

Livelihoods, Labour Market and Skill Development in Small Tea Growers (STGs) gardens in India with special reference to India's North-East

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Abstract

There is a shifting paradigm within the Tea Industry in India from colonial corporate ownership to small-scale individual ownership production system. It has expanded from few traditional tea growing states to fifteen states in the country in the last few decades. Almost all the states in North-East India grow tea today. As per Tea Board of India, there are 161238 numbers of Small Tea Growers (STGs) with tea cultivation of 164396 hectares contributing roughly around 30-35 percent of tea production. In most of the cases, they are the first generation unemployed youth into tea cultivation and enterprise development. On the other hand, the organized tea sector has 1686 tea estates with tea area of 416027 hectares. The labour relations are well defined in organized sector and also covered under the Plantation Labour Act. But the unorganized sector, the labour relations are evolving and new set of organizations like Bought-Leaf Factories (BLFs), Tea Producing Societies (SHGs), Confederation of Indian Small Tea Growers Associations (CISTA) and State-Level Associations etc are being emerging for the safeguard of livelihoods across the country and in North-East India. There are around 5.64 lakh families and 2.51 million people are associated in the unorganized sector of tea industry in India (Author's Estimation) besides 1.25 million of workers employed directly in organized sector of tea industry and 2.50 million people are indirectly dependant.

It goes without saying that the quality of employment in organized tea industry differs from small-scale cultivation which may be better termed as Unorganised Sector. Livelihoods in this sector seem to be more vulnerable and their engagement with the market has series of middlemen and buffer zones. The Tea Producing Societies (Self-Help Groups) are yet to be organized as viable units and establish their credentials and visibility in the market particularly in auctions. The question of under-recognition and low level of entrepreneurship skills always push them into a situation where buyer-driven market fixes the prices of their product (intermediary product i.e. green leaf). It highly reflects on the quality of their engagements, insecure livelihoods and compromising with overall quality of life and unexplored potentials within the tea industry.

Key words: *Employment, Livelihood, Self-Help Groups, Unorganised Sector, Tea Industry etc.*

Section-I

Contemporary Scenario of Tea Industry

The Small Tea Growers (hereafter mentioned as STGs) in India are an important component in tea industry and contribute roughly 400 million kilogram of made tea in every year. As per available sources, there are almost 1.26 lakh STGs in India spreading over fifteen states. These are Assam, Tripura, Sikkim, Manipur, Mizoram, Nagaland, and Meghalaya, Arunachal Pradesh in North-East India; West Bengal, Bihar, Uttaranchal and Himachal Pradesh in North India and Tamil Nadu, Kerala, and Karnataka in South India. Tea Board of India in their Eighth Five Year Plan introduced the expansion of new tea cultivated areas in the form of STGs in the vicinity of tea estates forming nucleus tea estates (Bhowmik, 1991). Gradually over the years the demonstration effect of such growth this segment expanded in other areas at the

same time, failure to receive remunerative price from other crops like vegetables, pineapple, potato, orange, aracenut spices etc have encouraged the farmers to switch over into tea cultivation in all these states. STGs mostly have emerged by shifting from one crop to another to protect themselves from market failures. But the situation has not changed over the years and STGs again trapped under market compulsions and finds no alternative to safeguard their interest. Tiny and fragmented nature of their land holdings minimize their strength in the price determining process with the Bought-Leaf Factories (hereafter mentioned as BLFs). Moreover, the nature of crop is such that it should reach the factory within few hours of plucking of green leaf. The interval between plucking time and processing is inversely related with quality of made tea, in fact the green leaf begins to degrade after few hours of plucking greatly narrows down their option for sale and better price.

Table-1: Number of STGs, Area, Production and Yield in Small-scale Tea Cultivation

States	No of STGs	Area (Ha)	Production (Th. Kgs)	Average Size of Holdings (Ha)	Yield (Kg/Ha)
Assam	66804	89924	106881	1.35	1189
Tripura	1470	1678	535	1.14	319
Manipur	427	1200	47	2.81	39
Sikkim	3	17	NA	5.67	NA
Arunachal Pradesh	38	210	282	5.52	1343
Nagaland	1451	1800	141	1.24	78
Meghalaya	1014	415	120	0.41	289
Mizoram	269	388	NA	1.44	NA
North-East India	71476	95632	108006	1.34	1129
West Bengal	10160	11327	63553	1.11	5656
Bihar	980	1973	1065	2.01	540

Uttaranchal	70	746	103	10.65	138
Himachal Pradesh	3656	1653	105	0.45	64
North India	14866	15699	64826	1.06	4129
Tamil Nadu	68836	48119	82529	0.70	1715
Kerala	6046	4882	1891	0.81	387
Karnataka	14	64	205	4.57	3203
South India	74896	53065	84625	0.71	1595
All India	161238	164396	257457	1.02	1566

Source: Computed from unpublished data gathered from Tea Board of India

As per Tea Board of India, there are 161,238 STGs in India with tea acreage of 164,396 hectares. It should be mentioned here that most of the STGs irrespective of different regions in India are not registered with the Tea Board of India. There is a large difference between the Tea board data and the field data from the different Small Tea Grower Associations. In most of the cases, STGs are registered with Tea Board of India. At the regional level this picture is different and particularly in North-East India and North India, STGs are highly unorganized. It is also evident from the field that most of the marginal-farmers cum worker-growers (Hannan, 2008) are not even associated with the Small Grower Associations in different regions and states and they are visible only with middlemen while selling their green leaves in their respective localities.

On the other hand, this kind of development and expansion of STGs have provided new forms of employment and livelihood opportunities for the rural people in the backward areas and districts in the country. Unlike the estate gardens, STGs employ workers from their immediate

surrounding villages. Seasonal out migration has lessened in the plantation villages and people find work in the vicinity. In fact, dependent of estate garden workers migrate to STGs gardens to find employment and livelihood. More than 5.64 lakh families (STGs and their workers) are directly engaged in the unorganized sector of tea industry and approximately of 2.51 million people (based on Author's Estimation) are dependant and derive their livelihood.

In light of the above discussion, the following research questions are attempted to comprehend the present paper:

- a) How STGs are connected with various institutions currently supporting tea industry in India? Whether existing organisations would be able to cater the needs, address their problems and make their visibility in the market? Whether the *Tea Producing Societies* (SHGs) would find place as viable *Alternative Model* in tea industry in India?
- b) Whether the emergence of new forms of livelihood and employment in the *Unorganised Sector* of Tea Industry requires skilling for entrepreneurship development, market literacy, and

participation in auction market? Whether Tea Board of India has made any constructive effort for the inclusion of STGs and *Tea Producing Societies* in the supply chain?

The present paper tries to identify the institutional gaps, absence of policies addressing livelihood security and highlight the pressing needs and concerning issues for the want of skill and entrepreneurship development of STGs in North-East India as well as India as a whole.

It has been established from Table-2 that there is a continuous expansion of the *Unorganised Sector* in Tea Industry and in 2007 it produced 260.36 million kg. out of

total tea produced of 986.42 million kg tea in India and contributed roughly 26.39 per cent of tea production in the country. In 2014, it produced 398.04 million kg out of total production of 1207.31 million kg and the share is around 33 per cent at the national level. During last ten years from 1998 to 2007, the number of STGs increased almost hundred per cent from 86517 to 157504 with a tea plantation area from 68598 hectares to 162431 hectares. At the same time, the growth of *Organised Sector* is almost stable and only 88 new tea estates have come up during 1988 to 2007 with an increase of plantation area of 10598 hectares. It gives an impression that the expansion and future of tea industry relies on STGs in days to come.

Table-2: Number, Area and Production Level of sub-sectors within Tea Industry

Years	Unorganised Sector			Organised Sector		
	No of STGs (Upto 10.12 Ha)	Area (Ha)	Production (M Kgs)	No of Estates	Area (Ha)	Production (M Kgs)
1998	86517	68598	91.36	1598	405429	782.74
1999	97267	83152	111.25	1600	407048	714.68
2000	110396	97598	134.53	1614	406768	712.39
2001	113650	NA	148.99	1614	NA	704.93
2002	126167	NA	169.44	1634	NA	669.03
2003	127366	109198	199.37	1661	410400	678.75
2004	127366	110787	229.58	1661	410616	663.38
2005	139041	142985	236.70	1672	412626	709.27
2006	141544	154099	254.93	1673	412921	726.87
2007	157504	162431	260.36	1686	416027	726.06
2014	NA	NA	398.04	NA	NA	809.27

Source: Computed from Tea Statistics of 1999-2000, 2000-2001, 2003-2004, 2005-2006 and WEBSITE of Tea Board of India

Table-3 clearly depicts that the state and region wise distribution of BLFs and Co-

operative Factories (hereafter mentioned as CPFs) in India. The highest number BLFs

and CPFs together are found in the state of Assam with 206 factories followed by Tamil Nadu with 165 factories and 85 factories in West Bengal. The noticeable scenario is the distribution of CPFs in various States in India. In 2007, out of 511 factories 489 are BLFs and 22 are CPFs. The spatial distribution of CPFs has regional dimension. Fifteen CPFs are located in Nilgiris in Tamil Nadu, four in Himachal Pradesh, two in Kerala and one in Assam. The States like Tripura and West Bengal have no CPFs, which shows attention of these state governments for the development of STGs. Among the hill states, Himachal Pradesh

leads with four CPFs. The establishment of CPFs has not received much attention in the states of North-East India till date. Absence of CPFs in processing of made tea has an impact of green leaf market monopoly of BLFs in the small tea-growing areas of North-East India as well as North India. Contrary to that the overall growth of factories during the period from 1998 to 2007 has increased almost three-fold from 70 to 222 in North-East India and four-fold in North India from 26 to 103. This kind of growth is not seen in South India during the same period.

Table -3: State and Region-wise Growth of BLFs and CPFs in India

States / Regions	No of Bought-Leaf Factories and Co-operative Factories									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Assam	61	75	105	119	139	152	163	192	204	206
Tripura	9	10	NA	NA	2	2	2	3	3	3
Arunachal Pradesh	NA	NA	NA	NA	NA	4	5	10	10	10
Nagaland	NA	NA	NA	NA	NA	NA	NA	1	1	1
Meghalaya	NA	NA	NA	NA	NA	NA	1	2	2	2
North-East India	70	85	105	119	141	158	171	208	220	222
West Bengal	22	29	46	46	56	69	79	85	85	85
Bihar	NA	NA	NA	NA	1	1	1	2	2	2
Uttaranchal	NA	NA	NA	NA	1	1	1	2	2	2
Himachal Pradesh	4	4	4	4	4	4	14	14	14	14
North India	26	33	50	50	62	75	95	103	103	103
Tamil Nadu	168	168	173	172	175	197	200	165	165	165
Kerala	13	13	8	9	14	18	20	20	20	20
Karnataka	Nil	Nil	1	1	1	2	2	2	1	1
South India	181	181	182	182	190	217	222	187	186	186
All India	277	299	337	351	393	450	488	498	509	511

Source: Computed from Tea Statistics of 1999-2000, 2000-2001, 2003-2004, 2005-2006 and Tea Digest 2008-2009, Tea Board of India, Kolkata.

It is to be mentioned that since 1998 the data relating to BLFs and CPFs and the production level of STGs are available in Tea Statistics. Though the share is tea production by STGs is calculated from the production of BLFs and CPFs, but it does not show the entire production of unorganized sector. In many cases, STGs sell their green leaf to estate factories which generally added to the production of estate gardens. Hence, actual share from STGs would be higher than what is computed above at any given point of time. There is an absence of data related to STGs and their farms in India. Therefore, the real contribution of this sector is yet to be explored based on field survey. And it is expected that the existing data show lesser amount of production of this small-scale sector. Table-3 below

presents the production contribution of unorganized sector in tea industry. In 2007, this sector alone produced 260.36 million kg. tea out of which 108.66 million kg is produced in North-East India alone. 64.53 million kg is produced in North India and 87.17 by the Southern States. During the period from 1998 to 2007, the production of tea in North-East India coming from this unorganized sector increased from 22.03 million kg to 108.66 million kg. Similarly, it increased from 8.38 million kg to 64.53 million kg in North India during the same period. Therefore, the growth of production is almost five times in North-East India and eight times in North India which indicates the substantial expansion of unorganized sector in these states and regions.

Table-4: State and Region-wise Growth of Production of Tea by STGs in India

<i>States / Regions</i>	Production of Tea (Million Kg)									
	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>
Assam	21.43	29.32	37.68	42.60	53.29	65.36	77.65	91.69	101.58	102.93
Tripura	0.60	0.70	0.45	0.44	1.58	1.51	1.47	1.97	2.08	2.78
Arunachal Pradesh	NA	NA	NA	NA	NA	1.03	1.30	1.33	1.27	2.80
Nagaland	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Meghalaya	NA	NA	NA	NA	NA	NA	0.09	0.10	0.14	0.15
<i>North-East India</i>	<i>22.03</i>	<i>30.02</i>	<i>38.13</i>	<i>43.04</i>	<i>54.87</i>	<i>67.90</i>	<i>80.51</i>	<i>95.09</i>	<i>105.07</i>	<i>108.66</i>
West Bengal	7.43	13.49	16.9	24.37	33.44	37.74	49.59	55.22	59.00	63.55
Bihar	NA	NA	NA	NA	0.07	0.22	0.25	0.28	0.18	0.33
Uttaranchal	NA	NA	NA	NA	0.02	0.02	0.02	0.12	0.12	0.12
Himachal Pradesh	0.95	0.71	0.82	0.56	0.44	0.41	0.45	0.47	0.55	0.53

North India	8.38	14.20	17.72	24.93	33.97	38.39	50.31	56.09	59.85	64.53
Tamil Nadu	59.30	65.50	76.56	78.67	78.62	89.86	94.84	82.28	86.76	84.11
Kerala	1.65	1.53	1.90	2.11	1.75	3.15	3.80	3.18	3.04	2.88
Karnataka	NA	NA	0.22	0.24	0.23	0.07	0.12	0.06	0.21	0.18
South India	60.95	67.03	78.68	81.02	80.60	93.08	98.76	85.52	90.01	87.17
All India	91.36	111.25	134.53	148.99	169.44	199.37	229.58	236.70	254.93	260.36

Source: Computed from Tea Statistics of 1999-2000, 2000-2001, 2003-2004, 2005-2006 and Tea Digest 2008-2009, Tea Board of India, Kolkata.

With the arrival and emergence of small-scale cultivation, the newer forms and types of institutions have been innovated by the Unorganised Sector of tea industry over the years having different levels of interference

and interactions in the supply chain. These can be summarized into four categories such as 1. Co-operative Factories, 2. Bought-Leaf Factories, 3. Tea Producing Societies (SHGs), and 4. Associations or Federations.

Type of Institutions	Objectives	Initiatives Taken	Stakeholders Associated	Level of Interference
Co-operative Factories	To facilitate input management in production and procurement of green leaf and produce made tea and participate in marketing	15 INDCO Factories were established with the initiative of the Government of Tamil Nadu	Small Tea Growers, and respective State Governments	Agri-Production, Procurement, Processing and Marketing
Bought-Leaf Factories	To purchase green leaf, process and participate in marketing	511 BLFs are established in 15 small tea growing states in India under private initiatives	Private Limited Companies and Corporates	Tea Processing and Marketing only
Tea Producing Societies (SHGs)	To enhance the scale of operation, collective management of farms for input management, and facilitate better price to the STGs	Tea Board has introduced the cluster approach of farm production and make STGs in a better position to receive fair price from BLFs	Small Tea Growers	Scientific Agro-Practices and Farm Production, Appropriate Input Management, Quality Tea Production and Marketing of Green Leaf

CISTA* and State and Regional and Sub-Regional Level Associations	To influences policies relating to Small Tea Growers in India and make them visible in the supply chain	Small Tea Growers across the states took the initiative for Associations at National, State, Regional and Sub-regional level	Small Tea Growers	Demanding schemes relating to STGs like Tea Board Registration, input subsidies, Micro and Mini Factories, implementation of Price-sharing between factories and STGs
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*CISTA stands for Confederation of Indian Small Tea Growers Associations.

Section-II

Employment and Livelihoods in Tea Industry

Tea industry is considered to be a labour-intensive and employs hired labour throughout the year. It has standard provisions of wage negotiating mechanisms and collective bargaining system which has evolved in post-independence period. Labourers engaged in tea estates are covered under the Plantation Labour Act. Table-5 shows that the organized sector of tea industry are confined to six states of India and these are Assam and Tripura in North-East, West Bengal in North India, and Tamil Nadu, Kerala and Karnataka in South India. There are 1.25 million of labourers are directly employed in organized sector out of which almost fifty-percent of them are from Assam and Tripura. Similarly, there are 1.24 million bonafide dependents in this sub-sector with a total population directly and indirectly dependent is roughly around 2.50 million at all India level.

The unorganized sector though it traces a recent origin, somewhat accommodates same amount labourforce with 2.51 million people. It is spread in almost fifteen states. All the eight states of North-East grow

small-scale tea including West Bengal, Bihar, Uttaranchal and Himachal Pradesh in North India and Tamil Nadu, Kerala and Karnataka in South India. The employment pattern in the unorganized sector is different from organized sector. There is an existence of family labour as well as hired labour from their immediate surroundings. The STGs hire labour on need basis as and when they require and engage various levels of production in their field. It is unlike tea estates which normally keep a regular workforce throughout the year. Therefore, the estimated dependency in terms of employment and livelihood is worked out to be 2.51 million people in India. This figure is arrived by devising a methodology as follows: number of STGs plus per ha labour absorption in different states and regions in India multiplied by average Household-Size (Census of India *cf.* Nayak and Behera, 2014) in particular state of India as per Census 2011.

The scenario of small-scale cultivation and employment or livelihoods associated with it is very encouraging. As we are aware of the fact that only in early nineties this unorganized sector made visibility in the states of North-East. It is found that 1.30 million people are dependent in this sub-sector of tea industry in North-East India

despite its manifold shortcomings. It is to be mentioned that in the states of South India, there has been continuous support to this small-scale cultivation since 1960s. Today there are 15 INDCO tea factories are functional in Nilgiris of Tamil Nadu where the response of state government made an

attempt to provide security to the STGs by bring them into collective production and processing, farm management and input facility, credit provisioning, benefit and profit sharing etc. Such provisions are still lacking by the states of North East and North India.

Table-5: Employment Pattern and Livelihoods Associated with Tea Industry in India

<i>States / Regions</i>	<i>Organised Sector</i>			<i>Unorganised Sector</i>			
	Labourers Engaged	Bonafide Dependents	Dependency Level	STGs	Labour Absorbtion	Labourers Engaged	Dependency Level
Assam	619743	675626	1295369	66804	179848	246652	1208595
Tripura	11631	9890	21521	1470	3356	4826	21041
Manipur	NA	NA	NA	427	3660	4087	21947
Sikkim	NA	NA	NA	3	52	55	260
Arunachal Pradesh	NA	NA	NA	38	641	679	3582
Nagaland	NA	NA	NA	1451	5490	6941	34358
Meghalaya	NA	NA	NA	1014	1266	2280	12561
Mizoram	NA	NA	NA	269	1183	1452	7160
North-East India	631374	685516	1316890	71476	195496	266972	1309506
West Bengal	262039	327753	589792	10160	25826	35986	163734
Bihar	NA	NA	NA	980	4498	5478	30022
Uttaranchal	NA	NA	NA	70	2275	2345	11891
Himachal Pradesh	NA	NA	NA	3656	5042	8698	40357
North India	262039	327753	589792	14866	37641	52507	246004
Tamil Nadu	266355	165261	431616	68836	157830	226666	883999
Kerala	90575	67907	158482	6046	12205	18251	79027
Karnataka	4540	701	5241	14	136	150	695
South India	361470	233869	595339	74896	170171	245067	963720
All India	1254883	1247138	2502021	161238	403307	564546	2519230

Note: Organised Sector-Dependency Level is worked out based on Actual Labourers Engaged plus their bonafide dependents in different States and Regions in India; Unorganised Sector-Dependency Level is worked out based on Number of STGs plus per Ha Labour Absorption in different States and Regions in India multiplied by average Household Size as per Census 2011. Dependency Level = $[(\text{No of STGs} + (\text{Per Ha Labour Absorbtion} \times \text{Area under Tea})) \times \text{Avg Size of Household}]$. Source: Computed from Tea Statistics and Unpublished Data collected from Tea Board.

Section-III

Market Structure of Unorganised Sector in Tea Industry

It is seen that there has been phenomenal growth of STGs in Assam and West Bengal and North-East India. This sub-sector has emerged over the past two decades, especially during periods when tea prices were remunerative (Banerjee, 2011). The STGs produce intermediary product i.e. green leaf which has to be processed in a factory to produce made tea for human consumption. The compulsion of STGs is that their product is perishable and has to reach in a factory within stipulated time to maintain its quality. The distance, location and existence of middlemen are inversely related to its quality and remunerative price received by the STGs. But on the ground there is a complete absence of formal linkage between factories and STGs in India.

Under the above-mentioned circumstances, the STGs sell their product in three possible destinations; Bought-Leaf Factories, Estate Factories and Co-operative Factories. Their product reaches to the factories either directly or indirectly through middlemen. The direct tie-up between factories and STGs happens to exist in those regions or localities where STGs are assembled together and formed clusters by making into *Tea Producing Societies* (SHGs). But it has a very low visibility as there is a conspicuous absence of such institutions. Contrary to that, SHG model is being a success to a greater extent in southern states in India particularly Tamil Nadu and Kerala where there is co-existence of Co-operatives since 1960s.

It seems that STGs are aware of cluster approach and sensitive towards institution building process. The initiatives taken by Government of Tamil Nadu followed by the recommendations of the Plantation Enquiry Commission in 1956 are credible. Such interest is found to be absent in the states of North-East and North India. Though Tea Board of India has introduced SHG model since Tenth Plan Period, but it has not produced desirable result particularly in North and North-East India. Probably STGs are not accustomed to collectives at the grass-root level.

The Tea Board of India introduced price-sharing formula in 2004 based on the Sri Lankan experiences. The costs of production of STGs for producing green leaf and the cost of processing of made tea by the factories and its ratio of conversion from green leaf to made tea was taken into consideration. As per the price-sharing formula, the sale proceeds are to be shared between the STGs and the factories in the ratio of 60:40 (currently 58:42) when the average price realized by the manufacturer for all teas during the reporting month is either equal to or less than the monthly combined average auction price for teas of the said growing region. Where the price realized by the manufacturer exceeds the monthly average auction price, the differential between the auction average price and the price realized by the manufacturer are to be shared in the ratio of 50:50. Pending finalization of tea leaf price for the reporting month, the manufacturers are required to pay an advance of 75 percent of the price paid during the previous month. It is evident from the field that STGs are unorganized

and their interior or remote location, uneven distribution of BLFs, absence of specified business linkage between BLFs and STGs leading to low green leaf price realization and unfair trade practices. Mushrooming of leaf agents (middlemen) finds a major share in green leaf trade and become a barrier for business. To overcome this situation, Tea Board of India during the tenth plan period (2002-07) has introduced the cluster approach scheme for STGs to bring them under SHGs. It is yet to bring desired results and make visible to STGs in the entire supply chain (Figure-1) and remunerative prices for their product i.e. green leaf.

It has been observed that very few SHGs have been formed across the states since tenth plan period. Even-though one-third of tea production is contributed by the unorganized sector of tea industry, there has not been a sizable progress towards institution building to fill-up the gaps at the grass-root level. Most of STGs are unconnected with the supply chain and illiterate of market structure. Though a need is felt to organize and develop SHGs at village level institutions in the form of Micro-Enterprises to make them viable and to provide sustainable business and fair price for green leaf. It is anticipated that if SHG model is successful it would diversify rural economy by utilizing local resources, tackle unemployment and prevent rural-urban migration. Therefore, by ensuring Micro-Enterprises at local level by involving

STGs and skilling them with regard to business functions, market literacy, credit linkages, farm management and effective utilization of inputs etc. it could act as an effective strategy for poverty alleviation and livelihood opportunities in the small tea growing districts in the country. SHGs can increase their competitive strength through enhancing economies of scale, networking for breaking market barriers, sharing infrastructure, use of appropriate technology, providing credit facilities and future model for tea production.

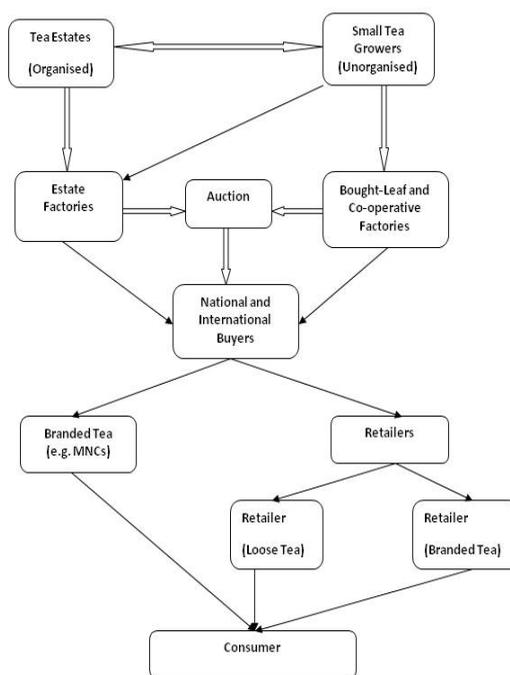


Fig. 1: A Schematic Model Showing Supply Chain of Tea in India

Section-IV

Concluding Remarks and Observations

1. The growth and expansion of unorganized sector of tea industry is very recent particularly in North-East India and North India. There has been a phenomenal growth of this sector within a short period of time. All the states of North-East grow tea today. Tea Holdings are small and fragmented and highly unorganized. Most of the cases, they do produce intermediary product i.e. *green leaf*. This has necessitated of emerging new type of institutions called BLFs which purchase their product and participate in auction and other forms of market.
2. Though all the states of North-East India grow tea in small-scale but there is absence of initiatives by the state governments to initiate and form co-operatives to link STGs directly into auction and other forms of market participation. Similarly, the state of Assam, West Bengal, Bihar, and Uttaranchal in North India also show negligible growth of co-operatives formed by STGs which can make them visible in market directly. Therefore, most of the tea production coming from unorganized sector marketed through BLFs which has monopoly of deciding the price of green leaf produced by STGs pushing them to receiving-end in the supply chain.
3. The Tea Board of India has introduced SHG model by clustering STGs at the village level. The objective of this programme is to enhance their scale of operation, making STGs aware of scientific management of tea farms, better input applications in terms fertilizer, manuring and pest management, credit access and receipt of remunerative price of green leaf from BLFs. There is lack of concerted efforts of organizing STGs into collectives except introducing the scheme. The Tea Board can make partners to various regional level STGs Tea Associations and NGOs to organize growers into SHGs and link them with BLFs.
4. Though the unorganized sector contributes roughly one-third of entire tea production in the country, there has not been any assured planned expenditure earmarked for this unorganized sector of tea industry by the Tea Board of India. Tea Board of India receives a planned budget of one thousand crores roughly. It was also evident from the budgetary allocations of the Board during the tenth and eleventh plan period and no separate allocation for unorganized sector was earmarked. It is necessary to skill the STGs as they are first generation entrepreneurs. The market literacy, enterprise development making them friendly about tea processing technology, brand development etc. would benefit STGs immensely.
5. As mentioned above, there is an untapped labour market in this sub-sector of tea industry which almost provides employment and livelihood opportunities and secures 2.51 million people directly and indirectly in the small tea growing districts and regions in the country. But there is complete absence of institutional set-up which

can address their problems and provide skills, training and livelihood security. There are various welfare schemes for the organized sector in general which is absent in case plantations.

6. At times STGs receive less than the cost of production of green leaf. Though Tea Board of India has introduced Price-Sharing Formula based on Sri Lankan experiences, but the Board has miserably failed to implement it in the ground. There is no institution in place by which STGs are assured minimum support price in the lower end of supply chain. Very recently Tea Board of India has made a separate *Directorate* for STGs locating its headquarter at Dibrugarh in Assam and employed *Development Officers* and *Factory Inspectors* in small tea growing districts and regions in the country. There has not been any visible impact and tangible result till date by the said Directorate.
7. Lastly, the Tea Board of India is likely to introduce *Micro*, *Mini* and *Large* tea factories for the overall benefit of STGs in India. It has been in news since several years but the action taken towards this direction is yet to be seen. In fact, *Confederation of Indian Small Tea Growers Associations* (CISTA) has been demanding it to introduce to minimize the monopoly of BLFs in green leaf market. If it is introduced and implemented, STGs can process their green leaf and produce made tea and can participate in auction as well as explore other avenues and options of private sales. Therefore, training on tea processing technology and marketing,

packaging and branding of tea would make them viable and save STGs from market imperfections and impurities.

Notes and References

Tea Board of India defines a Small Tea Grower with a tea landholding up to 25 acres or 10.12 hectares.

Bought-Leaf Factories (BLFs) do not own tea plantation area and depend on the supply of green leaf from STGs to produce made tea and are owned by private companies.

CPFs stands for Co-operative Factories, it is joint effort by the STGs in one hand and the state government on the other.

CISTA consists of All Assam STGs Association, Assam; All Tripura STGs Association, Tripura; All Mizoram STGs Association, Mizoram; All Nagaland STGs Association, Nagaland; Meghalaya STGs Association, Meghalaya; All Bodoland STGs Association, Kokrajhar; United Forum of STGs Associations, West Bengal; Nilgiris STGs Association, Tamil Nadu; All Kerala STGs Association, Kerala; Kangra Valley STGs Association, Himachal Pradesh.

These are village level institutions registered under State Societies Registration Act as well as Tea Board of India. The membership varies from 50-250 STGs in each society and Tea Board of India has introduced this cluster approach under the 10th Five-year plan (2002-07).

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