CHAPTER - II

Tea Industry and its place in Assam's Economy

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CHAPTER - II

Tea Industry and its place in Assam's Economy.

Introduction:

The tea is an agricultural crop. It requires all operations of Agriculture like tilling of land, application of manures and pesticides, diggings of canals, planting of tea plants in a systematic manner, maintenance of the planted tea plants (i.e. post plantations operations) pruning at proper age and plucking of tea leaves at appropriate time. The tea leaves require manufacturing process after plucking but before sending the tea which is deemed to be fit for human consumption to the markets for selling. To meet the growing demands of consumers, tea is manufactured in various forms like CTC, Dust, Orthodox, Pekoe and Fannings. There are only two kinds of markets which are well organised namely (a) Internal markets and (b) International markets. The internal consumption of tea in India is the highest in the world. India produced 753.9 million\(^1\)Kg. tea in 1994 out of which only 163.7 million kg. was exported and the lion's share of 590.2 million kg was retained for domestic consumption i.e. for internal markets. In the same year India earned an amount of Rs.963.54 crores\(^2\) being foreign exchange earnings by exporting tea alone. In 1990 India produced 714.66 million kg. tea, exported 198.24 million kg. and the value of export earnings was Rs.1,062.09 crores\(^3\). Similarly in 1991 India has produced 754 million kg. out of which 215 million kg has been exported and earned foreign exchange worth Rs.1,196.46 crores.

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1. Tea Statistics 1995-96, Tea Board of India
2. ibid
3. ibid
The tea industry is a well organised industry employing about 7 lakh workers directly in Assam and about 25 lakh workers are employed indirectly through other ancilliary industries connected with the tea industry.

Importance:

The economic development of Assam is mainly dependent on the tea industry. The other related industries employing a huge number of workers indirectly are timber plywood, tin-plate, umbrella, chappals, approns, oil-clothes, tractors, pesticides, manure's, sprayers, machines tools and other connected goods and services which are required for tea industry. Apart from these employment avenues created, other infra-structure facilities like transport and communications are also boost up since the beginning of the tea industry from the middle of the 19th Century.

The railway communications were started since the first decade of the present century from Calcutta to Assam through Chitagong (present Bangladesh), Surama Valley and North Cachar hills. The construction of railway line was completed in 1903 between Dhubri and Guwahati to link with Eastern Bengal State Railway a distance of 740\(^4\) miles. The construction cost of the railway line (Trunk line) was very high due to dense forests, hilly regions and very thinly populated areas.

4. Imperial Gazettier of India RE-print Vol.III.

P-388
Thus the communication facilities was created by connecting Assam (British colony) with the rest of British India. The facilities for carrying goods and passengers from rest of British India during pre-independence period was created. The tea plantation is one of the major industry of Assam which has got national and international importance.

The tea industry contributes about Rs.100 crores to the State Exchequer every year in the form of agricultural income tax, sales tax, customs duties and cess on green leaf collected at source per kg. and land revenue. The income of state increase due to increase in productions and sale in internal and international markets. Assam produces more than 50% of India's total productions.

Efficiency of production of tea in Assam:

The gradual growth of tea in Assam particularly number of tea gardens, area under tea cultivations, quality of tea produced and production per hectare are shown in the following table:

5. *Souvenir, Assam Chah Mazdoor Sangha*, State Session, 1992 at Dibrugarh, Published by ABITA, Zoo Narengi Road, Guwahati- 781024.
Table No. 2.1

The gradual growth of tea gardens in Assam, area under tea cultivations, productions and production per hectare are:

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of tea gardens</th>
<th>Area under tea cultivation (in hectares)</th>
<th>Quantity of tea produced (in tonnes)</th>
<th>Production per hectare</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>785</td>
<td>1,55,674</td>
<td>1,50,370</td>
<td>966</td>
</tr>
<tr>
<td>1961</td>
<td>744</td>
<td>1,62,367</td>
<td>1,82,311</td>
<td>1,113</td>
</tr>
<tr>
<td>1971</td>
<td>750</td>
<td>1,82,325</td>
<td>2,23,665</td>
<td>1,227</td>
</tr>
<tr>
<td>1985</td>
<td>844</td>
<td>2,23,117</td>
<td>3,52,538</td>
<td>1,631</td>
</tr>
<tr>
<td>1991</td>
<td>846</td>
<td>2,33,284</td>
<td>4,00,554</td>
<td>1,700</td>
</tr>
<tr>
<td>1992</td>
<td>851</td>
<td>2,33,658</td>
<td>4,12,010</td>
<td>1,763</td>
</tr>
<tr>
<td>1993</td>
<td>850</td>
<td>2,31,942</td>
<td>4,10,430</td>
<td>1,770</td>
</tr>
<tr>
<td>1994</td>
<td>1012</td>
<td>2,27,120</td>
<td>4,00,732</td>
<td>1,764</td>
</tr>
<tr>
<td>1995</td>
<td>1196</td>
<td>2,26,280</td>
<td>4,02,617</td>
<td>1,770(^6)</td>
</tr>
<tr>
<td>1996</td>
<td>1196</td>
<td>2,26,280</td>
<td>4,24,864</td>
<td>1,826 (^*)</td>
</tr>
</tbody>
</table>

Note: *Quick estimates.

6. Tea Statistics 1995-96 - Tea Board of India P-11, & 13
In 1951 the total production of tea in Assam was 150 million kg, the rate of production per hectare was 966 kg. The area under tea cultivation was 1,55,674 hectares of land. Since then the number of tea gardens have been increasing gradually along with increase in productions every year. The number of tea gardens was 785 in 1951 which has gone up to 1196 gardens in 1996 and the area under tea cultivation has gone up to 2,26,280 hectares in the same year. The production of tea also has gone up to 4.12.010 tonnes in 1992 that has gone down to 4,10,430 tonnes in 1993 and 4,00,732 tonnes in 1994. But in the year 1996, according to quick estimates 4,24,864 tonnes of tea has been produced. However the number of tea gardens has gone up to 1196 in 1996. The efficiency of production has doubled compared to 1951 figures of 966 kg. per hectare.

This increase in efficiency and increase in production is due to reasons like increased use of machines, tools and implements in cultivation and manufacture of tea, increased use of manures, pesticides for control of various kinds of diseases, worms, insecticides and application of latest methods of cultivations. The discovery of latest variety of tea through research and other developments are the root causes of such success in the field.

7. ibid P-55.
The surplus production of tea is exported to foreign countries like - UK, Ireland, Germany, the USSR, Poland, Yugoslavia, the USA, Canada, UAE, Kuwait, Japan, Pakistan, Australia, New-Zealand, Libya, Tunisia, Jordan, and few other gulf-countries and earns valuable foreign exchange for our country.

Asam, West Bengal and Tripura are contributing 160 million kg. tea to India's export trade and have earned precious foreign exchange. Moreover, North Eastern India alone has contributed about Rs.1400 crores to the country's Gross National Product (GNP). Again, out of 568 million kg. tea in 1995 and 599 million kg. in 1996 produced by North Eastern India, Assam alone has produced 402 million kg. in 1995 and 425 million kg. in 1996.

The district-wise production of tea in India are on a rising trend from year to year with the exception of few years. The following table show the district-wise production of tea in India:-

8. ibid P-81
9. ibid P-1
Table No. 2.2

The Districtwise production of Tea in India are as follows:

(a) North India

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Darrang</td>
<td>26,909</td>
<td>31,194</td>
<td>41,283</td>
<td>58,260</td>
<td>80,907</td>
<td>81,724</td>
<td>81,033</td>
<td>80,538</td>
<td></td>
</tr>
<tr>
<td>2 Goalpara</td>
<td>1,616</td>
<td>1,717</td>
<td>2,448</td>
<td>3,569</td>
<td>5,410</td>
<td>6,375</td>
<td>6,319</td>
<td>5,779</td>
<td></td>
</tr>
<tr>
<td>3 Kamrup</td>
<td>1,157</td>
<td>1,668</td>
<td>2,557</td>
<td>3,486</td>
<td>4,775</td>
<td>5,109</td>
<td>4,703</td>
<td>4,766</td>
<td></td>
</tr>
<tr>
<td>4 Lakhimpur</td>
<td>55,996</td>
<td>73,339</td>
<td>91,949</td>
<td>6,994</td>
<td>8,411</td>
<td>8,089</td>
<td>8,192</td>
<td>8,678</td>
<td></td>
</tr>
<tr>
<td>5 Dibrugarh</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>1,23,466</td>
<td>143,993</td>
<td>149,914</td>
<td>1,42,409</td>
<td>1,43,931</td>
<td></td>
</tr>
<tr>
<td>6 Nowgong</td>
<td>3,691</td>
<td>5,643</td>
<td>7,423</td>
<td>8,602</td>
<td>10,054</td>
<td>12,642</td>
<td>12,680</td>
<td>13,846</td>
<td></td>
</tr>
<tr>
<td>7 Sibsagar</td>
<td>4,174</td>
<td>48,569</td>
<td>55,289</td>
<td>71,476</td>
<td>95,785</td>
<td>97,503</td>
<td>96,780</td>
<td>98,186</td>
<td></td>
</tr>
<tr>
<td>8 Cachar</td>
<td>19,827</td>
<td>20,181</td>
<td>22,736</td>
<td>29,277</td>
<td>40,605</td>
<td>42,080</td>
<td>41,881</td>
<td>40,180</td>
<td></td>
</tr>
<tr>
<td>9 Karbi Ang.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>1,373</td>
<td>1,581</td>
<td>1,413</td>
<td>5,115</td>
<td></td>
</tr>
<tr>
<td>10 North Cachar</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>5,424</td>
<td>5,413</td>
<td>5,233</td>
<td>1,598</td>
<td></td>
</tr>
<tr>
<td>Total Assam</td>
<td>1,50,370</td>
<td>1,82,311</td>
<td>2,23,665</td>
<td>3,05,130</td>
<td>4,00,554</td>
<td>4,10,430</td>
<td>4,00,732</td>
<td>4,02,617</td>
<td>4,24,864</td>
</tr>
<tr>
<td>West Bengal</td>
<td>74,158</td>
<td>86,258</td>
<td>1,04,087</td>
<td>1,28,259</td>
<td>1,55,216</td>
<td>1,62,669</td>
<td>1,58,825</td>
<td>1,57,522</td>
<td>1,65,375</td>
</tr>
<tr>
<td>Others Total</td>
<td>4,997</td>
<td>4,736</td>
<td>4,579</td>
<td>4,401</td>
<td>7,163</td>
<td>8,453</td>
<td>8,412</td>
<td>8,418</td>
<td>9,387</td>
</tr>
<tr>
<td>Tripura</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Bihar</td>
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<td></td>
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<tr>
<td>U.P.</td>
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<td>H.P.</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>A.P. Etc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North India</td>
<td>2,33,525</td>
<td>2,73,305</td>
<td>3,32,331</td>
<td>4,37,790</td>
<td>5,62,926</td>
<td>5,81,534</td>
<td>5,67,955</td>
<td>5,68,631</td>
<td>5,99,626</td>
</tr>
</tbody>
</table>

Note:
❖ Figures prior to 1977 relate to combined figures of Dibrugarh and Lakhimpur.

Source: Tea statistics, 1995-96 – Tea Board India – P-11
It appears from the above table that Northern India produced 5,81,534 tonnes in 1993, 567,955 tonnes in 1994, 568,631 tonnes in 1995 and 599,626 tonnes in 1996 out of which, Assam alone produced 410,430 tonnes in 1993, 400,732 tonnes in 1994, 402,617 tonnes in 1995 and 424,864 tonnes in 1996 which is a record production. Again, out of total productions of tea in Assam, the Dibrugarh district's productions are the highest i.e. 149,914 tonnes in 1993, 142,409 tonnes in 1994 and 143,931 tonnes in 1995. The second highest producer is Sibsagar district by producing 97,503 tonnes in 1993, 96,780 tonnes in 1994 and 98,186 tonnes in 1995. It is observed from the above data that Assam is leading in the production of tea in the country.

Few directions regarding Agricultural Development during five year plans:

In order to meet the vast growing need of food crops and other essential productions including productions of tea on a large scale, to one hundred crores of Indian population the Planning Commission is making greater efforts in various directions. The Commission has put more emphasis on agricultural productions by the turn of the present century which are shown in the following table:-

10. Tea Statistics, 1995-96, Tea Board of India P-11
Table No. 2.3:

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Agricultural productions</th>
<th>Unit</th>
<th>1950-51</th>
<th>1980-81</th>
<th>1990-91</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Tea</td>
<td>In thousand tonnes</td>
<td>275</td>
<td>570</td>
<td>719</td>
</tr>
</tbody>
</table>

The estimated production of tea during 1950-51 was 275 thousand tonnes that rose to 570 thousand tonnes during the year 1980-81. However, the Commission has estimated 719 thousand tonnes for the year 1990-91. But the actual production was much less than Planning Commission had estimated.

During 8th five year plan the Commission put emphasis on food productions including tea which are shown in the following table:

Table No. 2.4

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Tea</td>
<td>in 1000</td>
<td>714.90</td>
<td>719.00</td>
<td>741.72</td>
<td>765.00*</td>
<td>807.84**</td>
</tr>
</tbody>
</table>

* Proposed productions
** Estimated

11. Patil, Jayanta (Dr.)-Member, Planning Commission
   Agricultural 8th Five Year Plan, Yojana, Vol.-24, No.6, August 1993 P-15

12. ibid P-15.
The year-wise estimated productions of tea from 1989-90 to 1993-94 have been estimated at 714.90 thousand tonnes in 1989-90, 719 thousand tonnes in 1990-91; 741.72 tonnes in 1991-92; 765 thousand tonnes in 1992-93 and 807.84 thousand tonnes in 1993-94.

During various plan periods the estimated and actual productions are furnished in a tabular form.

Estimated and actual productions of various kinds of foodgrains are:

Table No. 2.5.

Estimated and actual productions are as follows:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Agricultural Crops</th>
<th>Unit in 1000 tonnes</th>
<th>6th Plan</th>
<th>7th Plan</th>
<th>8th Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Estimated</td>
<td>Actual</td>
<td>Estimated</td>
</tr>
<tr>
<td>10</td>
<td>Tea</td>
<td></td>
<td>705.0</td>
<td>640.0</td>
<td>766.0</td>
</tr>
</tbody>
</table>

Note: In both the above tables food items like Paddy Wheat Sugar cane milk tea etc. are included and tea is shown against serial No.9, and as such, other items are being excluded.

13. ibid P-17
During 6th Plan period the estimated productions of tea was 705 thousand tonnes but actual productions achieved 640 thousand tonnes. Similarly during 7th plan period the estimated production of tea was 766 thousand tonnes but actual productions achieved comes to 714 thousand tonnes. Again during 8th plan period the estimated production of tea was aimed $950^{14}$ thousand tonnes (i.e. 950 million kg.) and by the turn of the century it is estimated that 1,000 million kg. tea be produced to meet the ever growing demand of the domestic markets as well as the targetted exports.

The following objectives are to be considered on priority basis:-

1. To meet the growing domestic demand and to increase the export gradually the efficiency of production must increase.

2. To mobilise resources for investment in the tea industry itself, tea prices should be stable. At the same time tea is to be sold to internal consumers at a comparatively fair price.

3. To improve the standard of living of the workers to the minimum possible level and

4. To generate employment opportunities for more workers to solve the unemployment problems.

14. ibid P-17.
The problems of the tea industry:

The tea industry is facing the following burning problems\textsuperscript{15}:-

1. Suitable land for extension planting purposes is not available.
2. Cacher, Tripura and Darjeeling produce very low per capita production of tea compared to Assam.
3. The cost production is rising day by day.
4. There is keen competition in the international markets against Indian tea\textsuperscript{16}.
5. There is the problem of finance particularly to the small and medium size tea gardens in the state.
6. Any other unforeseen contingencies which may have been facing by the tea plantation industry.

Schemes for the development of tea industry:

The maintenance and re-plantations of tea plants is very much essential for healthy growth which leads to increase in productivity. The life of tea plants is limited and within the limited period the plants give quality tea. The longevity of tea plants which is grown from seeds is upto 80 to 90 years and within this period the tea bushes gives/produces better quality tea. But the longevity of the tea bushes grown from cutting clones is upto 50 to 60 years and within this period


\textsuperscript{16} ibid P-3
tea bushes produce better quality tea. But after expiry of its life time the productions are bound to reduce and qualities are also bound to deteriorate. In such situation the plants have to be uprooted and after ploughing the plot or plots thoroughly, manures are applied in proper proportions according to the size of plot or plots. In order to control the warms or diseases pesticides in required quantities are applied. The re-plantations undertaken in N. E. India is very negligible which is 0.5% to 0.6% only and is far from satisfactory. The whole re-plantation scheme is very expensive. According to the latest estimate of the Tea Board there are two schemes introduced by the Board to encourage the tea planters to implement the schemes of re-plantations. According to the first scheme, a sum of Rs. 69,000/- per hectare for a period of 5 years including 3 years maintenance and the second scheme a sum of Rs. 56,000/- per hectare for 3 years including one year maintenance is provided by the Tea Board.

Interest Subsidy Scheme; In order to give relief and to encourage extension planting to the tea planters the Tea Board has introduced another scheme of interest subsidy for extension planting. The drainage and irrigation has been fixed at the rates of 3% and 4% respectively to implement the

17. ibid P-4
18. ibid P-4
scheme on a large scale basis. The Tea Board is giving financial assistance to the tea plantations with financial assistance from the National Agricultural Bank for Rural Development (NABARD). In the meantime Tea Board has already started the scheme of rehabilitation adequately.

Effective measures is to be taken for increasing productions:

According to latest estimates of Tocklai Experimental Station a total of 54,000 hectares\textsuperscript{19} of land is to rejuvenate; pruning and infilling operation has to be implemented. The second scheme of scientific drainage and irrigation is very much essential. The water-logging in the tea gardens is injurious to the tea bushes and hampers productions. About 97,000 hectares of land is to cover under the water management scheme (i.e. drainage and irrigation). The third major operation essential is adoption of suitable cultural practices.

About 70\% improved clonal bioclonal and poloclonal seeds\textsuperscript{20} as devised and invented by the Tocklai Experimental Station (TES) are adopted and used for extension planting, re-planting and infilling by various tea gardens in Assam. The Tocklai Experimental Station (TES) approved garden clones is used and planted in the remaining gardens.

\begin{itemize}
    \item \textbf{19.} ibid \quad \textbf{P-4}
    \item \textbf{20.} ibid \quad \textbf{P-4}
\end{itemize}
Contribution of Assam Small Tea Grower's for economic development of Assam:

The Small Tea Growers Association (ASTGA) was formed in 1978. The association has tried of its own efforts and achieved the targetted productions of 10 lakh Kg tea by planting 50,800 bighas (i.e. 16,933 hectares approx.) so far. In the meantime the Small Growers have given employment to about one lakh unemployed workers. They have estimated that 1,18,000 bighas (approx 39,333 hectares) of land is to be brought under tea plantations in due course. The productions of tea is estimated to be doubled and the number of workers to be engaged will also be doubled.

It is observed that, the Small tea growers are contributing their mights towards the Gross Domestic Product (GDP) as well as to Gross National Product (GNP) within a few years that have augmented Economic Development of Assam. It is a very encouraging and praise worthy event in the present Economic History of Assam, that unemployed educated youths have come forward and planted tea bushes in their small land holdings. They have solved both educated and illiterate unemployment problems to the extent of about 2 lakh persons.

21. Press Report, PTI Chabua,  