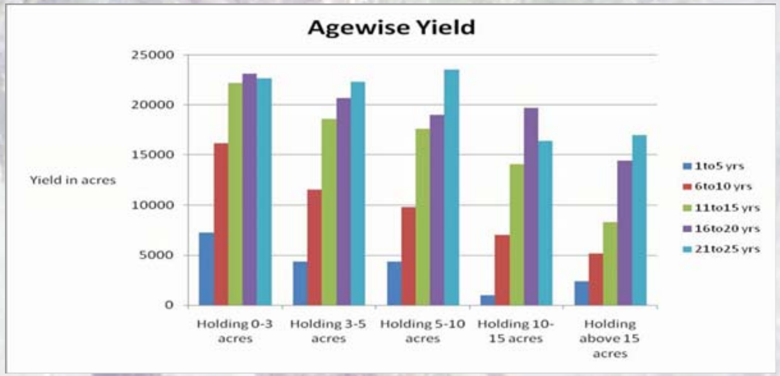


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

The yield differs from holding size to holding size. For holding sizes of 0-3 acres the yield is highest for those cultivation which are in the range of 16-20 years. On the other hand for holdings of 3-5 acres and 5-10 acres the yield is highest for cultivation of 21-25 years. The yield gradually drops after this. Thus productivity is maximum at the age of 16 years for the sizes of holding 0-3 acres.

Variation of Yield as per Holding Size

The chart presents the variation of green tea leaf yield as per the holding size over the last few years.

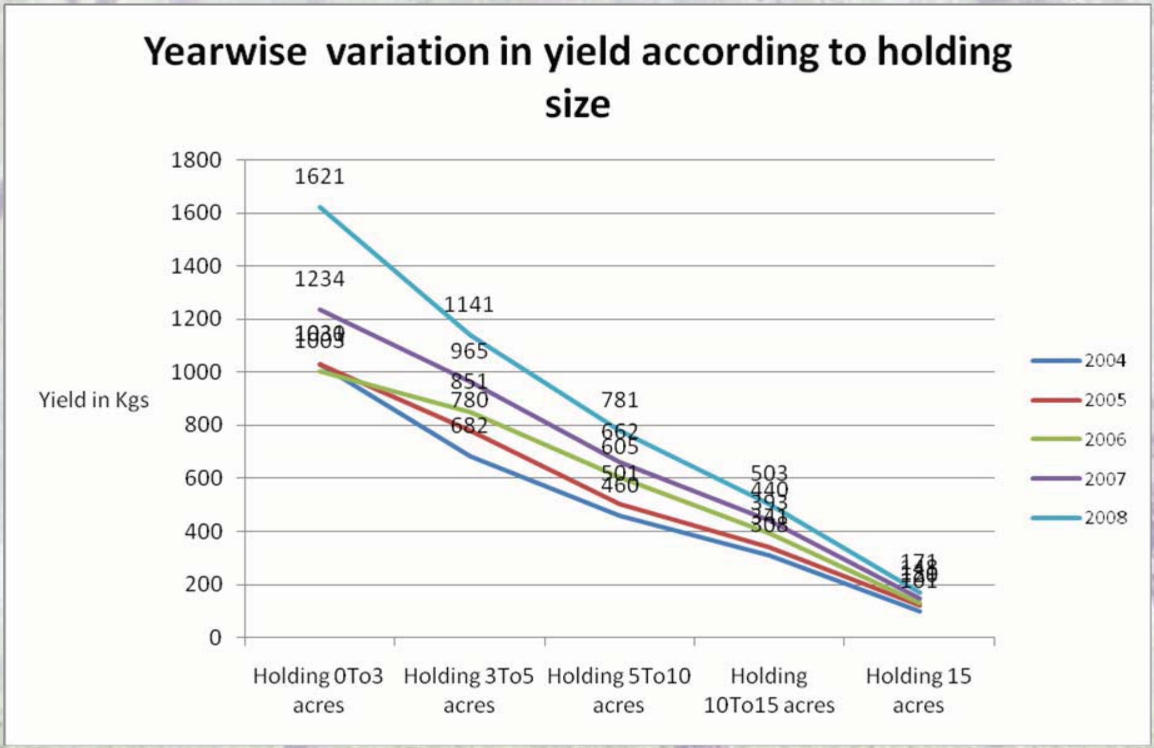


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- Yield is highest for the size of holding up to 3 acres. This may be the limitation of maintenance capabilities of the small farmers.
- Yield is in rising trend.
- Yield is slowly declining of the size of holding exceeding 5 acres.

MARKETING

The leaves of these small tea growers are sold by two methods

a. Directly to the Factories

b. Through Agents who collect it from the gardens

Direct Linkage with factories in selling green tea leaf

The bought leaf factories shall undergo an agreement with the small growers for quantum of leaf to be supplied with the standard quality i.e. linkage shall be created in between the factories and the small growers.

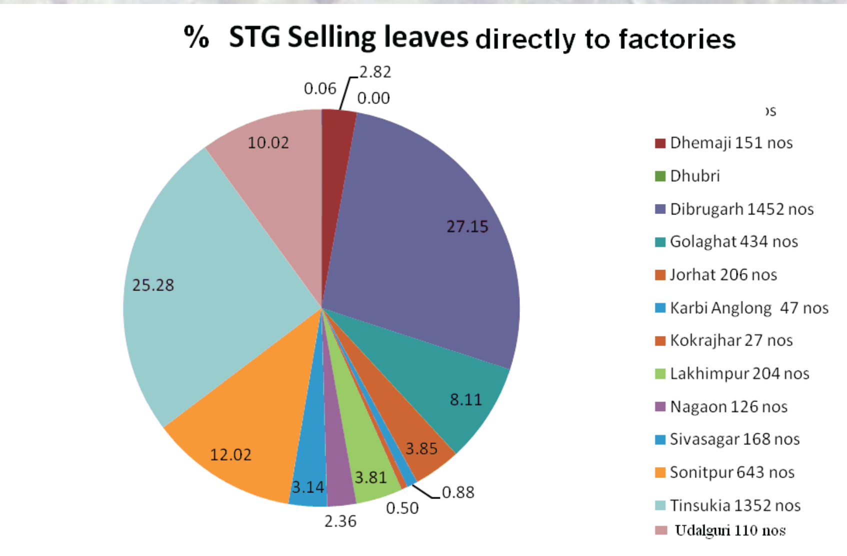


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- Out of 68,465 numbers of small growers only 4920 numbers have direct linkage with the factories.

Linkage through Agents with factories

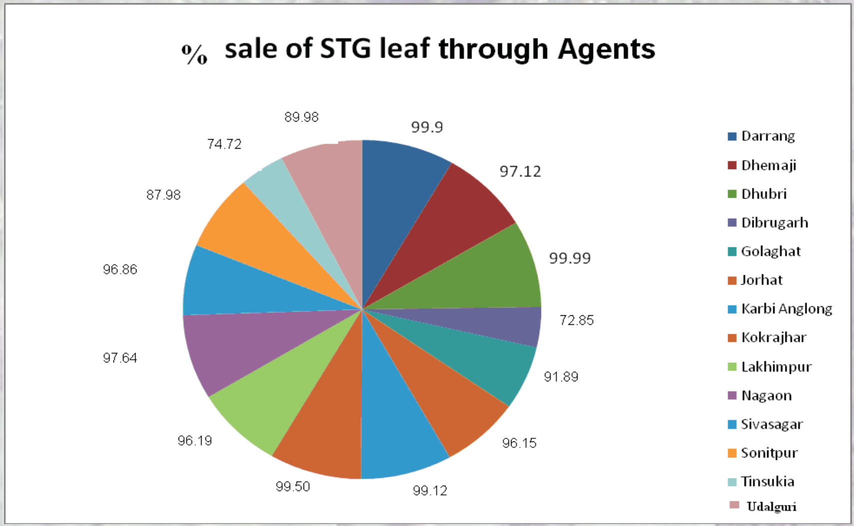


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- 93% of the small grower's sale of green leaf is through agents. Hence the agents play a vital role in this sector.
- It is not economical for the small holding growers to sell leaf directly to the factories until the concept of catchment area is implemented.
- There is no planned system of collection and transportation of green leaf.
- Small growers are spread over in a large area with hurdles in road communication.

Average Price Fetched per KG of green tea leaf

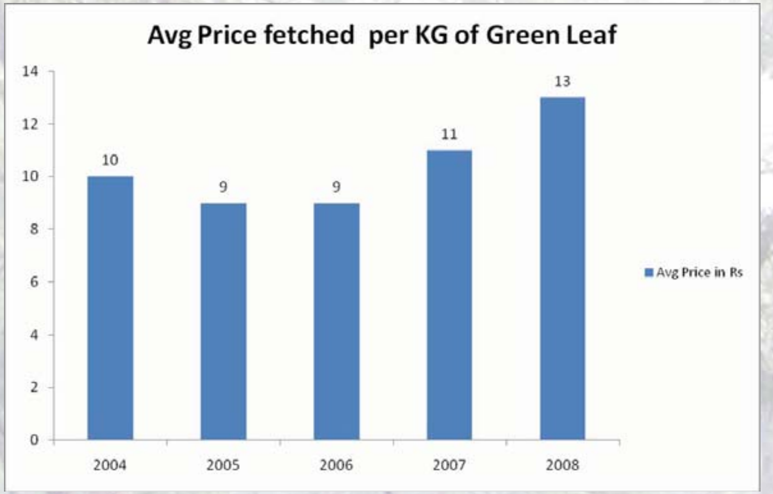


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- Average price fetched per kg. of green leaf does not exceed Rs. 13.
- Price sharing formula as per TMCO guideline is never followed.
- Price is fixed at the mercy of big factories.
- District Level Monitoring Committee's decision in fixation of price of green leaf is not honoured as there is no legal sanction to the committee.

Payment of Transportation Charges

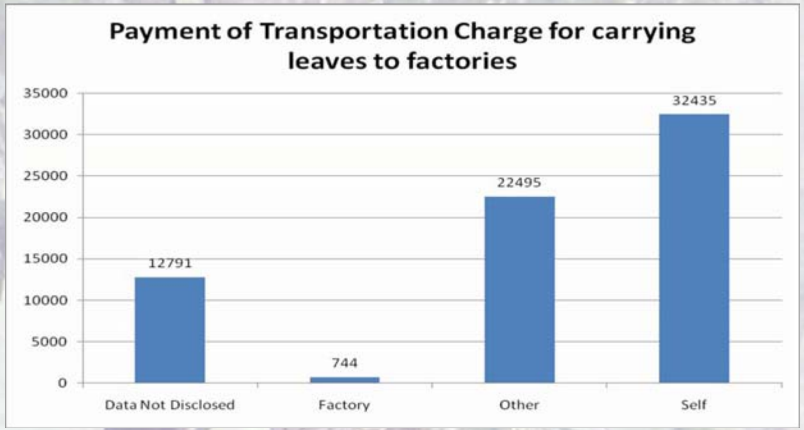


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- In case of 744 numbers of small growers the transportation charge is paid by the factories.
- 12791 numbers of small growers do not know where their leaf are sent and probably their payments are made by deducting the transportation charge.
- In case of 32435 numbers of small growers the transportation charge is paid by themselves.

Distance of Small Tea Gardens from the factories

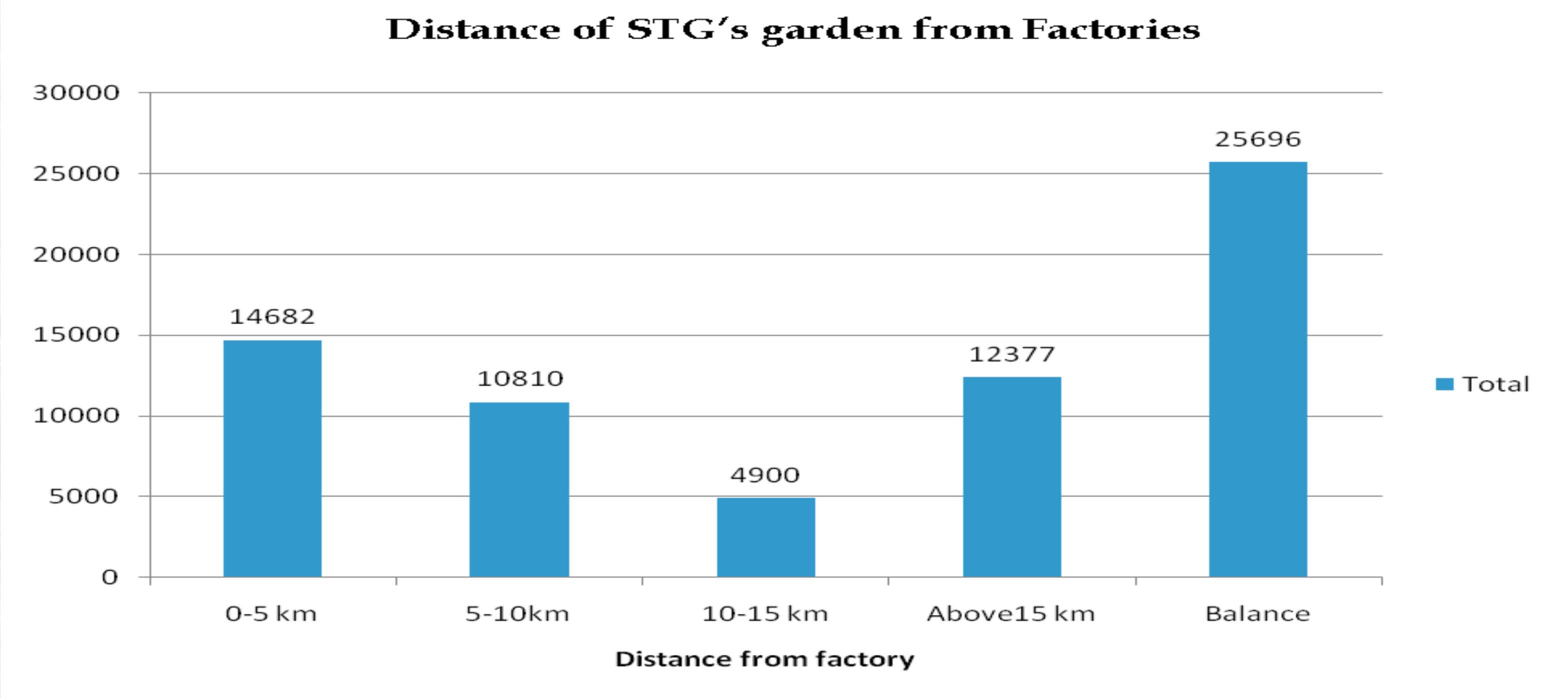
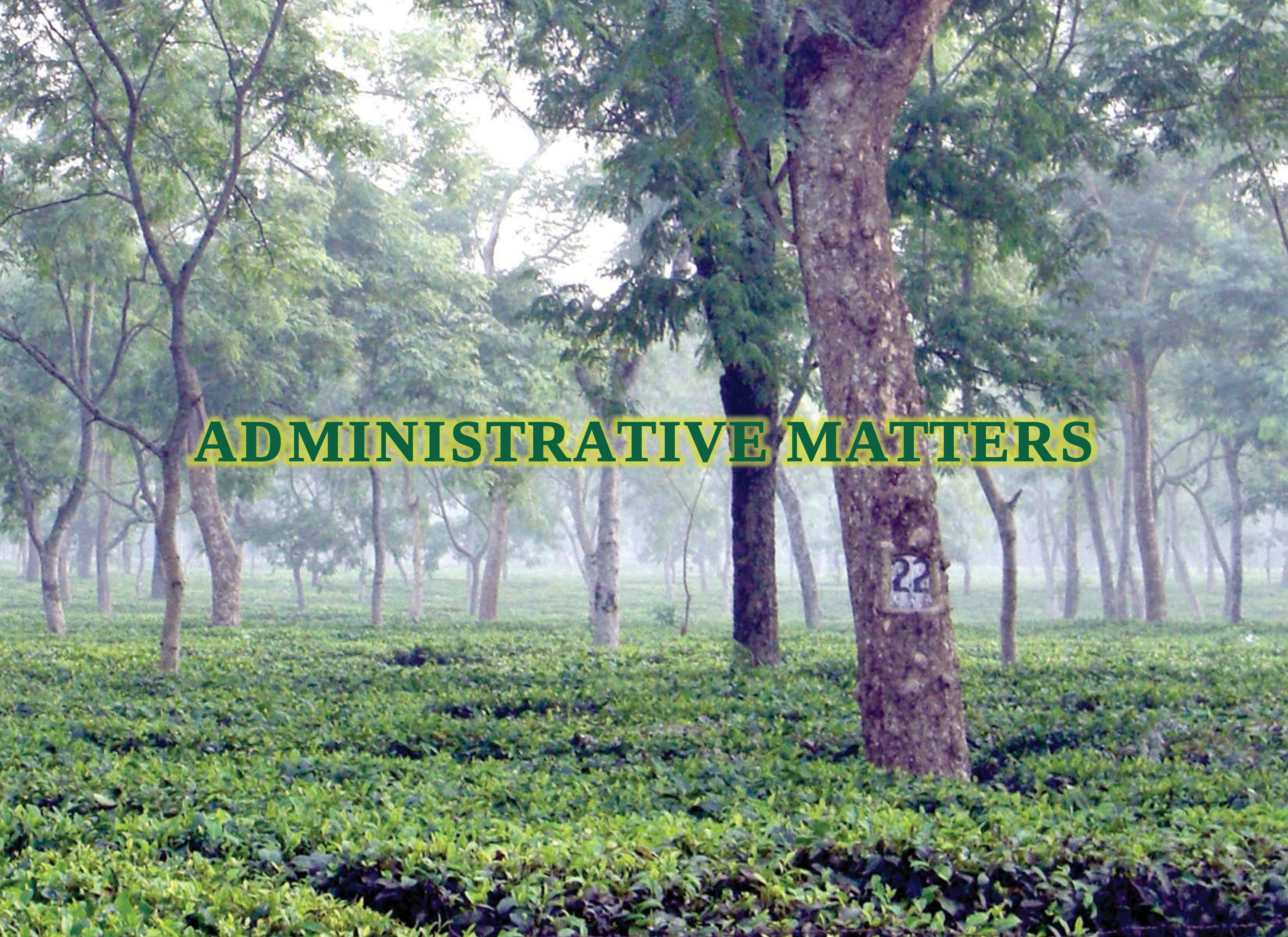


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- Ideal distance from the factory to the carrying point should not exceed 10 km to ensure that the leaves do not get fermented.
- 25696 small growers are unaware of the above fact.
- In case of 17277 small growers the distance exceeds 10 km.

ADMINISTRATIVE MATTERS



Small Tea Growers – Registration with Tea Board

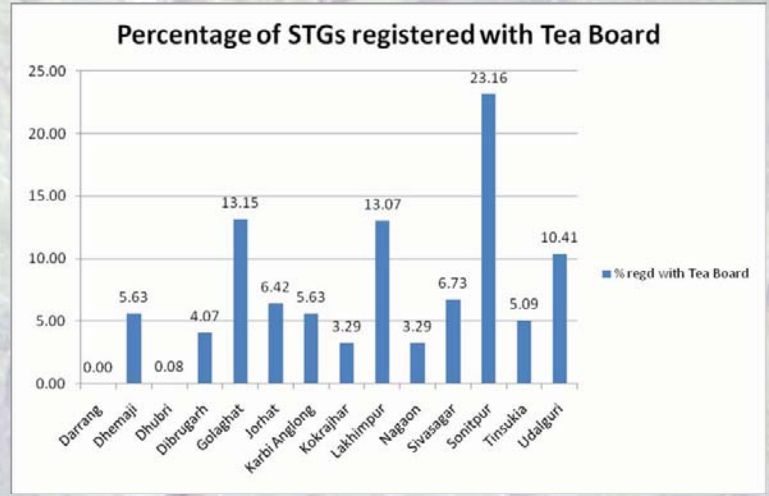


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- Number of small growers registration with the tea board is very poor. Only 1297 numbers are got registered. The land documents are one of the criteria of registration. 41% of the small growers have patta land but unable to register in Tea Board.

Self Help Groups

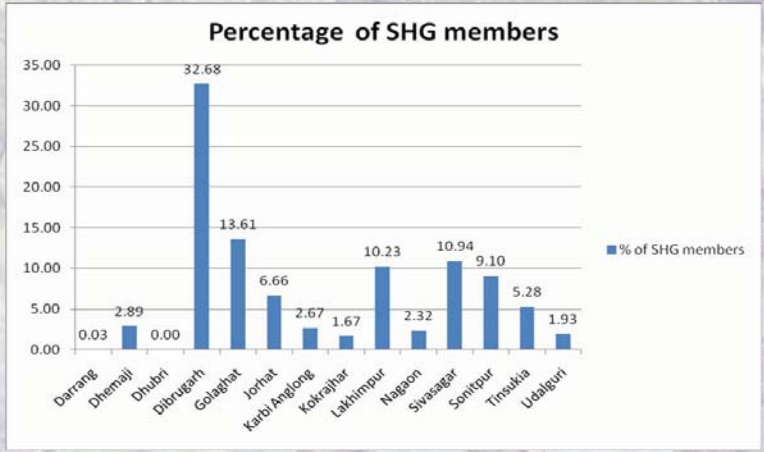


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- Creation of Self Help Groups with backward and forward linkages is the only way to organise the small tea growers and make their endeavours more profitable.
- Excepting Dibrugarh district, the number of SHGs in the other districts shows a dismal picture.
- Only 3109 small growers are members of SHG.

Membership with Associations

Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- It is seen that about 1/3rd of the STGs are the members of Association of small growers.

Training status

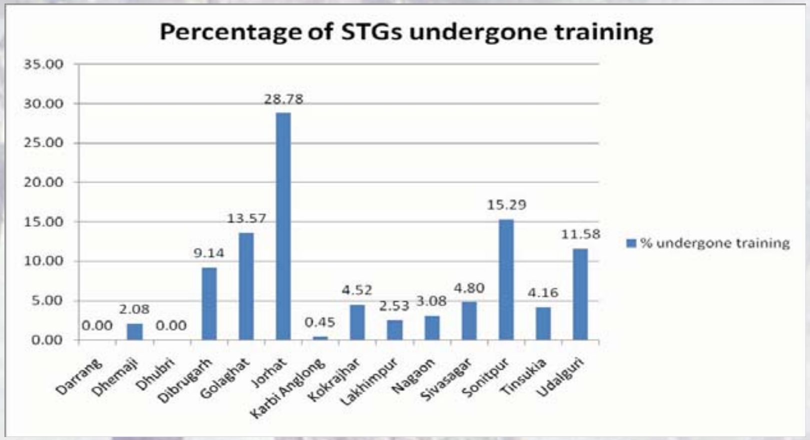


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- Training is an utmost necessity to understand the recommended cultivation technology, post management, timely implementation of various imputes etc.
- The training scenario of small tea growers is on the lower side with Jorhat District showing the highest percentage on just under 29%.
- Although a Small Tea Growers Advisory Cell exists in Assam Agricultural University the unit is not in a position to cater to the requirement of all the growers.
- Only 1105 small growers are imported training.

Sources of Credit

Incentives from Tea Board

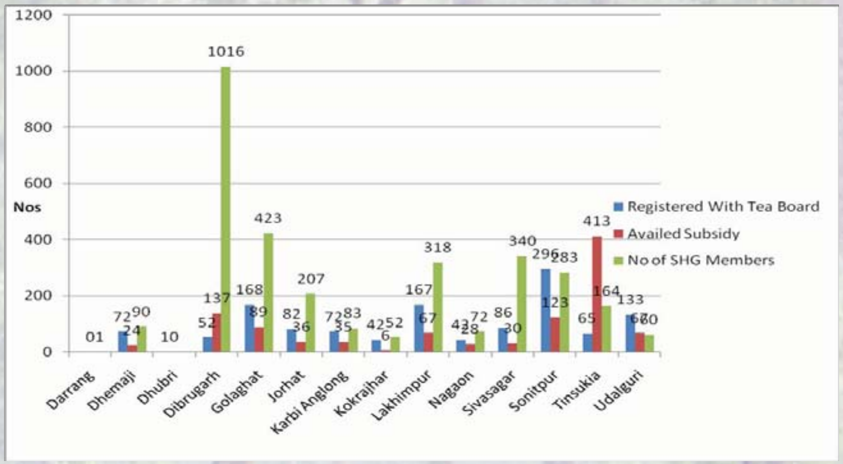


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- Incentives from the Tea Board seems to be poor. Only 1055 small tea growers are availing incentives from the Tea Board.
- Although formation self help group is one of the criteria for getting incentives from the Tea Board, no support from any agency are facilitating the formation of self help groups among the growers and its helping them to attain forward and backward linkages.

From other Sources

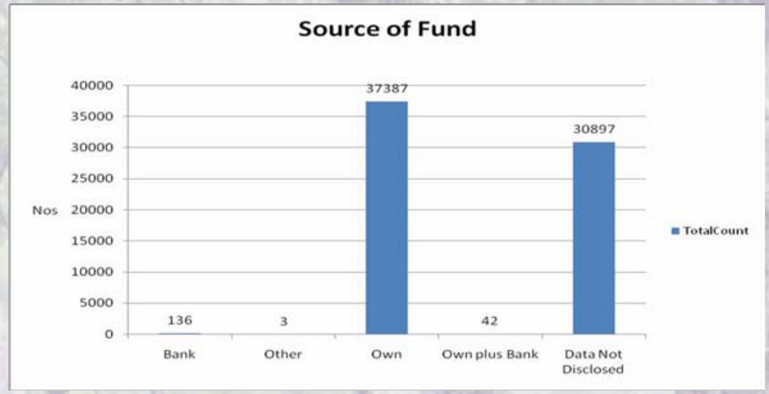
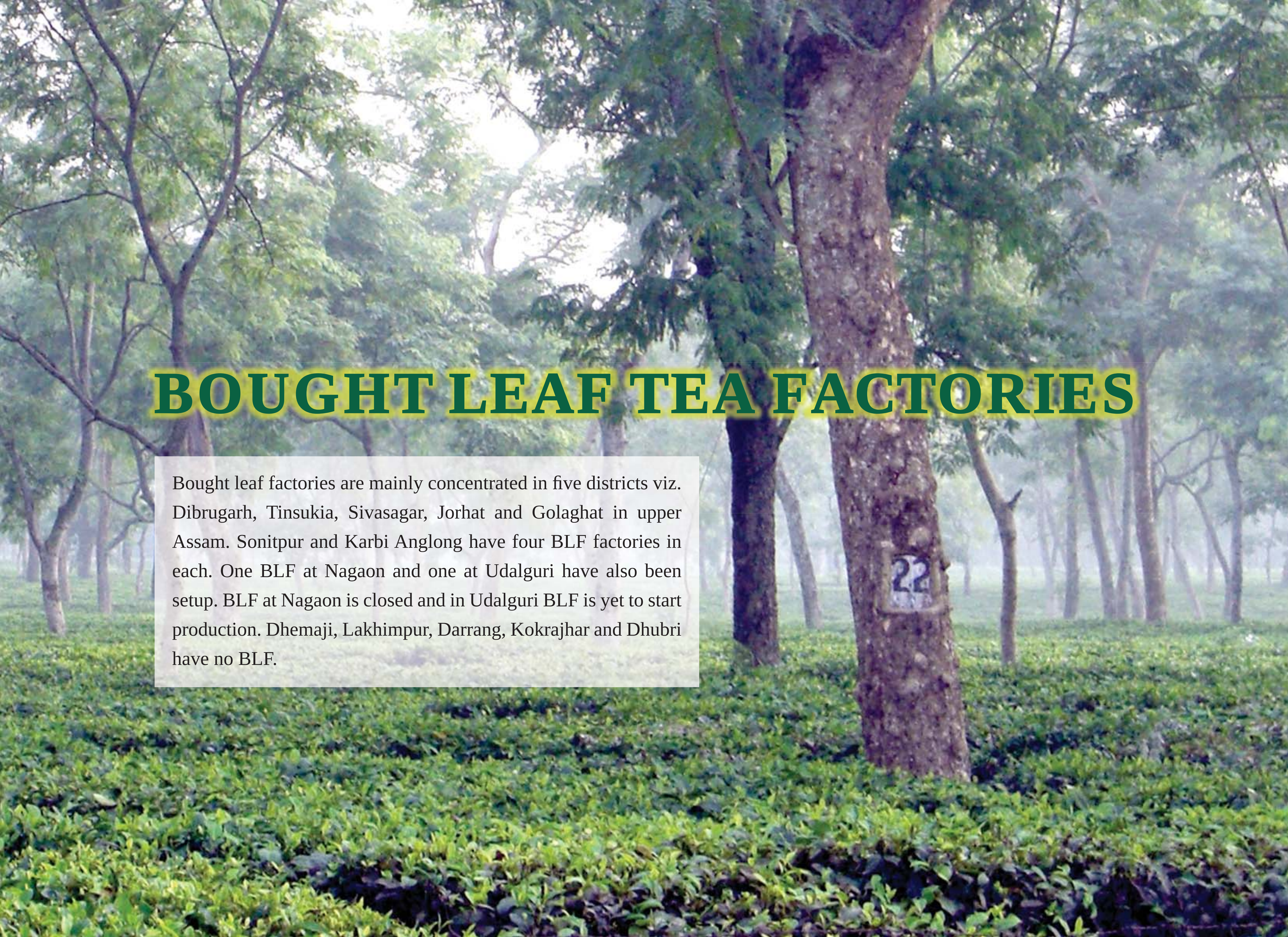


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

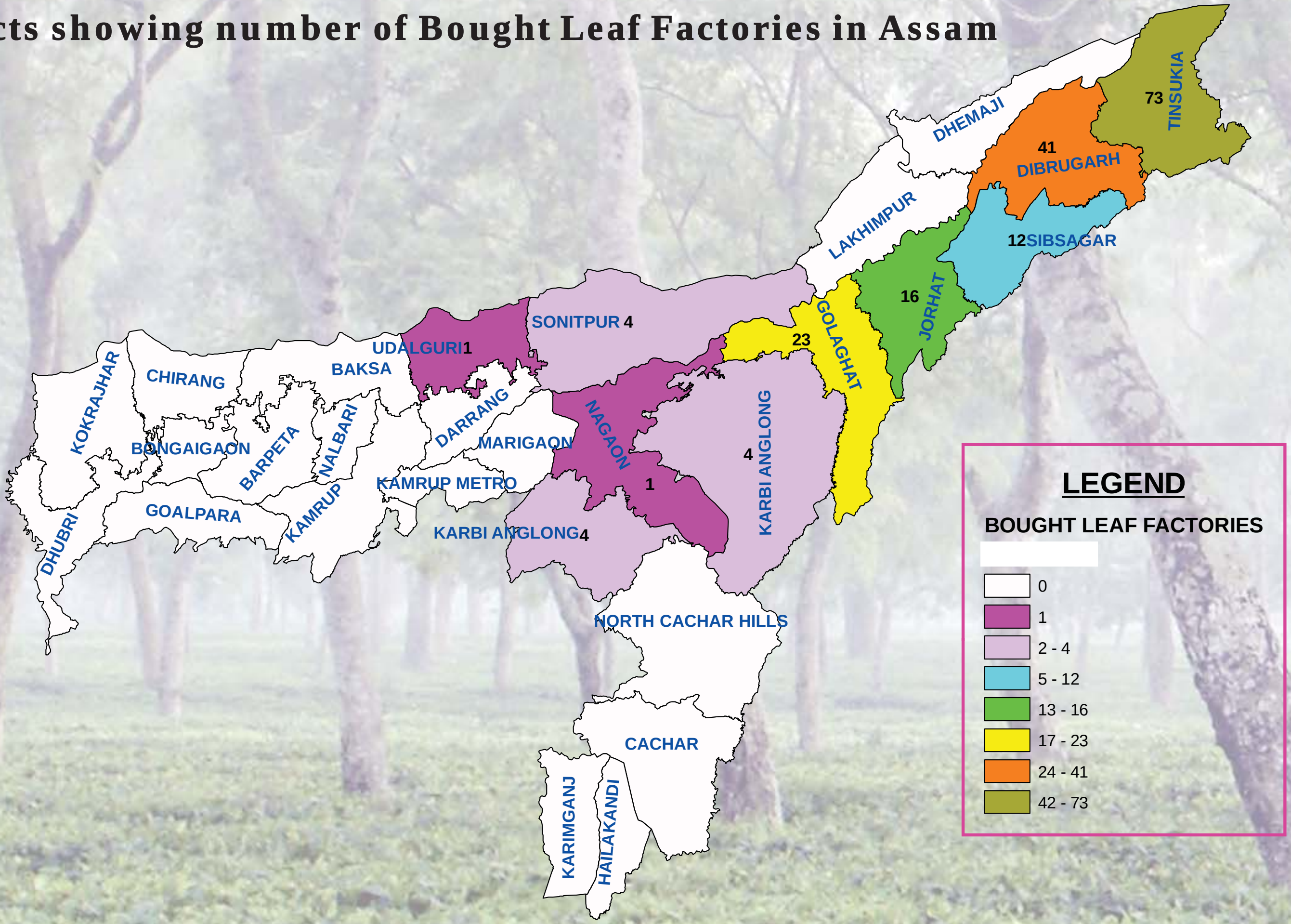
- Only 178 of the small tea growers are availing credit from other financial institutions



BOUGHT LEAF TEA FACTORIES

Bought leaf factories are mainly concentrated in five districts viz. Dibrugarh, Tinsukia, Sivasagar, Jorhat and Golaghat in upper Assam. Sonitpur and Karbi Anglong have four BLF factories in each. One BLF at Nagaon and one at Udalguri have also been setup. BLF at Nagaon is closed and in Udalguri BLF is yet to start production. Dhemaji, Lakhimpur, Darrang, Kokrajhar and Dhubri have no BLF.

Districts showing number of Bought Leaf Factories in Assam



Bought Leaf Factories and their Annual Capacity

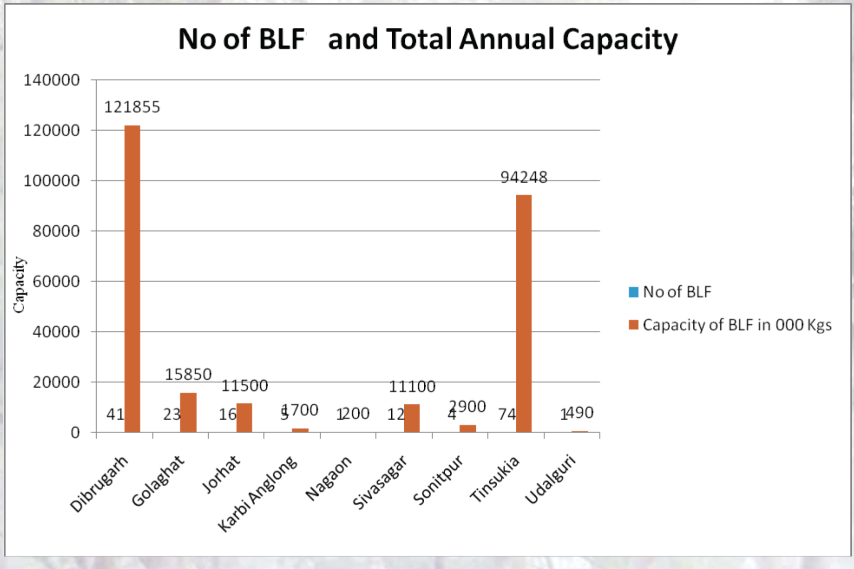


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- 177 bought leaf factories are functioning in 9 districts out of which 166 are concentrated in five upper Assam districts of Brahmaputra Valley.
- Tinsukia district has the highest number of bought leaf factories with total of 74, followed by Dibrugarh with 41 factories.
- Total annual capacity of bought leaf factories are 261 million kg against the production of 400 million kgs. of green leaf of small growers.
- Dhemaji, Lakhimpur, Darrang, Kokrajhar, Dhubri have no bought leaf factories.

Small Tea Growers' production and sale to Bought Leaf Factories and Estate Factories

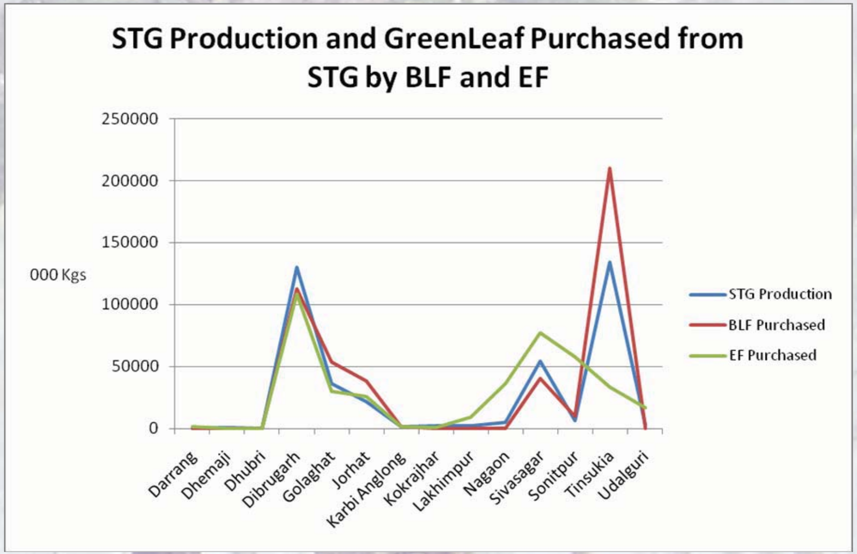


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- The green leaves produced by STG have been purchased either by BLF or estate factories.
- In the districts where BLF do not exist, entire leaf is purchased by estate factories.
- In Tinsukia, Jorhat and Golaghat the role of BLF is more significant.
- 466 million kgs. of green leaf are purchased by BLF.
- 377 million kgs. of green leaf are purchased by estate factories.

Annual Capacity of Estate Factories

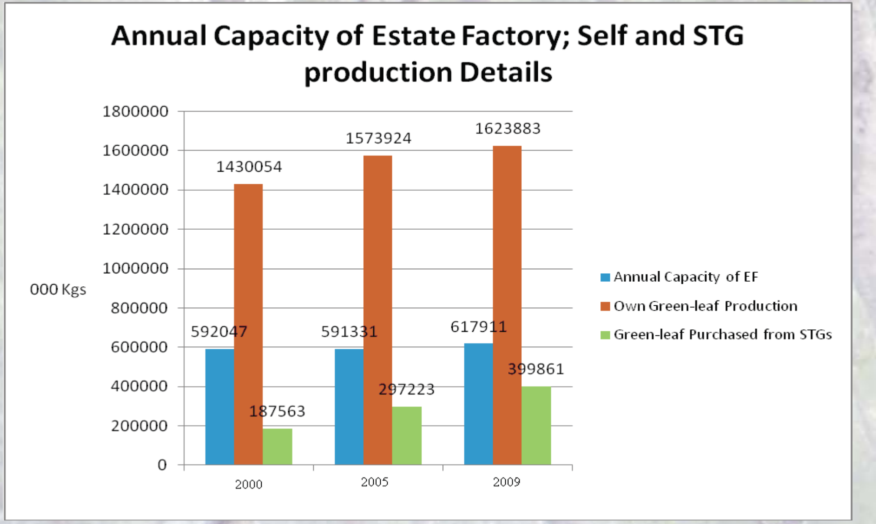


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- The young age of tea bushes of Small tea growers results in better quality of leaves. On the other hand the age of tea bushes of big gardens are old and hence of lower quality.
- As the STGs do not have their own factories the big tea estates procure the tea leaves from this sector. This results in better quality of tea at cheaper cost.

Production comparison – Small Tea Growers vs Bought Leaf Factories

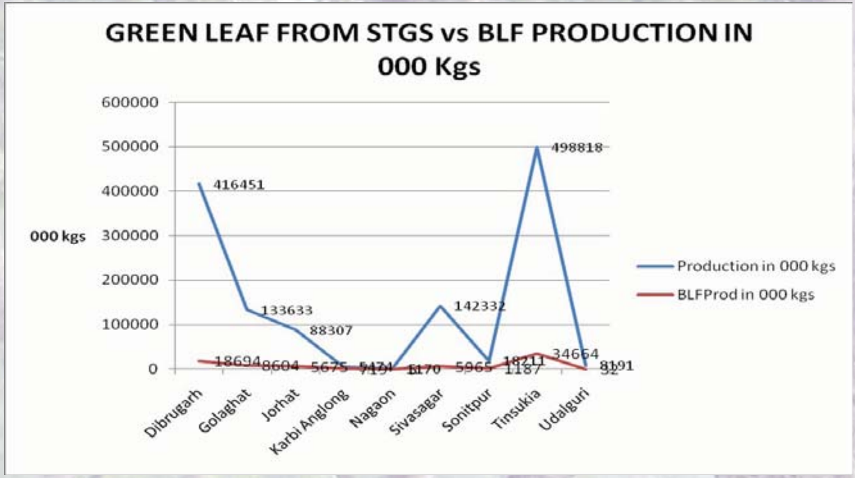


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- The green leaf manufactured by BLF is shown in terms of made tea.
- The entire production of small tea growers is not manufactured by the BLFs.
- 101 million kgs. of made tea was manufactured by BLF in 2008.
- BLF also purchased green leaf from the neighbouring state.

Green Leaf Production – Small Tea Growers vs Estate Factories

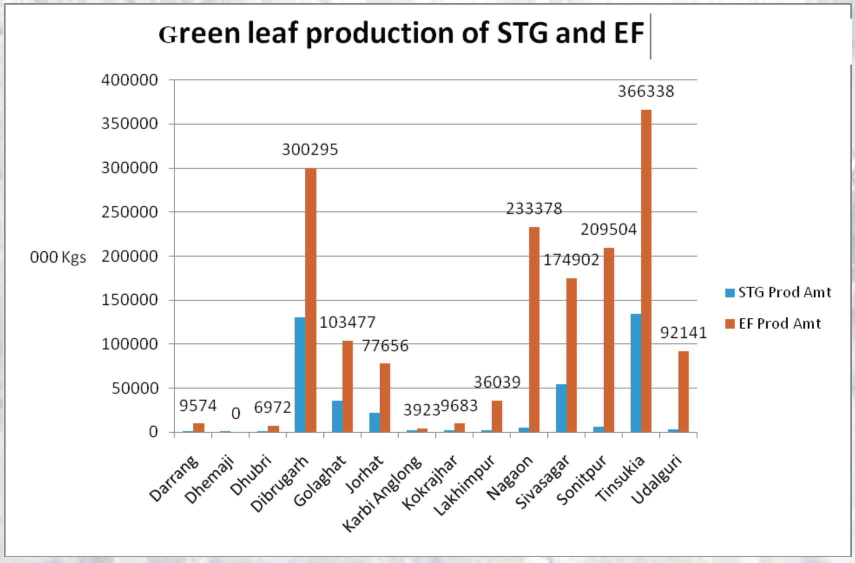


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- The green leaf production ratio of small tea growers and estate gardens is very healthy in case of Tinsukia, Dibrugarh, Golaghat and Sivasagar districts.

Price Received vs Price Paid

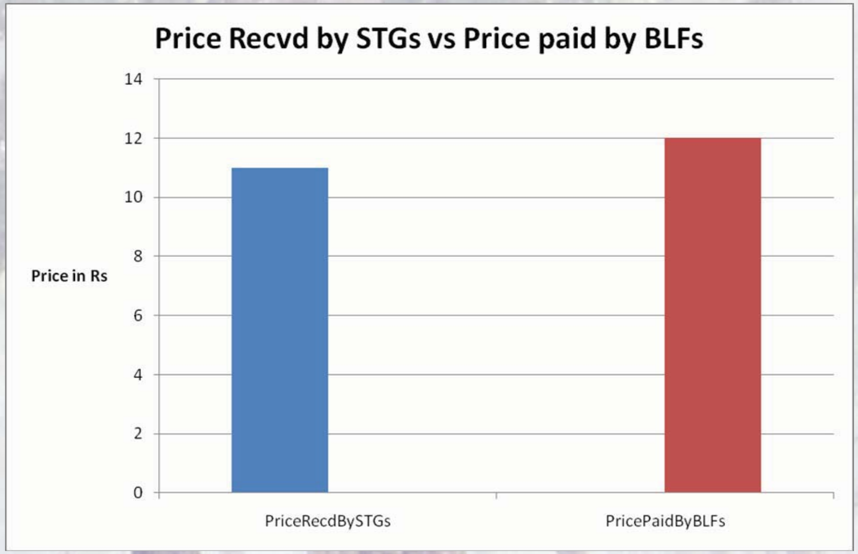


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- The average price received by Small Tea Growers is Rs. 11.00 per Kg of green leaf.
- The average price paid by the Bought Leaf Factories is Rs. 12.00 per Kg.
- It may be assumed that the difference is the payment made to the agents.

Fixing the Prices

Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- In most cases, the prices are fixed on a weekly basis.
- Also in quite a few cases, the prices are fixed on a fortnightly basis.
- Emphasis on fixing the prices on daily, monthly, quarterly or yearly basis is low.

Employment Generated by Bought Leaf Factories

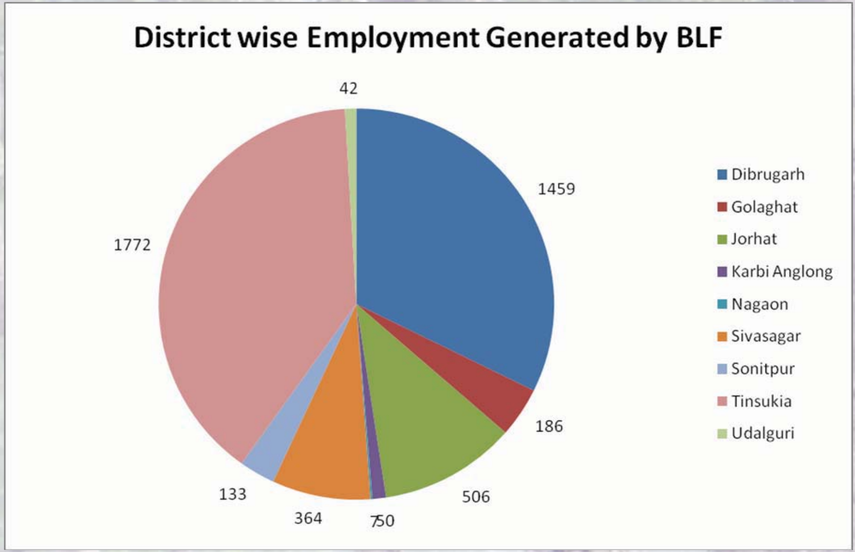


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- The total employment generated by the Bought Leaf Factories is 4519.
- The employment generated is highest in Tinsukia district followed by Dibrugarh.

Bought Leaf Factories availing subsidy

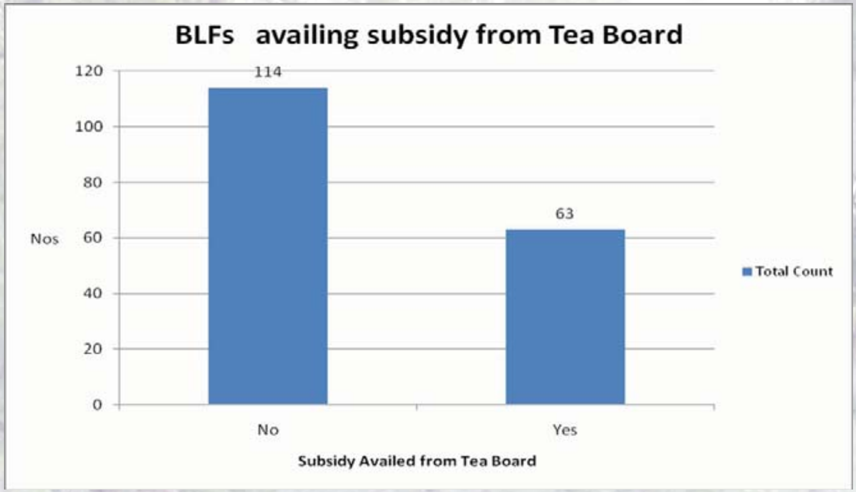


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

Observations

- Only 63 out of 177 bought leaf factories (35.6%) in the Brahmaputra valley are availing subsidies from the Tea Board of India.

Tea-Waste at Bought Leaf Factories

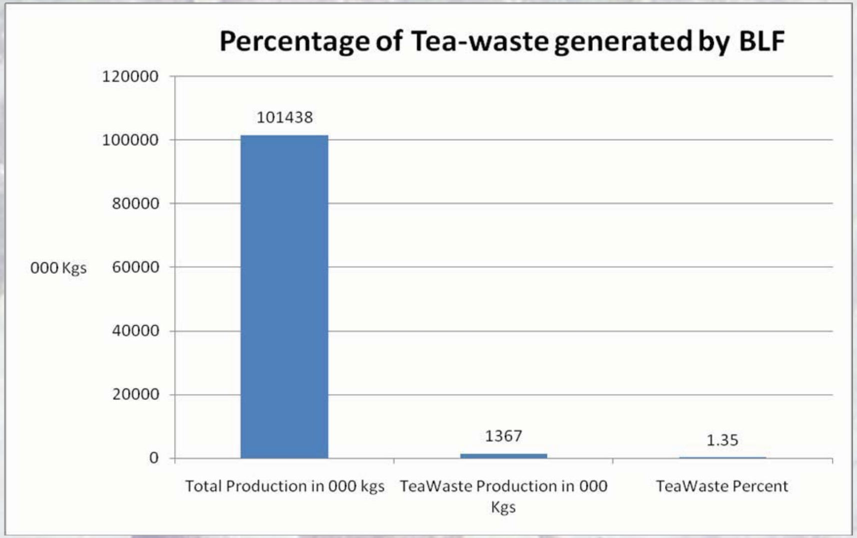
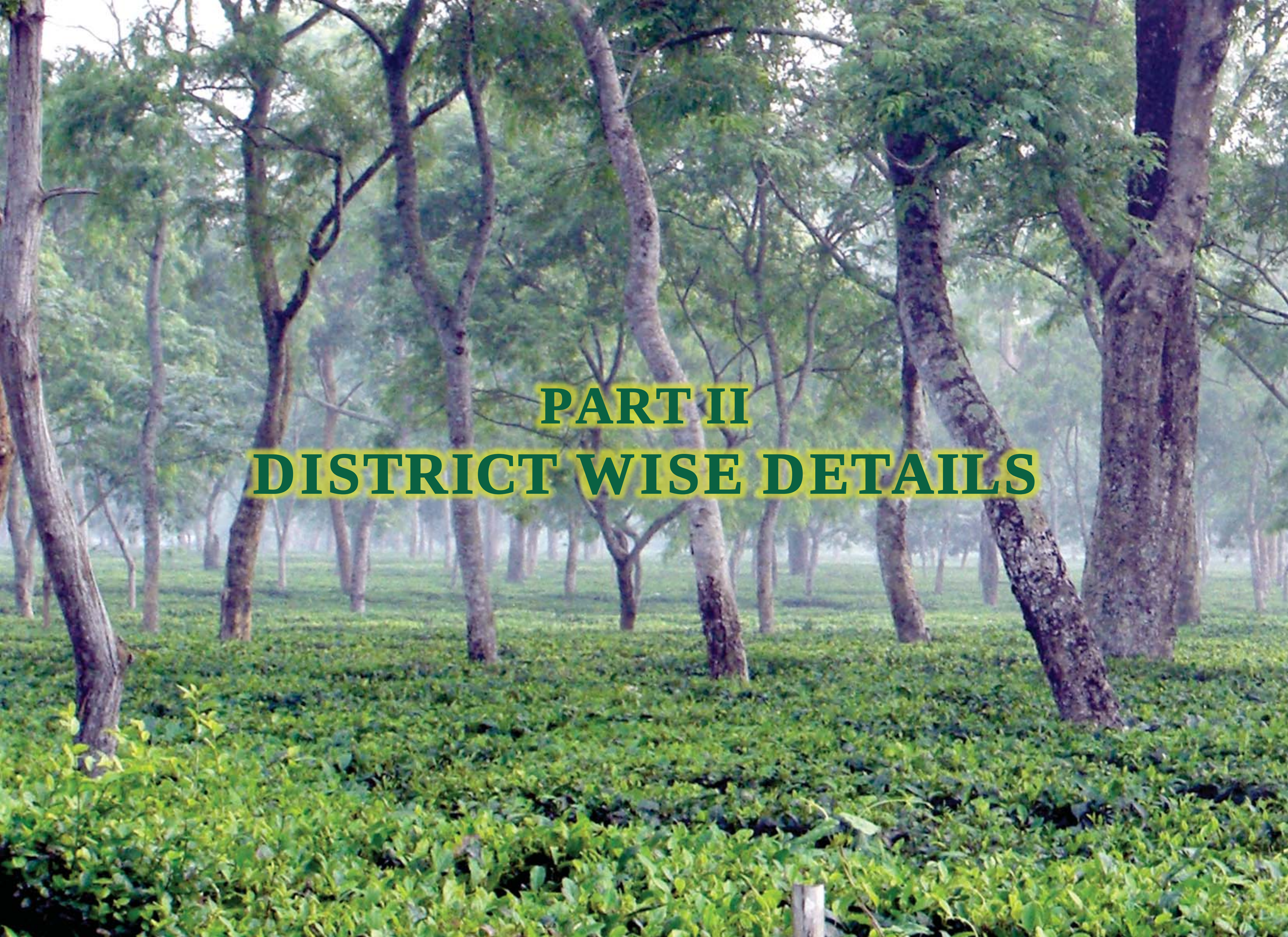


Fig. relates to 14 districts of Brahmaputra Valley surveyed.

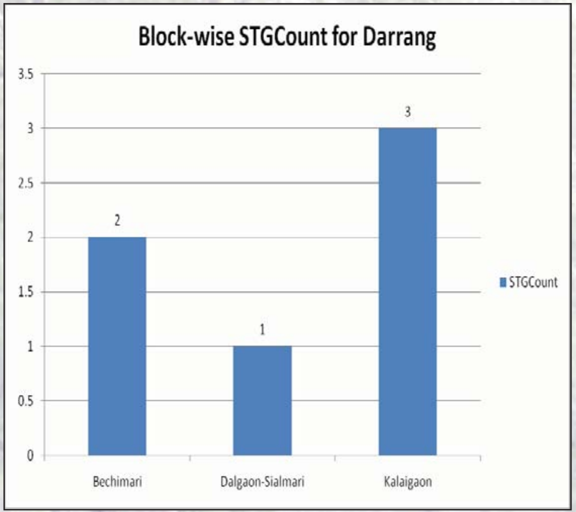
Observations

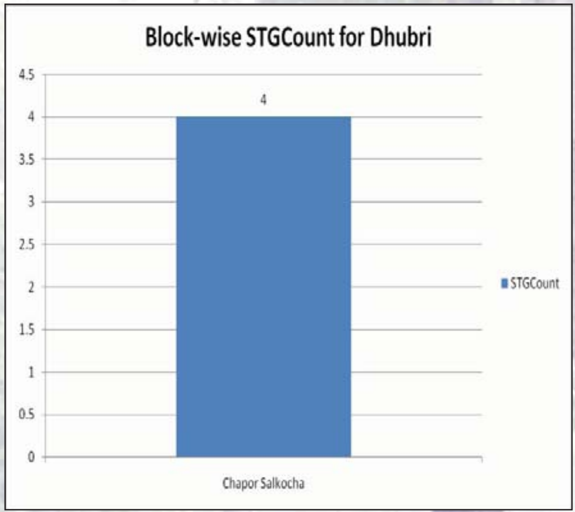
- On an average, 1.35% of tea-waste is generated against the production at Bought Leaf Factories.

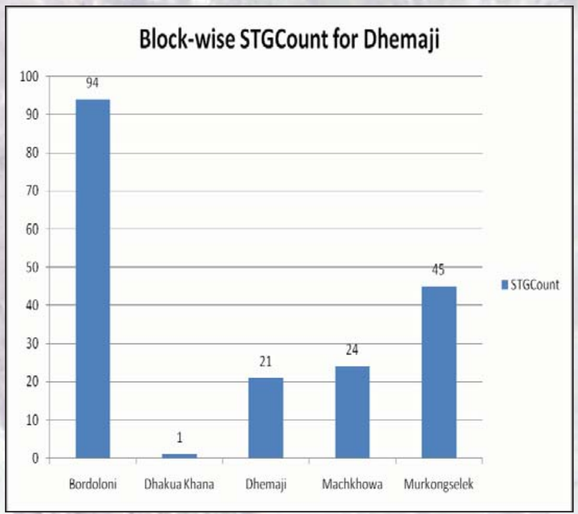
PART II
DISTRICT WISE DETAILS

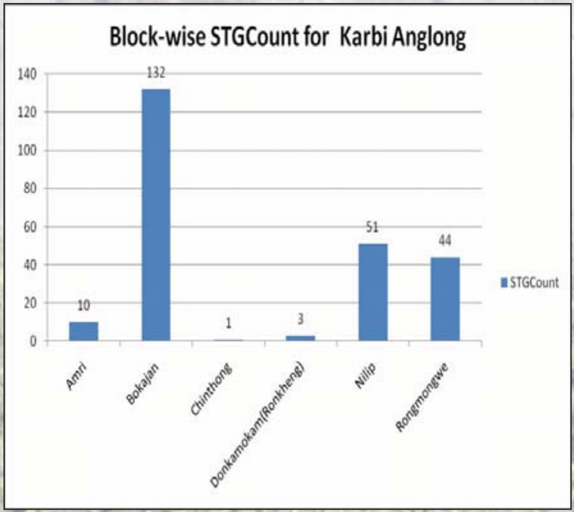


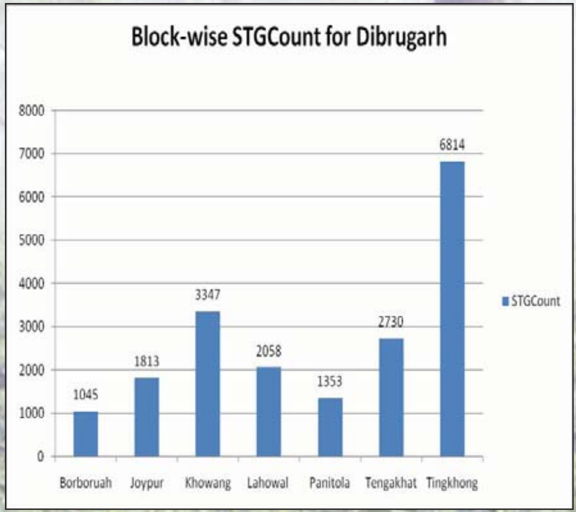
Block wise distribution of STG

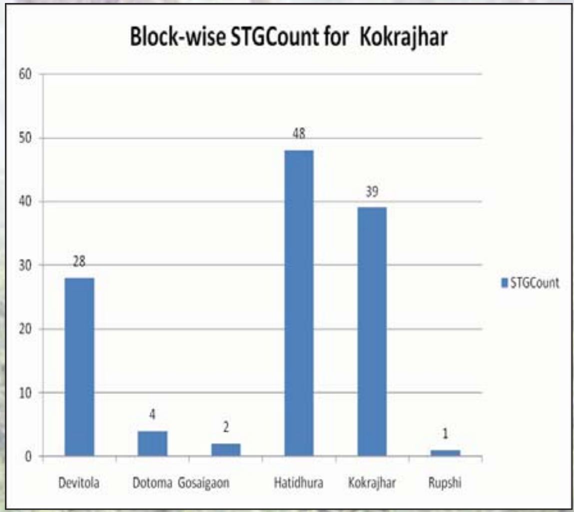


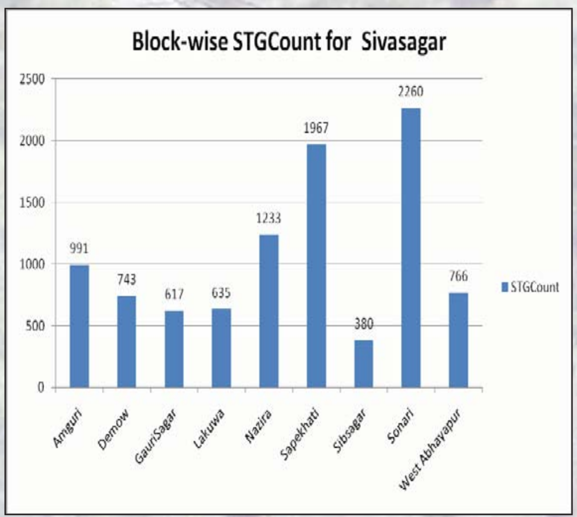


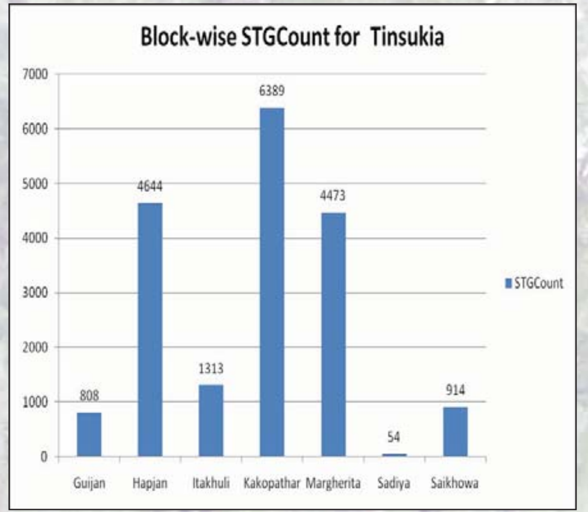


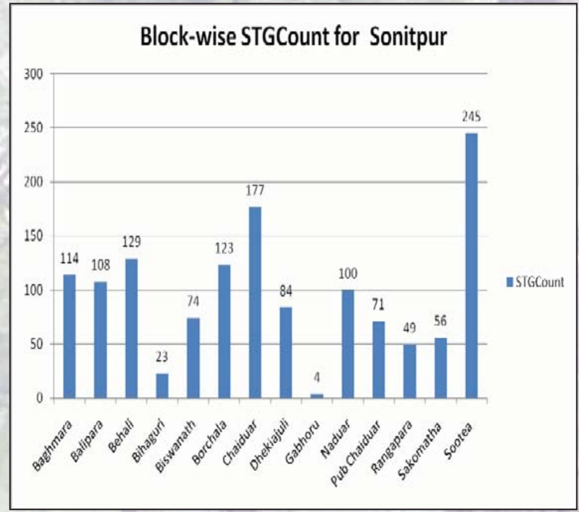


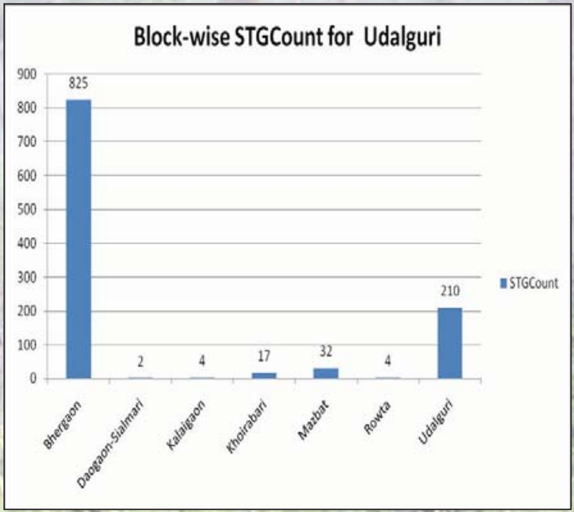


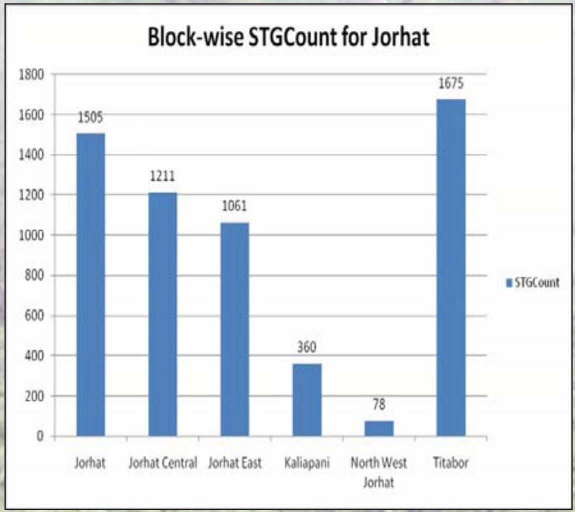


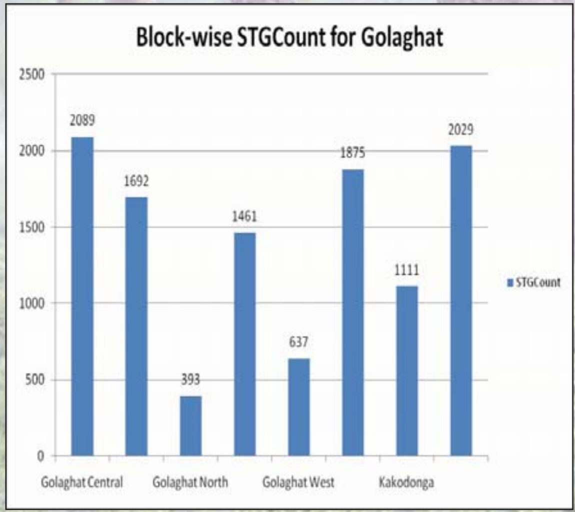

Block-wise STGCount for Sivasagar
2500
2000
1500
1000
500
0
991
743
617
635
1233
1967
380
2260
766
Amguri
Demow
GauriSagar
Lakuwa
Nazira
Sapekhati
Sibsagar
Sonari
West Abhaypur
STGCount


Block-wise STGCount for Tinsukia
7000
6000
5000
4000
3000
2000
1000
0
808
4644
1313
6389
4473
54
914
Guijan
Hapjan
Itakhuli
Kakopathar
Margherita
Sadiya
Saikhowa
STGCount

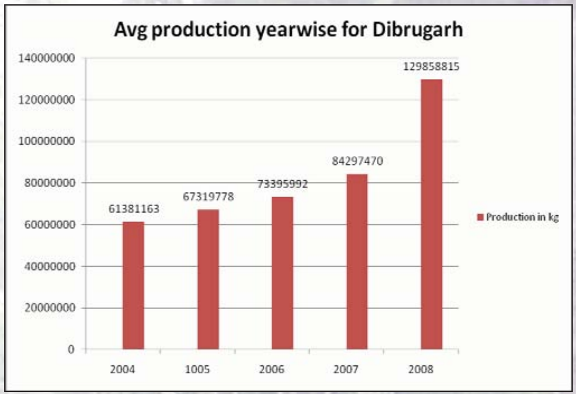

Block-wise STGCount for Sonitpur
300
250
200
150
100
50
0
114
108
129
23
74
123
177
84
4
100
71
49
56
245
Baghmara
Balipara
Behali
Bihaguri
Biswanath
Borchala
Chaiduar
Dhekiajuli
Gabhoru
Naduar
Pub Chaiduar
Rangapara
Sakomatha
Sootea
STGCount

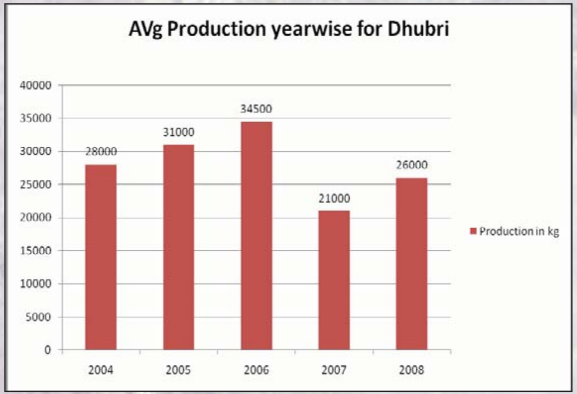

Block-wise STGCount for Udalguri
900
800
700
600
500
400
300
200
100
0
825
2
4
17
32
4
210
Bhergaon
Daogaon-Sialmari
Kalaigaon
Khoirabari
Mazbat
Rowta
Udalguri
STGCount

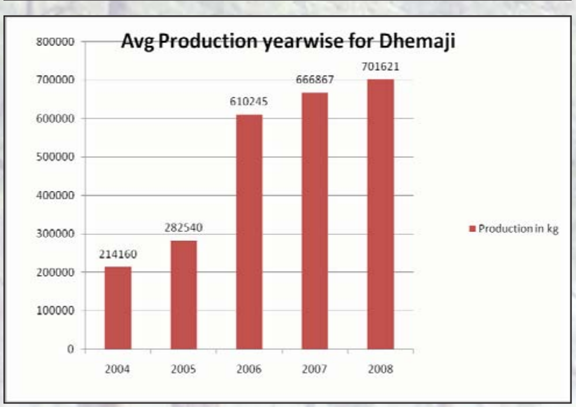

Block-wise STGCount for Jorhat
1800
1600
1400
1200
1000
800
600
400
200
0
1505
1211
1061
360
78
1675
Jorhat
Jorhat Central
Jorhat East
Kaliapani
North West Jorhat
Titabor
STGCount

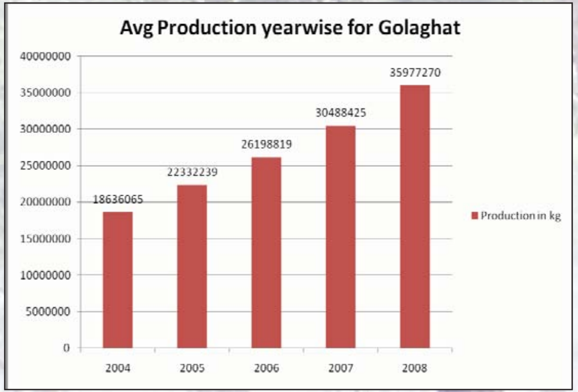

Block-wise STGCount for Golaghat
2500
2000
1500
1000
500
0
2089
1692
393
1461
637
1875
1111
2029
Golaghat Central
Golaghat North
Golaghat West
Kakodonga
STGCount

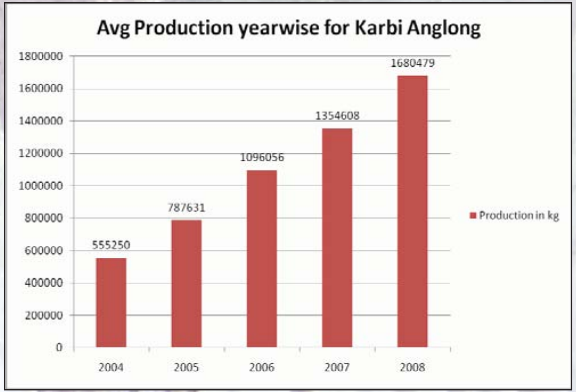
District Wise Scenario of STGs Production

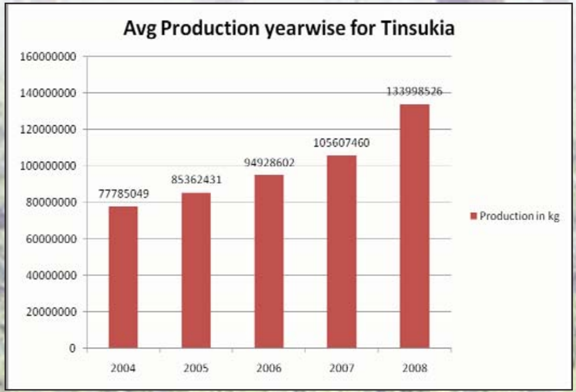


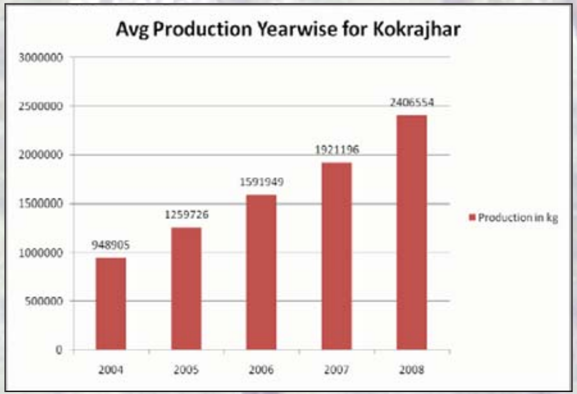




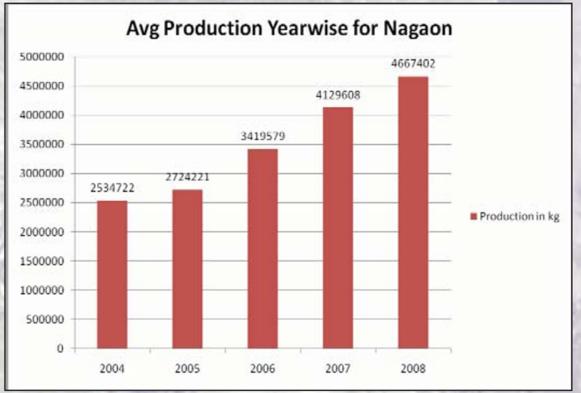


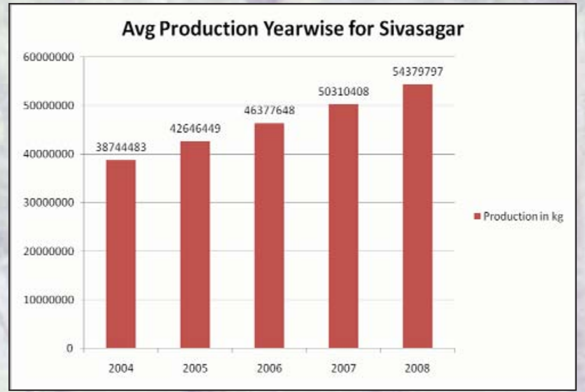


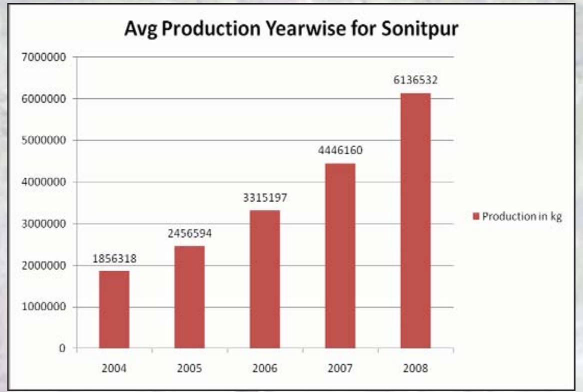


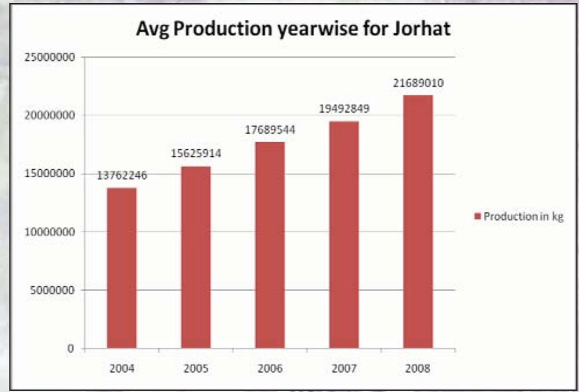

Avg Production Yearwise for Kokrajhar
948905
1259726
1591949
1921196
2406554
2004
2005
2006
2007
2008
Production in kg

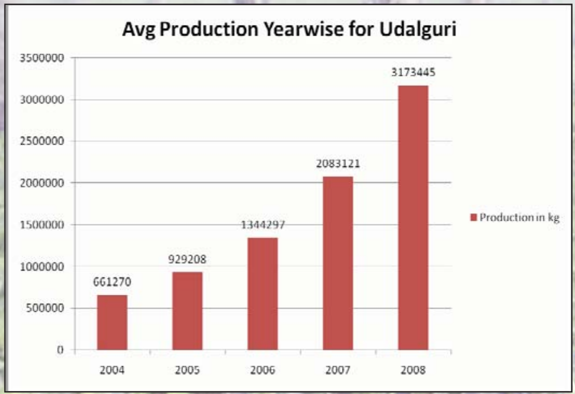

Avg Production Yearwise for Lakhimpur
783699
941123
1233942
1537524
1894066
2004
2005
2006
2007
2008
Production in kg


Avg Production Yearwise for Nagaon
2534722
2724221
3419579
4129608
4667402
2004
2005
2006
2007
2008
Production in kg

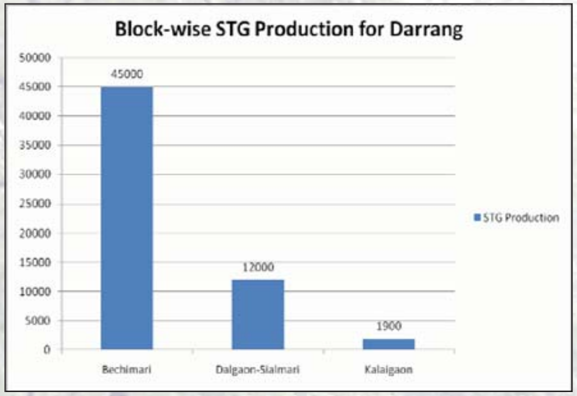

Avg Production Yearwise for Sivasagar
38744483
42646449
46377648
50310408
54379797
2004
2005
2006
2007
2008
Production in kg

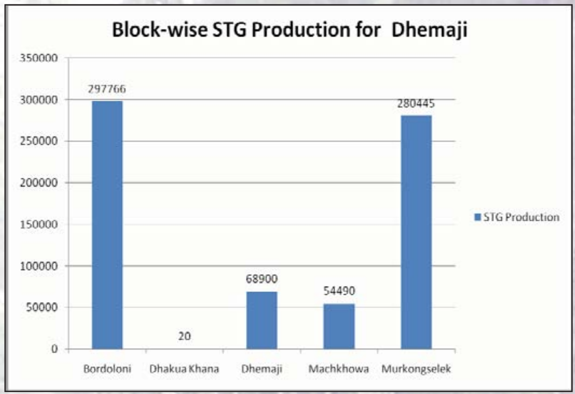

Avg Production Yearwise for Sonitpur
1856318
2456594
3315197
4446160
6136532
2004
2005
2006
2007
2008
Production in kg

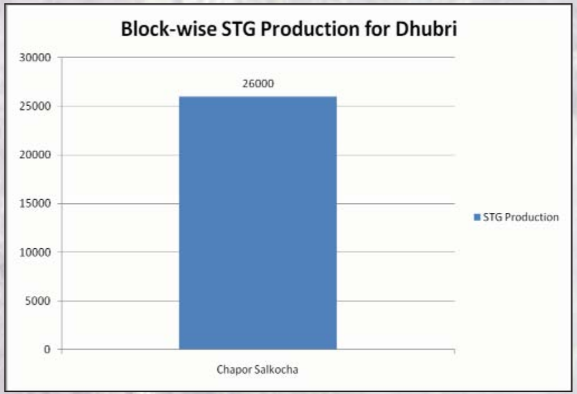

Avg Production yearwise for Jorhat
13762246
15625914
17689544
19492849
21689010
2004
2005
2006
2007
2008
Production in kg

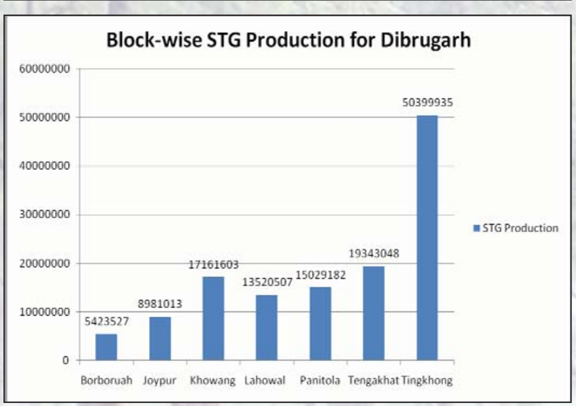

Avg Production Yearwise for Udalguri
661270
929208
1344297
2083121
3173445
2004
2005
2006
2007
2008
Production in kg

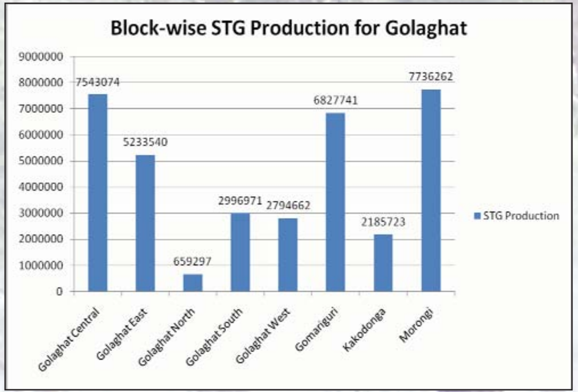
Block Wise Scenario of STG Production

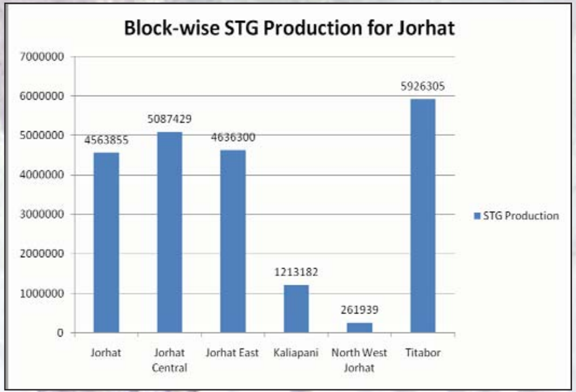


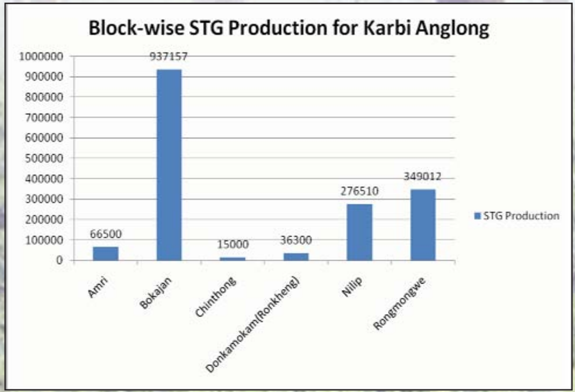


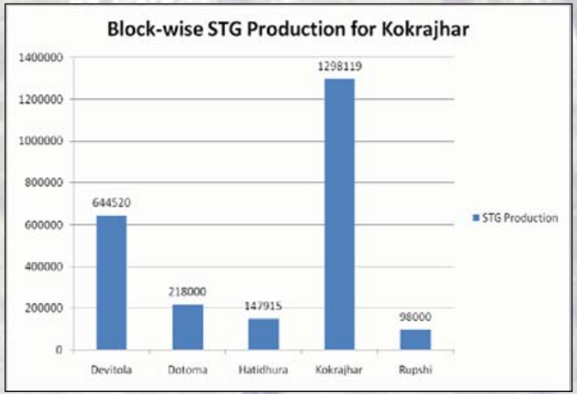


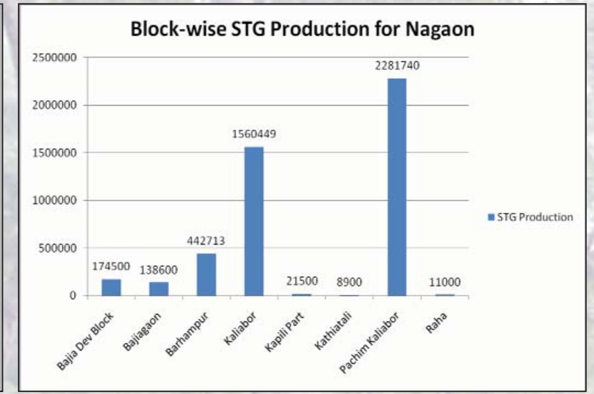


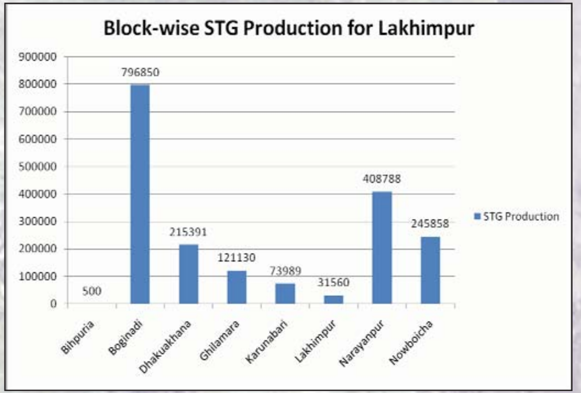


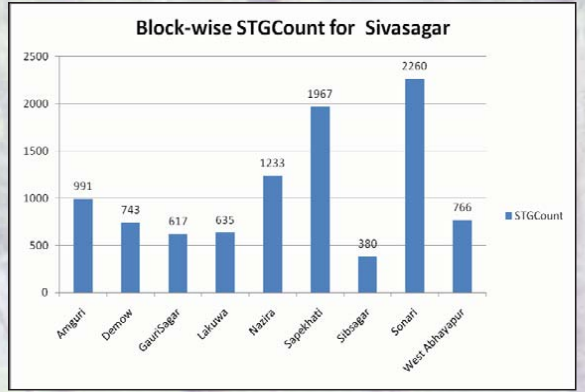


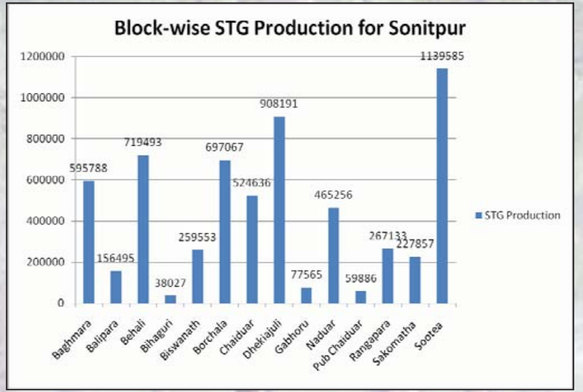


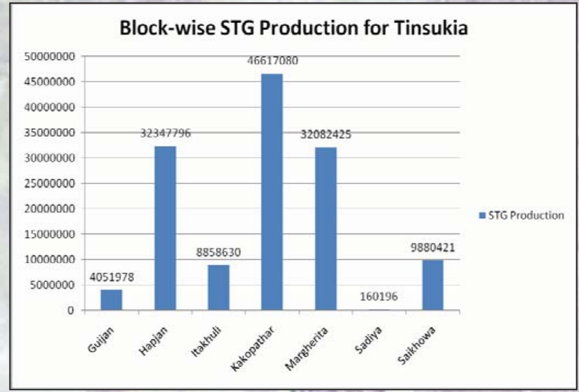

Block-wise STG Production for Kokrajhar
STG Production
Devitola 644520
Dotoma 218000
Hatidhura 147915
Kokrajhar 1298119
Rupshi 98000

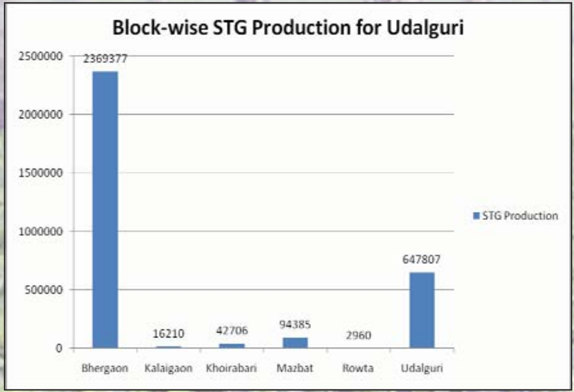

Block-wise STG Production for Nagaon
STG Production
Bajia Dev Block 174500
Bajiagaon 138600
Barhampur 442713
Kaliabor 1560449
Kapili Part 21500
Kathiatali 8900
Pachim Kaliabor 2281740
Raha 11000


Block-wise STG Production for Lakhimpur
STG Production
Bihpuria 500
Boginadi 796850
Dhakuakhana 215391
Ghilamara 121130
Karunabari 73989
Lakhimpur 31560
Narayanpur 408788
Nowboicha 245858

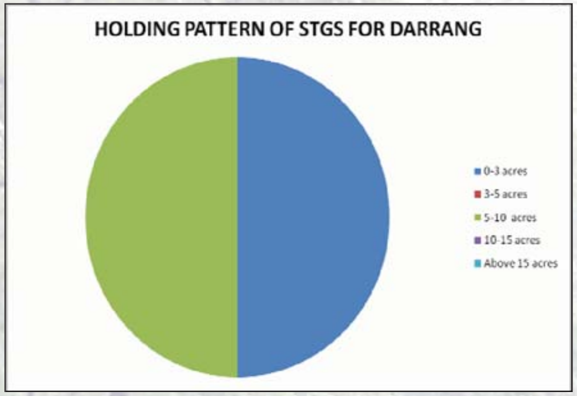

Block-wise STGCount for Sivasagar
STGCount
Amguri 991
Demow 743
GauriSagar 617
Lakuwa 635
Nazira 1233
Sapekhati 1967
Sibsagar 380
Sonari 2260
West Abhayapur 766

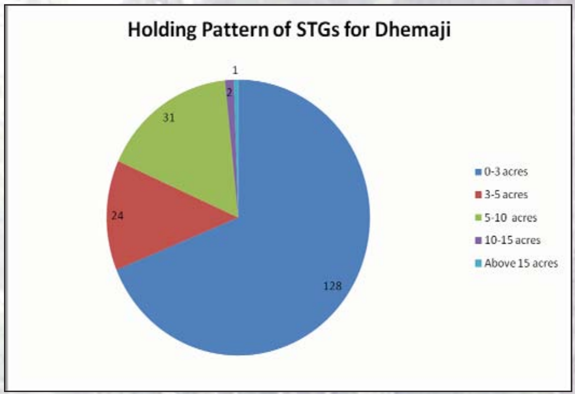

Block-wise STG Production for Sonitpur
STG Production
Baghmara 595788
Balipara 156495
Behali 719493
Bihaguri 38027
Biswanath 259553
Borchala 697067
Chaiduar 524636
Dhekiajuli 908191
Gabhoru 77565
Naduar 465256
Pub Chaiduar 59886
Rangapara 267133
Sakomatha 227857
Sootea 1139585

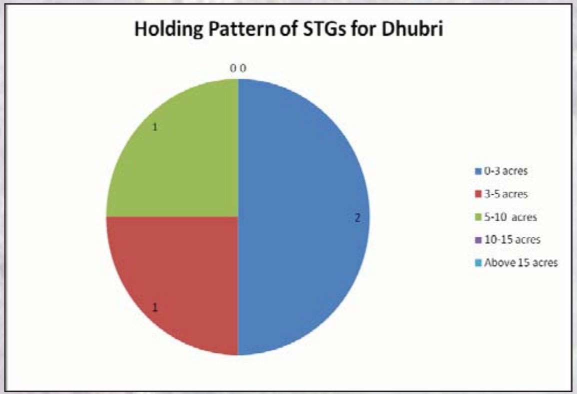

Block-wise STG Production for Tinsukia
STG Production
Guijan 4051978
Hapjan 32347796
Itakhuli 8858630
Kakopathar 46617080
Margherita 32082425
Sadiya 160196
Saikhowa 9880421

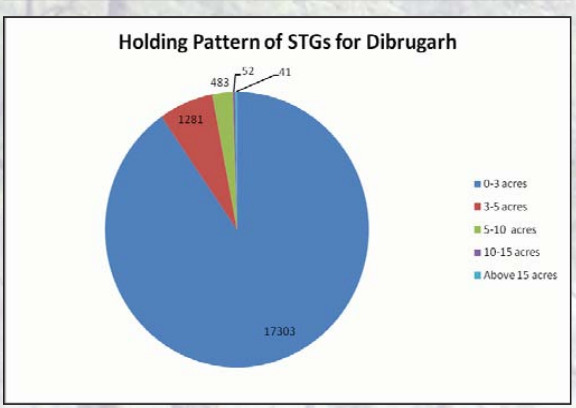

Block-wise STG Production for Udalguri
STG Production
Bhergaon 2369377
Kalaigaon 16210
Khoirabari 42706
Mazbat 94385
Rowta 2960
Udalguri 647807

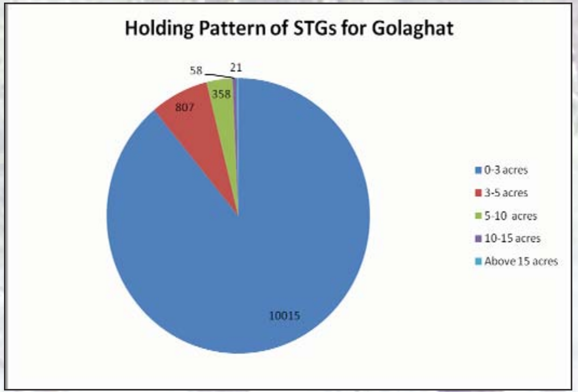
District Wise Holding Size of STGs

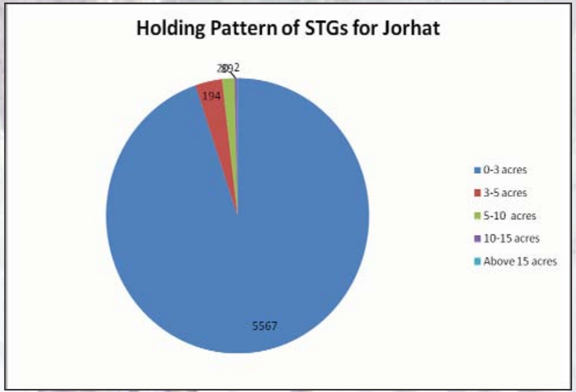


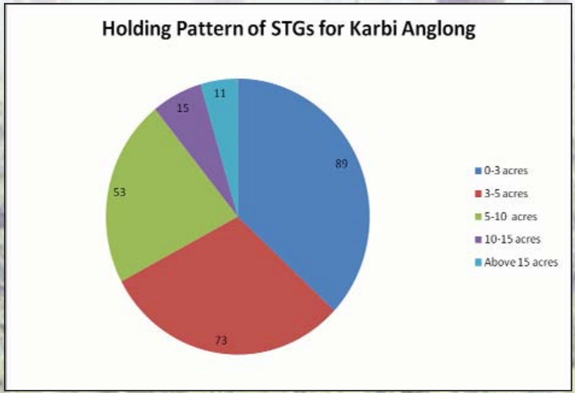


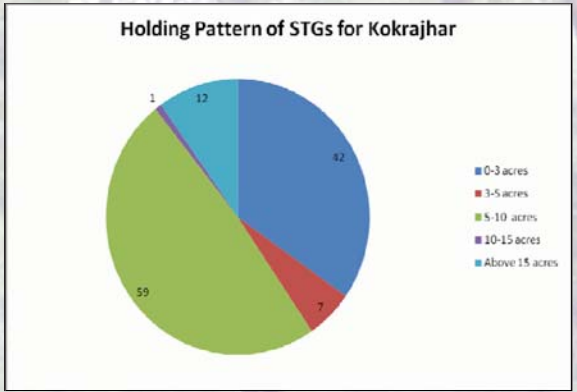


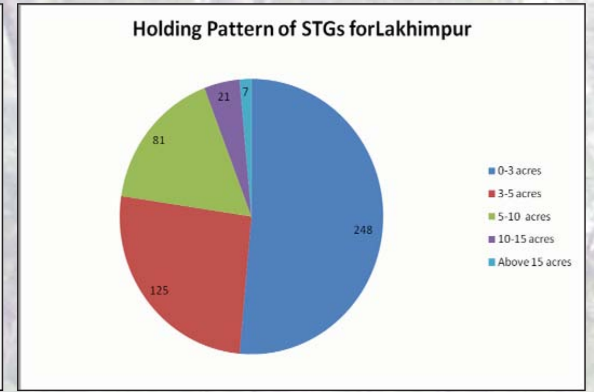


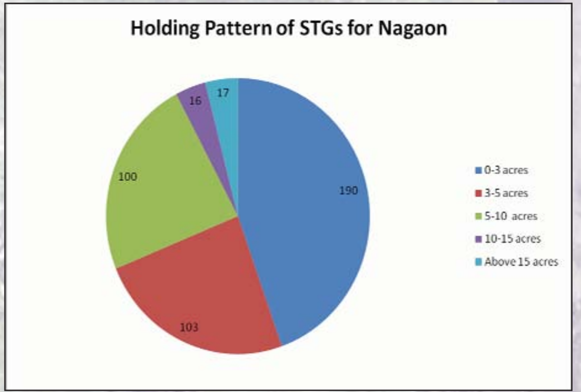


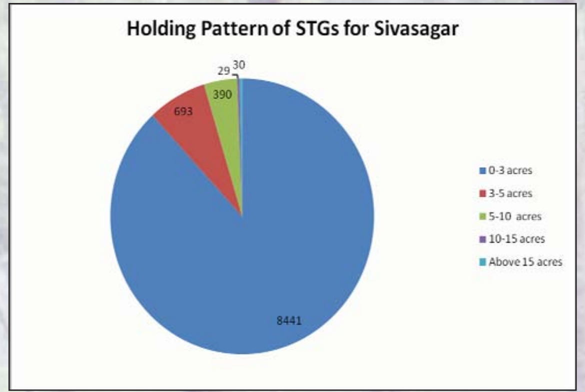


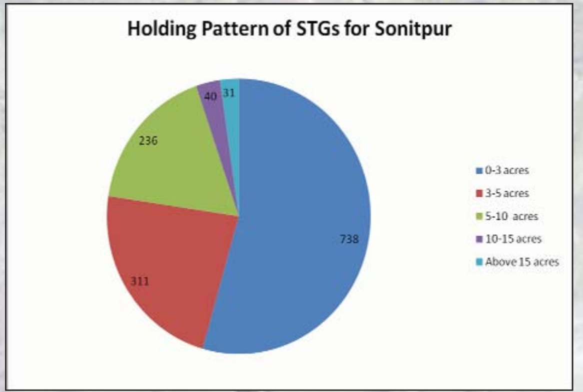


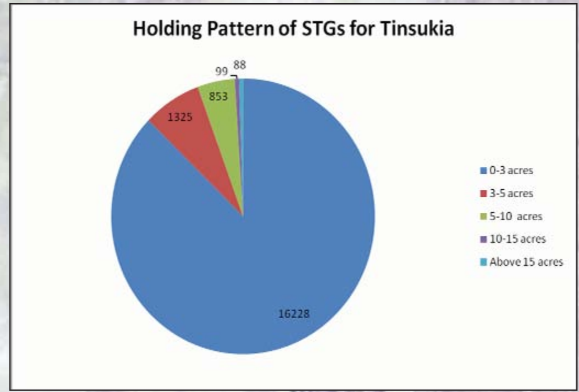

Holding Pattern of STGs for Kokrajhar
1
12
42
7
59
0-3 acres
3-5 acres
5-10 acres
10-15 acres
Above 15 acres

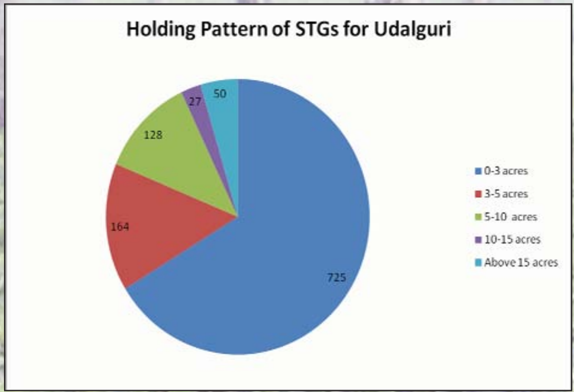

Holding Pattern of STGs forLakhimpur
21
7
81
248
125
0-3 acres
3-5 acres
5-10 acres
10-15 acres
Above 15 acres


Holding Pattern of STGs for Nagaon
16
17
100
190
103
0-3 acres
3-5 acres
5-10 acres
10-15 acres
Above 15 acres

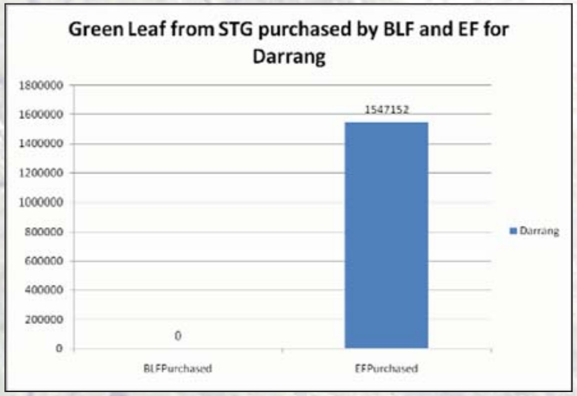

Holding Pattern of STGs for Sivasagar
29
30
390
693
8441
0-3 acres
3-5 acres
5-10 acres
10-15 acres
Above 15 acres

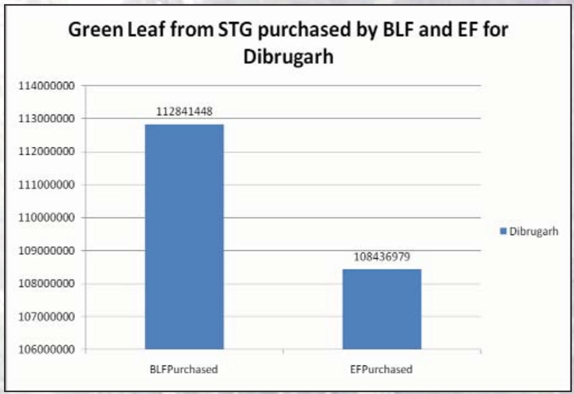

Holding Pattern of STGs for Sonitpur
40
31
236
738
311
0-3 acres
3-5 acres
5-10 acres
10-15 acres
Above 15 acres

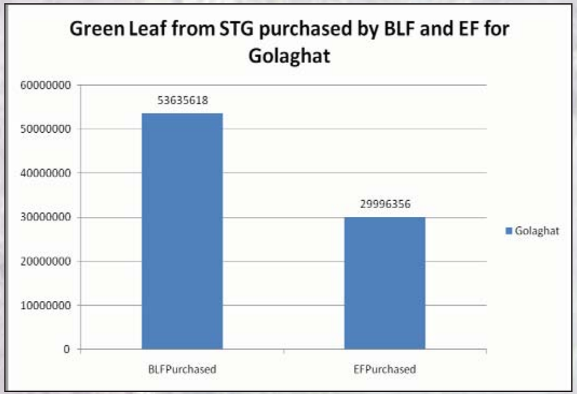

Holding Pattern of STGs for Tinsukia
99
88
853
1325
16228
0-3 acres
3-5 acres
5-10 acres
10-15 acres
Above 15 acres

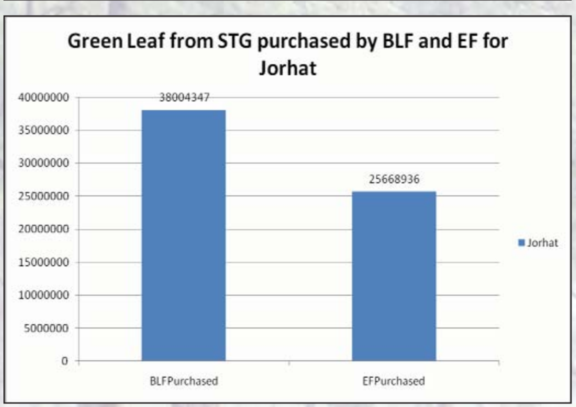

Holding Pattern of STGs for Udalguri
27
50
128
164
725
0-3 acres
3-5 acres
5-10 acres
10-15 acres
Above 15 acres

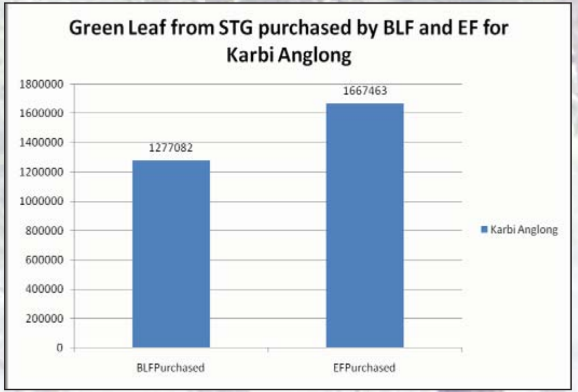
District wise green leaf purchased by BLF and estate factories

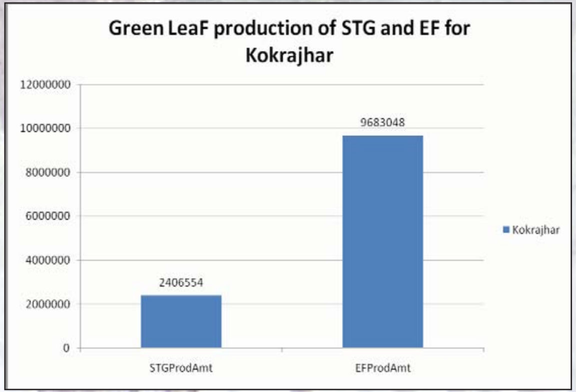


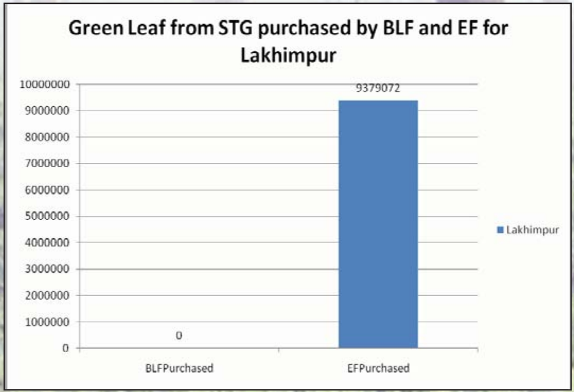


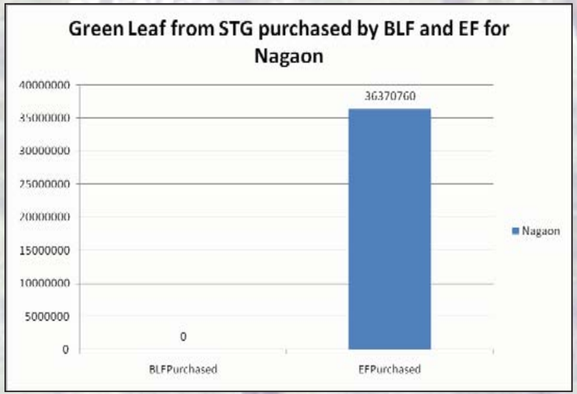


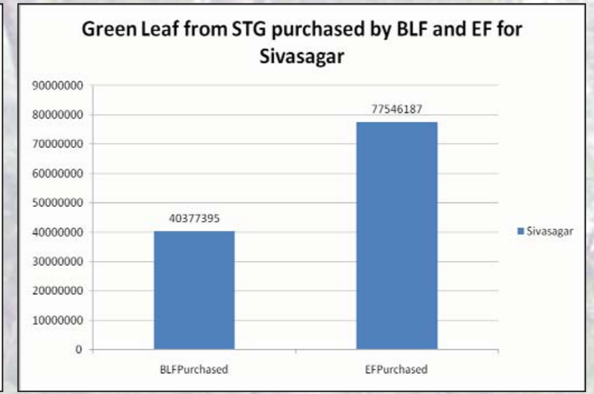


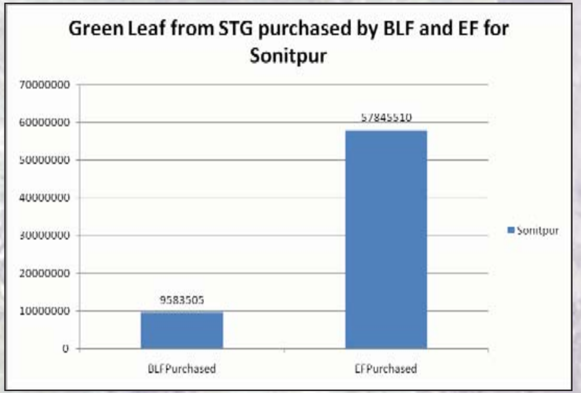


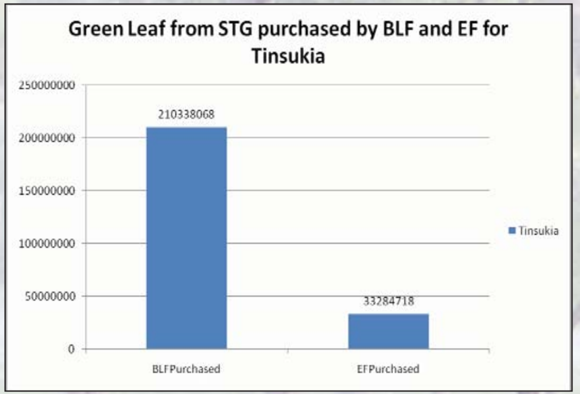


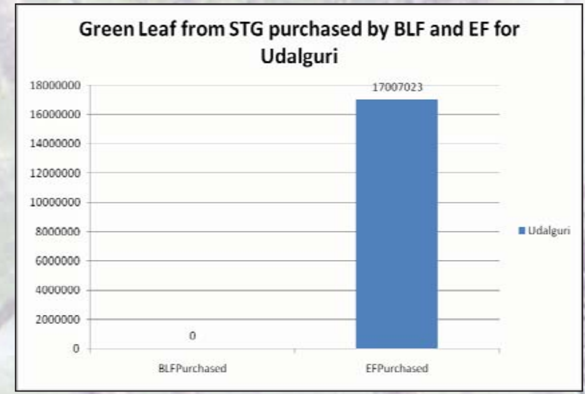



Green Leaf from STG purchased by BLF and EF for Nagaon
36370760
0
BLFPurchased
EFPurchased
Nagaon

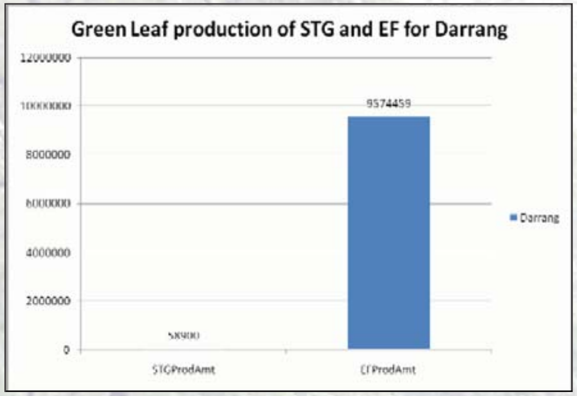

Green Leaf from STG purchased by BLF and EF for Sivasagar
40377395
77546187
BLFPurchased
EFPurchased
Sivasagar

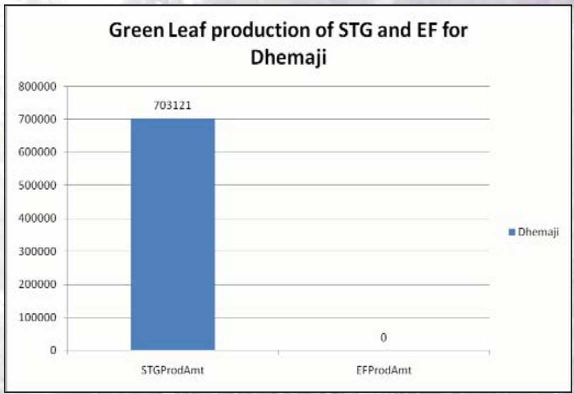

Green Leaf from STG purchased by BLF and EF for Sonitpur
9583505
57845510
BLFPurchased
EFPurchased
Sonitpur

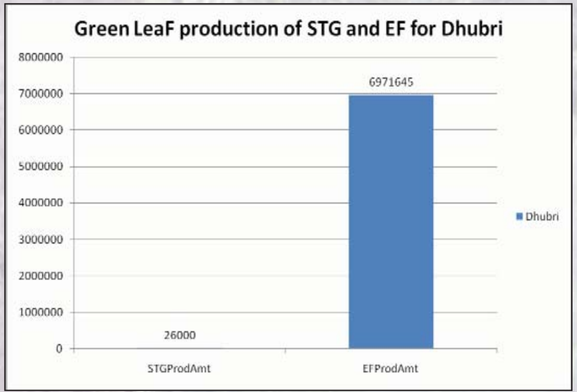

Green Leaf from STG purchased by BLF and EF for Tinsukia
210338068
33284718
BLFPurchased
EFPurchased
Tinsukia

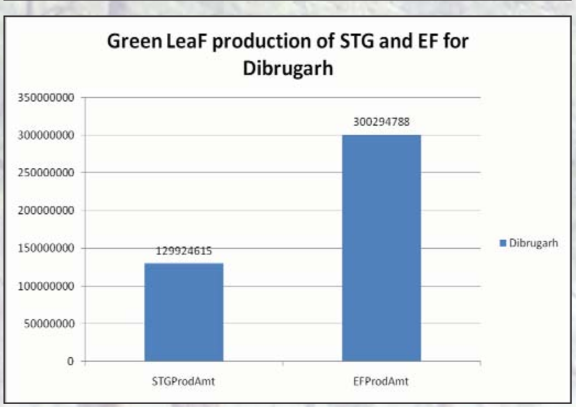

Green Leaf from STG purchased by BLF and EF for Udalguri
0
17007023
BLFPurchased
EFPurchased
Udalguri

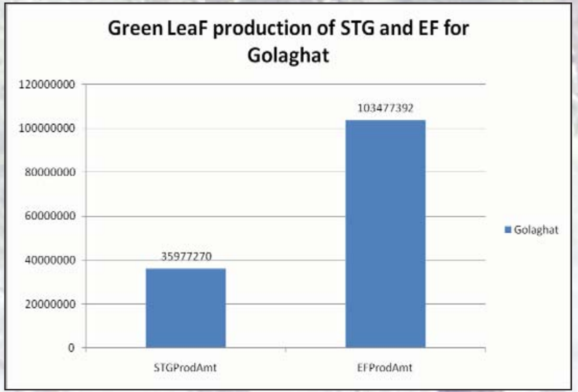
District wise green leaf Production of STG and estate factories

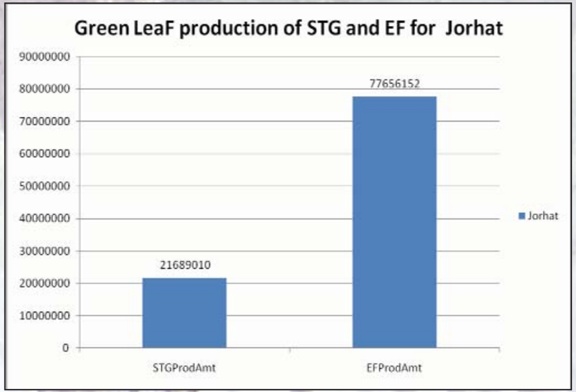


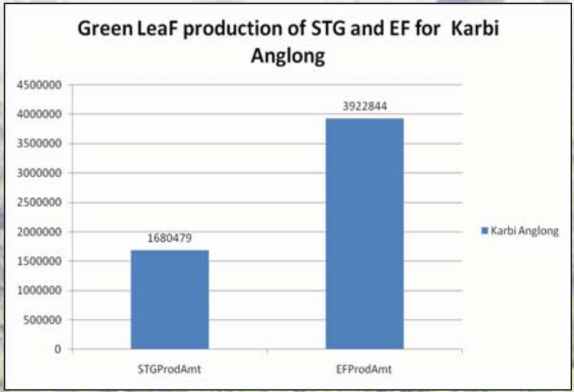


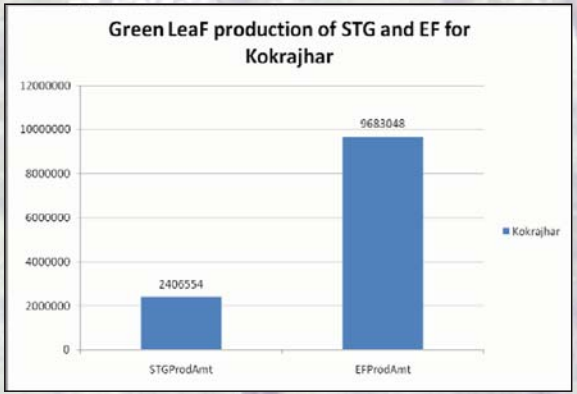


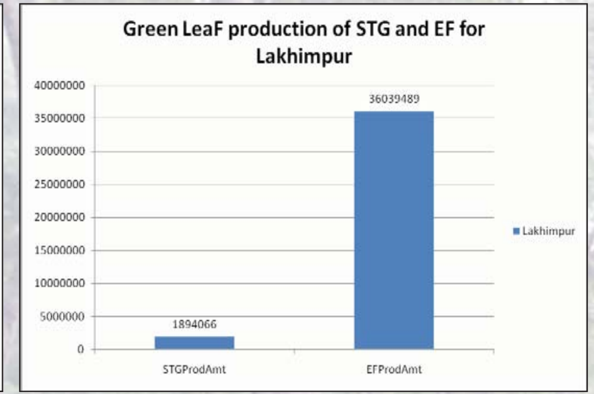


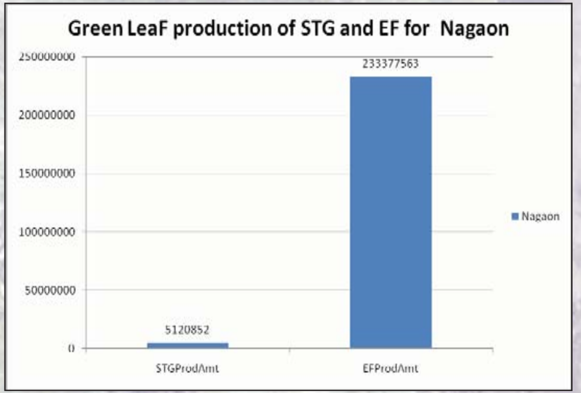


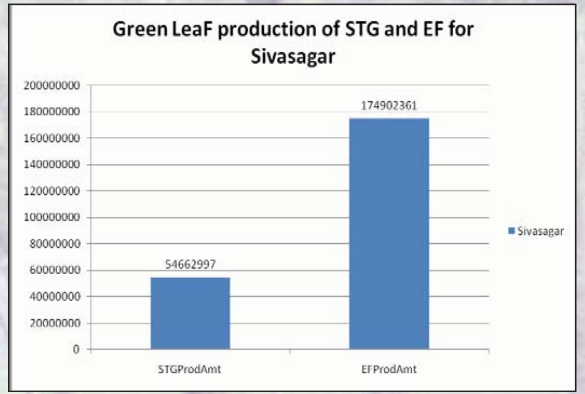


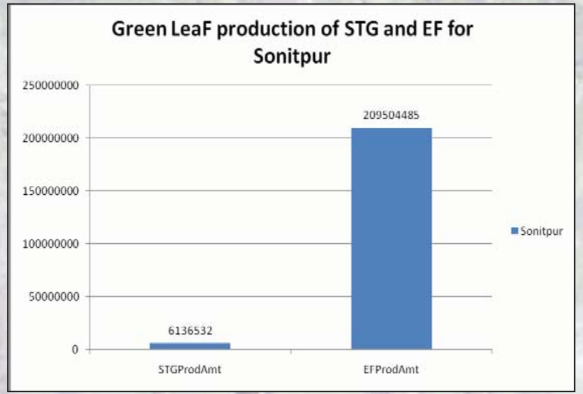


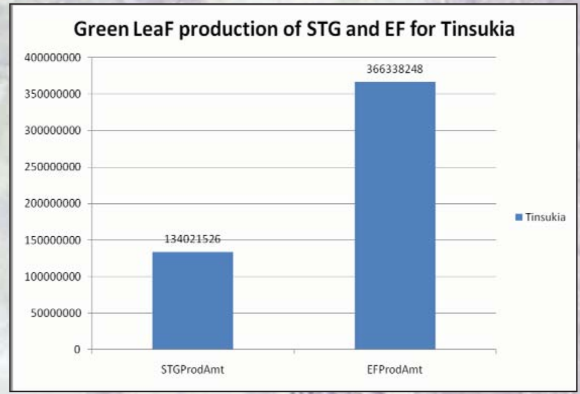

Green LeaF production of STG and EF for Kokrajhar
2406554
9683048
STGProdAmt
EFProdAmt
Kokrajhar

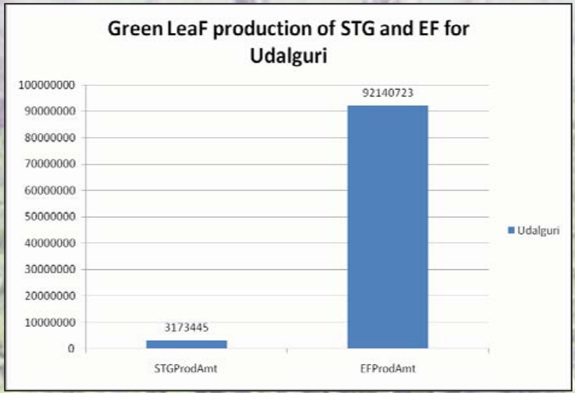

Green LeaF production of STG and EF for Lakhimpur
1894066
36039489
STGProdAmt
EFProdAmt
Lakhimpur


Green LeaF production of STG and EF for Nagaon
5120852
233377563
STGProdAmt
EFProdAmt
Nagaon


Green LeaF production of STG and EF for Sivasagar
54662997
174902361
STGProdAmt
EFProdAmt
Sivasagar


Green LeaF production of STG and EF for Sonitpur
6136532
209504485
STGProdAmt
EFProdAmt
Sonitpur


Green LeaF production of STG and EF for Tinsukia
134021526
366338248
STGProdAmt
EFProdAmt
Tinsukia


Green LeaF production of STG and EF for Udalguri
3173445
92140723
STGProdAmt
EFProdAmt
Udalguri

CONCLUSIONS

- Total Nos. of STG is 68465. Major concentration is in 5 upper Assam districts (64519) which is 94% of the total no. of STG in 14 districts of Brahmaputra Valley. Hence the priority should be given in those 5 districts.
- The peak growth period of STG occurred in 1995-2005.
- Dibrugarh & Tinsukia districts have the highest growth of STG (19160 & 18595 respectively).
- 117 thousand acres of land under tea cultivation of STG.
- Area in tea cultivation of STG is the highest for Tinsukia district (34 thousand acres)
- 28723 nos. of STGs have cultivated tea in their patta land. This constitutes 8% of the total land under tea cultivation of STG.
- 87% of holdings are less than 3 acres
- Only 0.4% holdings are above 15 acres.
- 7.5% holding are 3-5 acres.
- 67% of tea bushes are below 10 years of age. This dearly shows that major plantation is new.
- Only 8% of the tea bushes are over 15 years of age.
- Total STG's production is 400 million kgs. This is 20% of the state production.
- Average productivity of the state is 2379 kg./acre. Average productivity is highest in Dibrugarh and Tinsukia. District wise productivity in kg./acre are – Dibrugarh (4609), Tinsukia (3947), Sivasagar (3462), Jorhat (3159), Golsghst (1949).
- As the size of the holding increases productivity decreases.
- Highest productivity for the size of holding up to 3 acres.
- Lowest productivity in the size of holding over 15 acres.
- Average price fetched per kg. of green leaf is not exceeding Rs. 13/-.
- Price sharing formula under TMCO guideline is not implemented.
- District level monitoring committee's initiation in fixation of price of green leaf is not result oriented as it does not have legal sanction.
- Only 1297 STGs registered with the Tea Board.
- 1055 STG's availed incentives from Tea Board.
- 178 STG's are getting credit support from Bank. There is virtually no credit support.
- Only 3109 STGs are the members of different SHGs. Hence the STGs are not attracted of the Tea Board's schemes meant for SHGs.
- 177 nos. of bought leaf factories with a total capacity of 261 million kgs. are functioning. 166 nos. are concentrated in 5 upper Assam districts.
- BLF produced 101 million kgs. of made tea. BLF are producing CTC brand.
- Only 4920 STGs have direct linkage with the factories. Agents took a vital role in collection & sale of green leaf.
- In case of 17277 STGs the distance of the factories from the garden is exceeding 10 kms.
- Average price paid by BLF is Rs. 12/- and price received by STG is Rs. 11/-.
- 49% of BLF's production is sold through auction.
- Average auction price (CTC) in 2008 of BLF is Rs. 88/- per kg. Whereas the average private sale is Rs. 80/- per kg.
- Average auction price (CTC) of the estate garden in 2009 (GTAC) is Rs. 90/- per kg.
- BLF declare 1.35% as tea waste.
- A study in 450 estate factories in Brahmaputra Valley reveals that 1623 million kgs. of green leaf is produced by estate garden.
- 377 million kgs. of green leaf is purchased by the estate factories.
- Hence the estate factories in Brahmaputra Valley are producing more than 400 million kgs. of made tea.
- The STGs production is 400 million kgs. Hence the STGs have shown less of their actual production. BLF & estate gardens of bordering districts viz, Tinsukia, Dibrugarh and Golaghat also get green leaf from Arunachal Pradesh and Nagaland.

Designed & produced by Exclusive Advertising Pvt. Ltd.