

Chapter – 4

Implication of Small Tea Growers on Tea Production in Assam

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Introductory remarks, review of related literature and the present scenario of tea production in Assam in context to national scenario has been discussed in Chapter 1, Chapter- 2 and Chapter -3 respectively. An attempt has been made in this chapter to examine the implication of small tea growers on total tea production in Assam. The historical background of small tea growers, growth and development of small tea growers India and Assam were highlighted in this chapter. Correlation analysis was used through SPSS to assess the implication.

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4.1 Introduction:

Traditionally tea is best known as plantation crop. Tea plantation is often called tea estates/gardens. Plantation comprises a large area, producing a single agricultural product as a commercial venture. Tea cultivation is very attractive as tea provides long and sustainable income for a long period by using underutilized lands with comparatively less investment. It also gives long time employment opportunities through direct and indirect way of livelihood. Small Tea Growers (STG) produce only green leaves but manufacturing of tea and distributions are managed by other. The concept of small tea cultivation came into existence in Kenya when the country had decided to produce tea for export purpose. In 1950, Kenya experimentally succeeded to produce tea in small holding area basis. The Kenyan successful experiment had created a new trend of producing tea as small tea growers' in developing and under developing countries. Since then there has been a steady shift in tea cultivation from big plantation to small holdings (CDPA, 2008). Now a day's small tea cultivation significantly contribute most of the tea producing countries like China, Kenya, India, Sri Lanka, Indonesia, Bangladesh, Nepal, Vietnam etc., for total annual tea production along with the large estates. It is therefore, essential to examine the role of small tea growers to the overall tea production in the study area. Hence the following paragraphs have attempted to assess the implication of small tea growers on tea production in Assam.

4.2: Small Tea Growers (STGs) In India:

In India, tea cultivation on small holding is a recently developed. Concept of tea cultivation on small holding was one of the alternatives where growers could sustain

their livelihood in the long run. In the present context, there are limited scopes for the growth of big tea gardens in India. After independence, lot of changes has taken place in the government legislations to improve the socio-economic framework of the country. So, setting up of small tea gardens is the only alternative for growth of tea sectors in India (Boruah, 2008).

This concept was initiated in 1930's, beyond the traditional way of cultivation in Nilgiris, Tamil Nadu (Chai Time, 2007). In late 1980's or early 1990's, the cultivation spread to the other tea producing states of India like - Assam and West Bengal. After independence, Tea Board of India (TBI) during the successive five year plans has spent most of its resources in big tea estates/plantations to increase production or expand area under tea. These efforts were not very successful and borne little result (Bhowmik, 1991). After all these effort by the government through TBI and other agencies, there was a marginal increase in tea production in India. From the 8th Five year plan i.e. during the period 1992-1997, TBI has taken some initiative to support and promote STGs. It is proposed to encourage landless labourers and unemployed youths to take up tea cultivation in small scale basis in the tea growing areas of India.

There are some reasons for a phenomenal growth in numbers of STGs in India. It provides common unemployed youth a readymade infrastructure like- technology, processing factory, skilled workers and market for promoting small tea cultivation. People are taking tea cultivation because- it provides sustainable income for a long period with comparatively less investment, use of unutilised/ underutilised land gives long time employment opportunities, etc. the TBI also provide facilities in order to promote tea cultivation in small holding to the registered growers like- subsidised loan for plantation, price subsidy, free training, subsidy for purchasing transport vehicle, setting up leaf collection shed, supply of input as fertilizer, plant protection chemical, sprayer, pruning, etc. The STGs can take the advantages of tax concession and other regulatory support, leaving the workers engaged in an unregulated environment. Moreover, big tea planters/ estates encourage the growers of nearby STGs by ensuring purchase of green leaves from them. Tea production involves three different costs -

cost of cultivation, manufacturing and social costs. STGs are involved with cultivation only, the manufacturing and social costs (under PLA, 1951) are not coming under cost production. Another advantage enjoying by the growers is the average age of the tea bushes (10 to 20 years); which has higher productivity (up to 3,500 k.g/ha). Small holding plantation is un - organised nature of work which does not come under the domain of Plantation and Labour Act (PLA), 1951. Out-sourcing to the small holdings by the estates sector has two repercussions. On one hand, it restricts the opportunities for work in the estate sector and on the other, limits the burden of providing to workers compulsory pecuniary and non pecuniary benefits set by the PLA (Das, 2012). The price of the green leaf also increasing; it also inspire the local people to cultivate tea on a commercial basis. Establishment of small tea gardens brought a sustainable improvement in the socio-economic condition in the tea growing areas. Active participation by the local youth in this sector ensure job satisfaction for them. Increase in their number in the economy also strengthen the backbone of the society and also curb the social unrest in the economy. Tea plantation in small holding bears the fruit for the present as well as for the future generation. More manufacturing facilities set up to help processing of green leaf, improve trade and other logistic services also help to meet the internal demand and maintain an exportable surplus. Establishment of tea gardens in new areas improved the local and regional environment. It also help to check soil erosion and destruction of natural vegetation since tea plantations would cover land.

There is a large scope for entrepreneurial involvement as it provides employment, generates income, wealth and act as a key force for economic growth of the region. Tea is a commercial cash crop and has a increasing demand in and outside the country. Farmers have opted for tea cultivation because it has innate potentiality to cover risk like crop failure and other features related with agriculture. Therefore, cultivation of tea on small holding can be regarded as the beginning of an Indian entrepreneurship in tea sector.

4.3: Small Tea Growers in Assam:

“A small tea grower, as defined by the Tea Board of India, is one whose holding does not exceed ten hectares.” (Reddy and Bhowmik, 1989). The Government of Assam considers only those growers as small tea growers with a maximum tea holding size at 30 bighas (4.0 hectare). (Neog, 2009)

After the green revolution in India (1960's) , the agricultural sector of Assam, remained underdeveloped, due to the lack of irrigation facilities, small holding size, lack of investment in modern technology, hilly terrain, poor infrastructure; insufficient government support etc. It forced the traditional crop growers in rural areas of Assam to look for alternative livelihood. The Government of India as well as Government of Assam allowed the local people to open small tea gardens by abolishing all the barriers relating to the growth of this sector. (Saikia, 2008). Unemployment problem was the first effort to popularise tea cultivation in small holding in Assam (Baruah, 2011). Such growers have taken the advantages of pleasant weather for tea cultivation, suitable land and other infrastructural facilities that were readily available in Assam.

During the end of eighties, the department of Tea Husbandry and Technology of Assam Agricultural University surveyed the possibilities of growing tea in small scale and an Advisory Cell was established to promote the concept of small scale tea cultivation in Assam by providing technical guidance. For extension of small scale tea cultivation in Assam, '**All Assam Small Tea Growers Association**' was formed in 1987. Formation of the association was a landmark step to promote tea production in small scale basis in Assam. Since then, both the organizations worked together to popularize tea production in small holding. 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” (STAP). The reconstituted body STAP has made tremendous impact by providing not only technical guidance to small tea growers but also served as a main centre for spreading tea cultivation among the farmers on small scale. Apart from self-employment, the

cultivation of tea in small scale has opened a wide range of business opportunities by providing not only direct and indirect employment but also by increasing individual house hold family income. Small tea growers' cultivation could act as a catalyst for the overall economic changes in the rural scenario of Assam especially in tea growing districts. Small tea cultivation system helps in changing socio economic life of the growers, labarours and other associated with this small tea production system (Mohan, 2016)

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. Sri Someswar Borah, the honorable Minister of Agriculture of Assam, conceptualized the idea of tea cultivation in homestead garden by utilizing land along with other crops and sale the green leaf to the existing big factories to enhance family income. His intention was to utilize available fallow land and attract young generation to agriculture sector and thereby to solve unemployment problem. With the encouragement of the government , a group of farmers of Sivasagar district initiated tea cultivation in the high lands, with an area ranging from 0.13 to 3.0 hectares. The pioneers faced both social and economic hurdles. In 1990, there were 657 STG (Baruah, 2008) which increased to 70000 (approx) with a land coverage of 1, 18,000 acres in the year 2011; contributing nearly 29 p.c. of the total tea production of the state. On the other hand the land under tea estates declined from 4, 09,684 hectares to 4, 01,512 hectares or about 1.99 per cent, during 1991-2006. In Assam, now small tea growers are spread in all district; however most of the STG are located in five upper Assam districts viz. Dibrugarh, Tinsukia, Sibasagar, Jorhat and Golaghat.

As on December 2017, total number of Small Tea Growers registered with Board of India is 56292. Now a day's small tea cultivation is an integral part of Tea Industry of Assam. It provides ample avenue for self-employment for the rural educated unemployed youths besides engaging family members directly with the enterprise. It is estimated that about 2.40 lakh people are directly employed in this sector out of which 1.45 lakh is ex-tea garden labour or excess number of workers from the nearby large

tea estates, specifically women pluckers . .The cultivation itself creates many employment opportunities in the field of manufacturing, supply of garden implements, transportation of green leaf and retailed outlets of agro chemical and manures etc. Tea cultivation in small holding is seen only as a means for providing some additional earnings to the peasantry and, thus absorbing rural surplus labours (Das, 2012). Many ex-tea garden employees, service personnel's and government employees also taken up small tea cultivation because of their personal satisfaction and as a source of steady income in future. The land used by the STGs may be considered as second grade land for growing tea. They grow tea in ceiling surplus land, waste land, grazing land or government lands which were either underutilized or unutilized. The STGs of Assam has successfully utilized 20 million hectare waste land (Khanikar, 2006). Another important development in this sector is emergence of BLFs. It is an arrangement to process green leaf bought from STGs within a tea cluster. It is a welcoming feature as it creates the marketing point for green leaf produced by the STGs. There are 220 BLFs (TBI, Guwahati, 2009) which produces 130 million kg of tea that accounts for 29 per cent of the total tea production of Assam. On an average, 20-25 workers are working in these factories. The urbanized outlook of tea cultivation, the glamour associated with it, the living standard of the managers of the big tea gardens and facilities enjoyed by them, has attracted the new generation of youths towards tea cultivation. Hence, the cultivation of tea on small holding will bring a new socio-economic revolution in Assam by empowering rural people.

4.4: Growth of Small Tea Growers

There is substantial growth of number of tea growers observed during the last two decades. The initial were laid during the eighties and slowly the growth picked up abruptly during the last decade largely because tea was found to be more profitable than other crops". It was revealed by Boruah and Taparia, that there were 657 growers in Assam in 1990". It is increased to 40,000 in the year 2005' and the number of small tea growers reached to 82805 in the year 2015 with more than 100% increase in last 10 years. The number of small tea growers increased due to unemployment problem where people taking tea cultivation is one of the alternate livelihood options. District

wise number of small tea growers for the year 2012-13, 2013-14 and 2014-15 is shown in the table 3.1. It is observed number of small tea growers increases by 9.5% in the year 2014-15 vis-à-vis 2013-14. There is considerable growth observed in district Udalguri -33%, Sonitpur – 88% , Sivasagar-13%, Nagaon-60%, Lakhimpur-22%, Karbialong-211% and Jorhat-8%

Table 4.1: District wise distribution of small tea growers registered with Tea Board of India in Assam

| SI No. | Name of the District | 2012-13 | 2013-14 | 2014-15 |
|--------|----------------------|---------|---------|---------|
| 01 | Udalguri | 0* | 3585 | 4773 |
| 02 | Tinsukia | 265 | 18595 | 18595 |
| 03 | Sonitpur | 1073 | 4651 | 8750 |
| 04 | Sivasagar | 290 | 9590 | 10868 |
| 05 | Nagaon | 145 | 643 | 1032 |
| 06 | Lakhimpur | 266 | 1489 | 1815 |
| 07 | Kokrajhar | 115 | 280 | 335 |
| 08 | Karimganj | 9 | 10 | 10 |
| 09 | Karbialong | 489 | 489 | 1520 |
| 10 | Jorhat | 194 | 5879 | 6366 |
| 11 | Hailakandi | 04 | 04 | 04 |
| 12 | Golaghat | 1387 | 11286 | 9503 |
| 13 | Goalpara | 13 | 64 | 154 |
| 14 | Diamahasao | 1 | 2 | 2 |
| 15 | Dibrugarh | 208 | 19160 | 19160 |
| 16 | Dhubri | 3 | 11 | 13 |
| 17 | Dhemaji | 80 | 566 | 536 |
| 18 | Darrang | 165 | 1 | 4 |
| 19 | Chirang | 0* | 5 | 8 |
| 10 | Cachar | 172 | 172 | 172 |
| 11 | Bongaigaon | 52 | 530 | 695 |
| 12 | Baksa | 0* | 204 | 257 |

Source: Statistical Handbook of Assam (2014, 2015 and 2016)

Six districts having highest number of small tea growers are given in the table 4.2.

These six districts comprises of 86%small tea growers of Assam taken together as on the year 2014-15. Dibrugarh district has highest number of Small Tea Growers with 22.67% of total small tea growers of Assam followed by Tinsukia with 22%. Sivasagar occupied third position with 12.85% followed by Golaghat fourth position with 11.23%, Sonitpur fifth position with 10.34% and Jorhat occupied sixth position 7.5%. Growth of these highest these six highest concentrated small tea growers district

is calculated 6% in the year 2014-15 vis-svis the year 2013-14. There is no growth observed in Dibrugarh and Tinsukia District while there is a decrease in number of small tea growers in Golaghat district.

Table: 4.2: The districts having highest number small tea gardens

| SI No. | Name of the District | 2012-13 | 2013-14 | 2014-15 |
|--------|----------------------|---------|---------|---------|
| 01 | Dibrugarh | 208 | 19160 | 19160 |
| 02 | Tinsukia | 265 | 18595 | 18595 |
| 03 | Sivasagar | 290 | 9590 | 10868 |
| 04 | Golaghat | 1387 | 11286 | 9503 |
| 05 | Sonitpur | 1073 | 4651 | 8750 |
| 06 | Jorhat | 194 | 5879 | 6366 |

Source: Statistical Handbook of Assam (2014, 2015 and 2016)

Table: 4.3: Year wise percentage of area covered by Small Tea Growers in Assam.

| Year | Area Small Tea Growers | Area Big Growers | Total Area Hactre | Percentage of area of STG |
|------|------------------------|------------------|-------------------|---------------------------|
| 2007 | 88674 | 232645 | 321319 | 27.60 |
| 2008 | 88674 | 230113 | 318787 | 27.81 |
| 2009 | 88674 | 230060 | 318734 | 27.82 |
| 2010 | 88674 | 229790 | 318464 | 27.84 |
| 2011 | 88674 | 229140 | 317814 | 27.90 |
| 2012 | 88674 | 233536 | 322210 | 27.52 |
| 2013 | 88674 | 233536 | 322210 | 27.52 |
| 2014 | 71871 | 232529 | 304400 | 23.61 |
| 2015 | 83880 | 232529 | 316409 | 26.50 |
| 2016 | 78203 | 226197 | 304400 | 25.69 |

Source: Statistical Handbook of Assam 2010-2016, NEDFi data bank

Table: 4.4: Number of Tea Gardens, Area, annual production by size

| Year | No. of Small Tea Growers | No. of Big Tea Growers | Area of Small Tea Growers (Ha) | No. of Big Tea Growers (Ha) | Production by Small Tea Growers (Mkg) | Production by Big Tea Growers (Mkg) | Total Annual Production (Mkg) |
|------|--------------------------|------------------------|--------------------------------|-----------------------------|---------------------------------------|-------------------------------------|-------------------------------|
| 2007 | 64597 | 825 | 88674 | 232645 | 106.88 | 405.00 | 511.88 |
| 2008 | NA | 760 | 88674 | 230113 | NA | 437.81 | 487.49 |
| 2009 | NA | 760 | 88674 | 230060 | NA | 451.97 | 499.97 |
| 2010 | NA | 760 | 88674 | 229790 | NA | 450.10 | 480.28 |
| 2011 | 78091 | 760 | 88674 | 229140 | 112.35 | 476.76 | 589.11 |
| 2012 | 68459 | 761 | 88674 | 233536 | NA | 590.12 | 590.12 |
| 2013 | 68459 | 761 | 88674 | 233536 | NA | 629.05 | 629.05 |
| 2014 | 76949 | 761 | 71871 | 232529 | 144.26 | 466.71 | 610.97 |
| 2015 | 82805 | 761 | 83880 | 232529 | 139.49 | 386.69 | 526.18 |
| 2016 | 84577 | 767 | 78203 | 226197 | 264.25 | 392.99 | 657.24 |

Source: Statistical Handbook of Assam 2010-2016, various issues of Annual Report of Tea Board of India

Table: 4.5: Annual Contribution on total production of Assam by small tea growers

| Year | Total Annual Production (Mkg) | Production by By Small Tea Growers(Mkg) | Percentage of contribution by Small Tea Growers |
|-------------|---------------------------------------|--|--|
| 2007 | 511.88 | 106.88 | 20.88 |
| 2008 | 487.49 | NA | NA |
| 2009 | 499.97 | NA | NA |
| 2010 | 480.28 | NA | NA |
| 2011 | 589.11 | 112.35 | 19.07 |
| 2012 | 590.12 | NA | NA |
| 2013 | 629.05 | NA | NA |
| 2014 | 610.97 | 144.26 | 23.61 |
| 2015 | 526.18 | 139.49 | 26.50 |
| 2016 | 657.24 | 264.25 | 40.21 |

Source: Statistical Handbook of Assam 2010-2016, various issues of Annual Report of Tea Board of India

4.5.: Correlation Analysis of Productions:

To find the implication of Small Tea Growers on total Tea production Assam, a regression analysis performed by using SPSS software. The correlation established amongst the annual production by Small Tea Growers, annual production by big tea growers and the average annual production of Assam. Here our hypothesis is “*There is no significant relation between production by Small Tea Growers and total tea production of Assam*”.

Table: 4.6. Correlation Model Summary^b Production by STG, BTG and Average annual Production of Assam

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | | Durbin-Watson |
|-------|--------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change | |
| 1 | 1.000 ^a | .999 | .999 | 7.84815 | .999 | 1794.062 | 2 | 2 | .001 | 1.995 |

a. Predictors: (Constant), Production by Big Tea Growers, Production by Small Tea Growers

b. Dependent Variable: Average Production By Tea Growers

Table: 4.7. ANOVA^b Production by STG, BTG and Average annual Production of Assam

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|---------|-------------------|
| 1 | Regression | 221005.199 | 2 | 110502.599 | 1.794E3 | .001 ^a |
| | Residual | 123.187 | 2 | 61.594 | | |
| | Total | 221128.386 | 4 | | | |

a. Predictors: (Constant), Production by Big Tea Growers, Production by Small Tea Growers

b. Dependent Variable: Average Production By Tea Growers

Table: 4.8. Coefficients^a Production by STG, BTG and Average annual Production of Assam

| Model | Unstandardized Coefficients | | Standardized Coefficients Beta | t | Sig. |
|---------------------------------|-----------------------------|------------|--------------------------------|--------|------|
| | B | Std. Error | | | |
| 1 (Constant) | 15.323 | 43.865 | | .349 | .760 |
| Production by Small Tea Growers | .262 | .005 | .987 | 56.969 | .000 |
| Production by Big Tea Growers | .727 | .022 | .573 | 33.063 | .001 |

a. Dependent Variable: Annual Tea Production

It can be revealed from the table that the small tea growers have significant contribution on the tea production in Assam. The p value for production by small tea growers in the coefficient table is less than .01 and hence the relation with total tea production in Assam is significant. The regression equation from the table can be derived as follows:

$$\text{Total Tea Production} = 15.323 + .262 \times (\text{Production by Small Tea Growers}) + .727 \times (\text{Production by Big Tea Estates})$$

Since the correlation value is significant at one percent level of significance, hence the hypothesis “*There is no significant relation between production by Small Tea Growers and total tea production of Assam*” is rejected.

Reference:

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