



## POTENTIAL FACTORS BEHIND THE RAPID GROWTH OF SMALL TEA GROWERS (STGS) IN GOLAGHAT DISTRICT OF ASSAM- AN ANALYSIS

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### Abstract

Looking into the various prospects of small tea cultivation in Assam we have taken up this study which tries to explore the potential factors behind the rapid growth of the STGs in the Golaghat district of Assam. The study is an exploratory work primarily based on sample survey. Both primary and secondary data are used. For the present study the definition of STGs is taken on the basis of the norms fixed by Tea Board of India that is land under tea cultivation does not exceed 75 bighas (10.12 hectare). The study highlights that tea cultivation on small holding is now an emerging sector in the tea industry in Assam. It has brought remarkable changes in the socio economic status of the growers itself as well as the rural economy of Assam.

**Key Words:** Cultivation, Status, Industry .

### Introduction

Tea is considered as a true stimulant which satisfies the palate demand of human beings for centuries<sup>1</sup>. Tea is one of the oldest and well organized industries in India and it plays an important role in the national economy. India is the second largest producer of tea (1116 mkg) in the world after China<sup>2</sup>. It is the 4<sup>th</sup> largest tea exporter in world, contributing nearly 12 percent of the global tea export. The export earnings from tea increased from Rs. 113.61 crore (1955) to Rs. 2203.9 crore in the year 2012. It was estimated that about 182.7 thousand tones of tea was exported from India which brings \$ 400 million as foreign exchange for the country per year<sup>3</sup>.

### Small Tea Growers of Assam

The advent of a large number of Small Tea Growers in recent years is a significant development in the tea industry and socio-economic sphere of Assam. As per the records available, the first commercial small tea garden was established in Golaghat District in 1978. Tea cultivation in small holdings is providing employment to large number of unemployed youths, generating additional earning of farmers, contributing large quantities to the state's to the total production and thereby, helping the state's economy. The first effort to popularize tea cultivation on smallholding in Assam was made the then Agriculture Minister of Assam in 1978. The abundance of uplands, suitable climate, skilled surplus labours from nearby big tea estates, ready market, were the factors that encouraged the small and marginal farmers to take up tea plantation. In addition to existing big and large tea gardens owned by both Indian and multinational companies, the profession of tea plantation in the state has taken up by common man as business venture at present especially by unemployed youths. In recent year's tea industry of India is struggling with multiple problems like- increase competition in the global market, imbalance in demand and supply, ageing of tea bushes, poor maintenance, quality degradation, lack of investment, high cost of production, scarcity of labours and mismanagement in the garden, etc. According to All Assam Small Tea Growers Association (AASSTGA), there are 1,18,832 STGs spread across the state and their cultivation area is estimated at 2.5 lakh hectares. These small tea growers produced 8820,594,234 Kgs. green leaf during the year 2014-15. In 2014, STGs provided 170 million kg. made tea, contributing 33 percent to the total production of the state and 28 percent of the area. A special scheme for the benefits of STGs in the 12<sup>th</sup> plan amounting Rs. 200 crore was sanctioned. The small tea growers in Assam are now an economic force for the state. Most of the small tea gardens in the state are confined to Upper Assam. Tinsukia accounts for 22 percent of the total tea gardens followed by Dibrugarh 20 percent, Golaghat 14 percent, Sivasagarh 13 percent, Jorhat 10 percent, Sonitpur 9 percent and other districts contain 12 percent. According to the Chairman of Assam Bought Leaf Tea Manufacturers' Association (ABLTMA), the Small Tea Growers contributed more than 41 percent of the annual crop of Assam and Bought Leaf factories contributed nearly 30 percent of Assam's annual production of

<sup>1</sup> Akotiya, K.N. (2005): *Analysis of financial performance of Tea industry in India*, PhD Thesis, Saurashtra University, accessed from [ethesis.saurashtrauniversity.edu.com](http://ethesis.saurashtrauniversity.edu.com).

<sup>2</sup> ITC Annual Bulletin Supplement, 2012 & MSS- March, 2013.

<sup>3</sup> Arya, N. (2014): *Indian Tea Scenario*. *International Journal of Scientific and Research Publications* Vol.3, Issue 7, Pp: 6-8, July, 2014.

approximately 600 million kg. during 2014 (The Assam Tribune 10<sup>th</sup> Nov. 2015). The summary of Small Tea Growers of Assam, 2014-2015 is presented in Table 1.1

**Table 1.1: Summary of Small Tea Growers of Assam (2014-2015)**

Sl No.	District	No. of Growers	Planted area (bighas)	Green leaf Production (Kg.)	Labours (No.s)
1	Tinsukia	25,411	123,595	223,954,140	60,750
2	Dibrugarh	24,906	95,119	167,028,946	46,298
3	Golaghat	16,492	75,485	114,702,4886	35,722
4	Sivsagar	15,812	71,327	120,756,611	32,633
5	Jorhat	11,702	40,573	64,403,676	18,283
6	Sonitpur	10,927	43,368	77,758,824	22,124
7	Karbi Anglong	3,203	15,960	10,189,300	6,825
8	Udalguri	2,242	10,920	9,210,540	4,455
9	Lakhimpur	2,207	10,178	8,596,000	4072
10	Kokorajahar	1,756	11,610	9,793,650	4,798
11	Nagaon	1,321	11,282	8,748,450	4620
12	Bongaigaon	886	5468	3,998,800	2,138
13	Cachar	671	3,402	2,345,320	1,298
14	Dhemaji	527	2,966	2,184,400	1,075
15	Baksa	286	650	1,053,000	1,255
16	Goalpara	256	1,479	1,055,720	698
17	Dhuburi	61	378	185,750	155
18	Morigaon	33	229	310,140	194
19	Sirang	29	142	220,160	127
20	Darrang	26	128	192,000	123
21	Karimganj	22	286	43,740	198
22	Dima Haso	18	355	532,500	168
23	Kamrup (Rural)	16	154	240,116	103
24	Karup (Metropolitan)	Nil	.....	.....	.....
25	Nalbari	Nil	.....	.....	.....
26	Hailakandi	16	207	293,665	121
27	Barpeta	06	82	142,300	72
	Total	1,18,832	5,25,343	820,594,234	2,46,298

Source: All Assam Small Tea Growers Association (AASTGA) as per State Executive Meeting of AASTGA. (A.A.U, Jorhat)

### Objectives of the Study

1. To analyze the potential factors behind the rapid growth of Small Tea Growers (STGs) in Golaghat district of Assam.
2. To identify the problems faced by the STGs in Golaghat district of Assam.

### Data Source and Methodology

The proposed study is conducted in Golaghat district of Assam during 2015-2016. The study is exploratory in nature. It is based on both primary and secondary data. Primary data are collected from different constituents of cultivation of tea like Small Tea Growers (STGs), members of growers Association, representatives of Bought Leaf factories (BLFs), through interview schedule in the form of questionnaire. The study considers small tea growers who cultivate tea on smallholding. Secondary data are collected from various published and unpublished documents which include books, news paper and research articles, publication from growers association, Government Reports, websites etc. Keeping in view of the objectives of the study a convenient sampling is adopted for the selection of the district, number of tea clusters, number of Small Tea Growers, etc. The Golaghat district is selected due to the presence of highest number of (30 percent) registered STGs in Assam. Besides this area has potential for tea cultivation as per the topography, availability of land and labour, other technical supports etc. Small Tea Growers are selected out of the total eight tea clusters from Golaghat district of Assam. They are namely Morongi, Golaghat Central, Golaghat East, Golaghat South, Golaghat West, Golaghat North, Gomariguri and Kakodonga. It is observed from the field survey that the highest numbers of STGs are concentrated in three tea clusters i.e. Morongi, Golaghat Central and Golaghat East. So these three tea clusters are selected for collecting required information for the study. Fifty STGs are selected from each chosen tea clusters. Thus, a total of 150 Small Tea Growers have been selected for collecting the required information from each chosen tea clusters in the study area.

## Analysis and Discussion

**Table 1.2 Potential factors behind the rapid growth of STGs in Golaghat District**

Potential Factors	Partially		Fully		Not at all	
	No	Percent	No	Percent	No	Percent
Low Cost Resources	103	68.67	28	18.67	19	12.67
Availability of Raw Materials	87	58.00	37	24.67	06	4.00
Availability of Labour	124	82.67	26	17.33	----	----
Transport Facilities	24	16.00	14	9.33	112	74.67
Nearness to Bought Leaf Factory	26	17.33	09	9.00	115	76.67
Eagerness to make money	52	34.67	86	57.33	12	8.00
Gain social prestige	122	81.33	17	11.33	11	7.33
Availability of own land	12	8.00	138	92.00	----	-----
High profitability	25	16.67	125	8.33	----	-----
Capital in hand	42	28.00	86	57.33	22	14.67
Home town	53	35.33	67	44.67	30	20.00
Self employment	08	8.00	142	94.67	----	-----
Continue the same family Practices	18	12.00	123	82.00	09	6.00

Source: Field Survey

It is evident from the above table that self employment is the potential factor for the growth of STGs in the study area. About 94.67 percent STGs are fully agreed that they have chosen tea cultivation on small holding due to self employment opportunities. They adopted tea cultivation with an objective to augment their income. Of course 8 percent STGs are partially agreed with their view. Availability of own land (92 percent) is found as the second potential factor behind the rapid growth of STGs in the study area. The proportion of own land was found to be highest compared to government land, grazing land. After this factor, continue the same family practices has been found as a potential factor for the rapid growth of STGs in the study area because 82 percent STGs have chosen tea cultivation on small holding to continue the same family practices. Availability of labours, social prestige is also found as potential factors for the growth of the STGs in the study area. About 82.67 percent and 81.33 percent STGs are partially agreed that they are choosing tea cultivation due to availability of labour, gain social prestige respectively. Such STGs are engaged in tea cultivation as a hobby rather than income as motive.

Besides the above mentioned factors, growing monkey's damage of the agricultural food crops in the study area is one of the potential factors for the expansion of small tea plantations, as cited by a few 37 STGs (24.67 percent). According to them because of the menace created by the monkeys it is impossible for growing vegetables, sugarcane etc. on commercial basis. This is precisely the reason that, many STGs in the study area now even stopped growing the seasonal vegetables. Replacement or change in land use to tea thus became a viable alternative for their livelihood. This problem has been more acute Golaghat East tea clusters of the study area.

**Table 1.3 Financial Problems faced by the STGs in Golaghat district**

Parameters	Very important	Important	Average	Somewhat important	Not important	Total	Rank
	5	4	3	2	1		
Higher interest rates	82	58	03	02	05	660	2
Problems of security	74	26	07	43	----	581	6
Excessive formalities in loan arrangement	79	53	05	10	03	645	3
Undesirable attitude of bank officials	52	74	12	04	08	608	5
Unfavorable repayment schedule	24	28	65	31	12	501	8
Time lag in sanction and disbursement of the loan	63	37	26	08	06	563	7
Absence of credit institutions in rural areas	59	57	22	12	-----	613	4
Inadequate loan amount	87	47	21	05	----	696	1

Source: Field Survey

From the analysis of the above table on financial problems faced by tea growers have revealed that the inadequate loan amount is the major problem faced by the respondents. High interest rate and an excessive formality in loan arrangement are following that.

**Table 1.4 Marketing problems faced by the STGs in Golaghat district**

Parameters	Very important	Important	Average	Somewhat important	Not important	Total	Rank
	5	4	3	2	1		
Absence of transport and storage facilities for their products	116	28	06	---	----	710	1
Inadequate information on markets	20	61	57	12	----	539	6
Competition from other big tea planter	98	32	15	05	---	663	4
Quality of green leaf	86	47	15	02	---	679	3
Lack of marketing knowledge	24	28	65	31	12	501	7
Price of green leaf	118	17	15	---	----	703	2
Interference of agents and BLFs	69	52	17	12	----	628	5

Source: Field Survey

The above table clearly depicts that absence of transport and storage facilities for their products is ranked as first and it has been the foremost marketing problem faced by tea growers. Price of green leaf is second and followed by quality of green leaf. Competition from other big tea planter comes next which is followed by interference of agents and BLFs, Inadequate information on markets and lack of marketing knowledge.

**Table 1.5 Technical and managerial problems faced by the STGs in Golaghat district**

Parameters	Very important	Important	Average	Somewhat important	Not important	Total	Rank
	5	4	3	2	1		
Ineffective consultancy services provided by government	24	18	75	31		479	4
Non-availability of skilled workforce	115	29	06	---	----	709	1
Non-availability of proficient managers	18	20	82	16	14	462	5
Lack of well trained & experienced employees in the market	86	47	15	02	---	697	2
Use of old technology	102	32	09	07	----	679	3

Source: Field Survey

According to the above table non-availability of skilled workforce is the main technical and managerial problem faced by respondents and it is ranked as first followed by lack of well trained & experienced employees in the market. Use of old technology is ranked as third problem and ineffective consultancy services provided by government is ranked as fourth problem followed by non-availability of proficient managers.

**Table 1.6 Fertilizer problems faced by the STGs in Golaghat district**

Parameters	Very important	Important	Average	Somewhat important	Not important	Total	Rank
	5	4	3	2	1		
Scarcity	42	86	22	--	--	620	2
High prices	126	24	--	---	---	726	1
Low quality	---	32	96	22	---	460	3

Source: Field Survey

From the analysis of the above table on fertilizer problems faced by tea growers have revealed that the high prices of fertilizer is ranked as the first problem faced by the respondents. Scarcity of fertilize and low quality of fertilizer are following respectively.

**Table 1.7 Labour problems faced by the STGs in Golaghat district**

Parameters	Very important	Important	Average	Somewhat important	Not important	Total	Rank
	5	4	3	2	1		
Absenteeism	52	86	12	--	--	640	2
High rates of wages/salaries	114	36	----	----	--	714	1
Indiscipline	60	62	25	03	---	629	3
Frequent work stoppage	66	43	24	17	----	598	4

Source: Field Survey

The above table clearly depicts that high rates of wages/salaries is ranked as first and it has been the foremost labour problem faced by tea growers. Absenteeism is second and followed by indiscipline nature of labour. Frequent work stoppage by the labour is the fourth problem face by the tea growers in the study area.

### Conclusion

From the above analysis we can conclude that small tea growers have now become a new economic vigor of Assam by generating employment, income and revenue of the state. They also generated self employment opportunities like tea agents, supplier of fertilizers, garden equipment, agencies for logistic support, etc. Now small and marginal farmers have taken up tea cultivation as a primary occupation. Tea cultivation on small holding has been able to give them a regular and sustainable source of income. Also a few of Rural STGs take tea cultivation as an alternative source of income for their livelihood. However growth of tea cultivation on small holding could present sustainability challenges because of its unregulated nature, farming practice also may be not as much of up to the international standard.

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