Chapter-2

REVIEW OF LITERATURE

2.1 Introduction

2.2 Review of the Literature

2.3 Studies relating to agriculture and agriculture marketing

2.4 Studies relating to export marketing

2.5 Studies relating to Tea

2.6 Conclusion
Chapter-2

REVIEW OF LITERATURE

2.1 Introduction

During the preliminary reading in this quest for a suitable topic of research, the researcher came across several published and unpublished research works. This was related to the export of agricultural commodities. Here the researcher has reviewed briefly the findings of these studies, which led to the selection of the topic for the research.

There has been enough literature on foreign trade and agriculture marketing but study on export marketing of tea was felt due to its immense contribution to the foreign trade of our country. This study would, therefore, be of great importance to the exporters and the policy-maker who can chalk out favorable policies, which will help in the further upliftment of export trade of our country.

2.2 Review of Literature

There are some research studies published in the form of books and reports. Also there are research papers and articles published in journals devoted to foreign trade. However, all this studies more or less lay stress on export
marketing of agricultural product. The researchers have not properly attended to role of tea export in foreign trade.

The literature related to the present study is reviewed briefly under three different heads for identifying the gaps. These heads are as under:

I. The studies relating to Agricultural and Agricultural Marketing.

II. The studies relating to Export Marketing or foreign trade.

III. The studies relating to Tea.

2.3 Studies relating to Agriculture and Agricultural Marketing:

Sharma Devinder\(^1\) opined that the restructuring of Indian economy had brought the emphasis on agri-exports. Accordingly, the philosophy of agricultural planning is changing. Those days had gone when the nation’s emphasis was solely on attaining self-sufficiency in food grain production when farmers were heroes revered for their role in keeping hunger and starvation at bay. He further stressed that today, at a time when food production struggles to keep pace with burgeoning population growth, farmers are being asked to diversify, produce crops that are suitable for export and to compete in the international market.

Agarwal N.L.\(^2\) brings forward his study in his book “Agricultural Prices and Marketing in India” which is an abridged version of his Ph.D. thesis based on a study carried out during 1979-82. The study covers six food grains (wheat,

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Review of literature

bajra, jowar, maize, barley and gram) and was conducted in seven major food grain-producing districts and 14 markets of Rajasthan. The study provides an insight into the various aspects of the problems. The author has brought out in detail the price structure, seasonal price behavior, relationship of seasonal price rise and storage costs, spatial price differences and transport costs, price integration, price spread and marketing costs, price parity issues and degree of efficiency and competition in food grain marketing.

The Indian agricultural sector had been undergoing economic reforms since the early 1990s in a move to liberalize the economy to benefit from globalization. Renuka Mahadevan and Kaliappa Kalirajan3 in their research paper “Productivity Growth in Indian Agriculture: The role of Globalization and Economic Reforms” traced this process, analysed its effects on agricultural productivity and growth, and discussed the problems and prospects for globalization to draw policy implications for the future of Indian agriculture.

Kahlon A.S. and George M.V.4 in their book Agricultural Marketing and Price Policies felt that marketing policies could not be completely divorced from pricing policies. Part one of the book deals with both pricing and marketing policies and part two with lessons learned from the operation of agricultural price policies in the seventies and the reorientation in the focus of these policies in the eighties. The book made distinguishes between the market intervention policies

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4 Kahlon A. S, George M. V.. Agricultural Marketing and Price Policies, Allied Publisher Private Limited, New Delhi, 1985
Review of literature

trying to correct inefficient resource allocation under imperfect market by
Government control and market development policies designed to develop more
efficient market through public investment for the improvement of market
infrastructure and market institution.

Madlani M.B.⁵ in her doctoral thesis titled “Marketing of Agricultural
Products with special reference to tea and coffee in the city of Bombay”
mentioned that the Indian tea industry has enjoyed a prominent place in the world.
The history of the Indian Tea industry up to dawn of independence can be
described as a case of expansion and consolidation as well as the marketing of tea
and coffee in the city of Mumbai and export performance of tea and coffee. In the
light of the above, it was recommended for boosting export of tea and coffee to
move toward value-added products. Government has facilitated this by imports
for blending and by starting tea promotion councils abroad. She also
recommended entry into new market like Poland, Pakistan, Middle East, Japan,
US and West Asia.

Kuriakose Susy⁶ in her doctoral thesis studied the trends in production,
volume and value of export of spices from India since Independence. She had
emphasized on export marketing of agricultural products and over all growth of
India’s spices export. The researcher had also analysed India’s foreign trend from
ancient period with special reference to spices. She had recommended providing

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⁵ See Madlani M. B., Marketing of Agricultural products with special reference to Tea and Coffee
⁶ See Kuriakose Susy, A critical study of Export Marketing of Agricultural products from India
since Independence with special reference to Spices, unpublished Ph.D. thesis, University of
Review of literature

training in scientific agronomic practices and access to improved technology to farmers for cultivation and processing of spices. A large pool of trained extension workers must be employed to take technologies to the farmers. The right action can collectively lift up Indian spices to global leadership.

Hegde Mallika’s in her Doctoral thesis “Performance Appraisal of MMTC with special reference to precious metal division” studied how the MMTC has grown over the past 42 years and how efficiently it has been performing and what has been its contribution towards promoting precious metal.

Sompal in his article examined in general terms the implications for India of the Agreement on Agriculture for India and made some suggestions on the stand that India must adopt at current negotiations on the subject. He also dwelt on the need for domestic policy reform in India including deregulation and decontrol of internal and external trade and processing of farm products and pleaded for increasing public investment in agricultural infrastructure.

Sharma Devinder in his article “Indian Agriculture and the WTO” mentioned that after WTO, India was flooded with cheap and highly subsidized agricultural imports, and its agrarian economy had been thrown out of gear. Accordingly, the anticipated gain for India from the trade liberalization process in agriculture was practically zero. The author traced that among the numerous measures being suggested in the review of the Agreement on Agriculture (AOA),

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8 Sompal, WTO Agreement and Agriculture, Social Science Press, Delhi, 2002.
much of the emphasis was on creating yet another box for food security as a mechanism for safeguarding developing country's vulnerability to cheaper imports.

Acharya S.S.\textsuperscript{10} in his book "Agricultural production marketing and price policy in India" presented an integrated analysis of production, marketing and price scene of pulse sector. Detailed features of market structure, practices, channels, concentration of power integration price-spread in pulses had been given. Price fluctuations, seasonality in prices, effect of price and non-price factors, and terms of trade for pulse vis-à-vis other crops and relative change in inter-crops and input-output price parities have been analyzed. He concluded that the country need not wait for a miracle seed of pulses to be evolved. Even the existing new technologies are yet to be adopted by the farmers. Improvement in pricing and marketing environment and explicit emphasis on these aspects in agricultural extension work can accelerate the growth of pulse production in the country.

Hoda Anwarul\textsuperscript{11} pointed out the evolution of the rules on trade in agriculture from the General Agreement on Tariffs and Trade to the WTO Agreement before taking up the implications for Indian agriculture of the latter agreement for Indian agriculture. The author gave detailed calculations of both product-specific and non-product-specific domestic support in India over the period 1989-2000, to analyze whether the commitment made during the Uruguay

\textsuperscript{10} Acharya S. S., Agricultural Production, Marketing and Price Policy in India, Mittal Publication, New Delhi, 1988.

\textsuperscript{11} Hoda Anwarul, WTO Agreement on Agriculture and India, Social Science Press, Delhi, 2002.
Review of literature

Round have proved to be a constraint on the Indian policy makers. He also outlined the flexibility in the WTO rules and India’s commitments in respect of tariff levels and export subsidies.

Rao Giridhar A. traced that International collaboration in Indian Agriculture had begun in 1957, when the Rockfeller Foundation and Government of India began a program to improve Maize, followed by the Green Revolution etc. He further stated that this kind of collaboration presupposes the existence of a sufficiently strong infrastructure for agriculture. There are also other general dangers for agriculture in the current globalization namely IPRs and biotechnological considerations.

Marjit Sujata and Raychaudhari Ajitava in their book “An Analytical Study of India’s Export” scrutinized the performance and structure of India’s exports over last 25 years. They did theoretical and empirical analysis of export incentives and how the recently adopted policy measures the reduction of taxes and subsidies on exports and imports, the relaxation of quantitative restriction on imports and adjustment of exchange rates have sought to rectify them. It also examines the issue of quality, which has such an important bearing on India’s exports.

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Gulati Ashok\textsuperscript{14} examined the implications of the Uruguay Round commitment made by India on agriculture from the perspective of food security. The author also made a number of recommendations for the improvement of India's food and agricultural policies and in respect of India's stand in the new agriculture negotiations.

John C. Abbott\textsuperscript{15} in his book presented a selection of marketing enterprises drawn from throughout the tropics, which have succeeded under the conditions prevailing in developing countries. The authors included the whole range of marketing system from indigenous private enterprise through transnational joint venture, to co-operative and parastal organisation. They have also been selected to reflect the handling of various agricultural products and the successive phase in the marketing operation from assembly be small formers to the processing and distribution of the final product for consumption.

Nair Prabhakaran K.P.\textsuperscript{16} is of the opinioned that the Indian agriculture sector is in serious disarray. India is lagging behind other developing nations as far as bringing up new breeds of crops and productivity are concerned. The author further stated that despite substantial spending on Research and Development the Indian agriculture sector has not made any significant breakthrough so far. The time has come to reconstitute the R&D capabilities of the sector to make it globally competitive.

\textsuperscript{14} Gulati Ashok, Trade Liberalisation and Food Security, Social Science Press, Delhi, 2002.
Datta Samar K.\(^{17}\) traced issues related to India’s non-trade concerns (mainly food security and environmental aspects) and trade matters (import and export competitiveness) and provides an economist’s critique of WTO framework. The author attempted to spell out appropriate domestic reform measures and international negotiation strategies to be pursued by India in order to meet the challenge to Indian agriculture posed by the process of globalization and to convert threats into opportunities for developing agriculture and enhancing export earning.

Kumar Khetan\(^{18}\) in his book “Marketing of Agricultural Product” mentioned that production and marketing system of rice remains defective despite its vast utility. As a result, rice farmers are often compelled to sell their paddy to intermediaries. Ironically, the intermediaries are purchasing the paddy from farmers at a low price and selling the same to the procuring agencies at support price. This book provided useful insights into the policy and practices of rice cultivation and marketing and its finding would help the policy maker and market officials in evolving an effective strategy to improve their efficiency.

Singh Sukhpal\(^{19}\) opined that value addition may not be quick or automatic due to the lack of competitiveness of Indian agro-processing industries in technology as well as economic efficiency. The author recommended that the agri-business should focus on more efficient use of modern inputs with a two-
pronged strategy i.e. yield increase and cost reduction through inputs and value addition. This is a must for competitiveness whether domestic or international, where quality and cost effectiveness is the driving forces.

Barker John in his book “Agricultural Marketing” attempted to explain some of the background to the marketing, which can be practiced by farmers operating in United Kingdom. It considered the marketing channels, which are used by farmers, both in the sales of their outputs and in the purchase of their inputs and anticipated likely future development.

Rajagopal in his working paper “Development of Agricultural Marketing Under changing Administrative system in India” discussed the development of agricultural marketing system from British Rule to the post independent period in the country reviewing literature widely. Indian Agriculture has a long history of development. It was observed that along with the development of civilization the occupational ideology of agriculture changed from the subsistence level of farming to commercialization. In the post independence, period considerable attention had been given to protect the economic interest of the producers by reducing the influences of intermediaries. A systematic effort had been made to bring the marketing of agriculture produce in the purview of regulation.

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Gandhi Vasant, Kumar Gauri, and Marsh Robin \(^{22}\) examined the priority given to agro industries in India in the context of their role in rural and small farmer development. The features and constraints of agro industry are examined to assess their real and potential contribution and challenges faced. The authors further stated that Institutional and organizational models that have been tried or proposed in India are evaluated from the point of view of performance and contribution to rural and small farmer development. The article then draws policy and managerial implications.

Sarkar, Pattnaik R.R., and Chatterjee K.S.\(^{23}\) in their working paper identified the emerging problems of marketing of paddy, rape and mustard seeds in Burdwan and Murshidabad of West Bengal, which witnessed a marked increase in the production of these crops in West Bengal. Study had focused on the emergence of petty traders, centering round the mushrooming of husking machines overshadowing the role of rice mills and the government, machinery in the procurement and distribution of rice. An analysis of the extent and pattern of market arrivals and movement of price overtime and space was also done. In respect of rape and mustard seeds, attempts were made to identify the emerging market functionaries of different stages of market operation. The study is based on both primary and secondary data.


Rao Janardhana N.\textsuperscript{24} recommended for reforms in Indian agriculture. Agriculture was the most regulated sector in the economy. The sector was constrained by lack of speedy credit facilities, a ban on corporate sector involvement and restriction on movement of farm produce as well as absence of technology. The author further stated that agriculture has the potential to trigger off growth in industry through its backward and forward linkages, which in turn spur economic growth.

C.C. Maji and Bhattacharya A.\textsuperscript{25} in their research paper had analysed the probable impact of Market Access Commitment of GATT on the Indian agricultural export. The paper also provided suggestions to increase agricultural export like- increasing productivity and quality through higher investment in agricultural research, strengthen infrastructures facilities especially transport, storage and marketing and ensuring remunerative price to the producers through public intervention in the market.

Maurice R Landes\textsuperscript{26} traced that Indian agriculture had made remarkable progress in the 57 years since independence. Now the sector had outgrown the policies that contributed to past success and is facing new pressure as consumer income rise. Despite subsidies, it suffers from low productivity and under investment. Major agriculture policy reforms remains politically difficult but the seeds of policy reforms are being planted. Huge annual investment, estimated by

\textsuperscript{25}Maji C.C. Bhattacharya A., GATT and Agricultural Exports: Hopes and Realities, National Centre for Agricultural Economic and Policy Research, New Delhi, 1995.
\textsuperscript{26}Maurice R Landes, New Pressure for Agriculture Reform in India, in Rao Janardhan N. (ed.) Indian Agriculture: Issues and Perspectives, ICFAI University Press, Hyderabad, 2005.
some at more than $30 billion, will be needed for this transformation and if the policy climate continues to improve, FDI could play a key role.

Acharya S.S.\textsuperscript{27} in his article “Liberalization of Agricultural produce market and role of Marketing Organisation” opined that agriculture marketing organization at the grass root level, viz, Agricultural Produce Market Committee (APMCs), Primary Cooperative Marketing Societies and several growers cooperative could play a critical role in the new framework, if they took an active stance not only in implementing the policies but also in influencing them.

Reddy Amarender A.\textsuperscript{28} reviewed that the innovative techniques in agriculture/rural insurance which overcome some of the disadvantage of National Agricultural Insurance Scheme (NAIS) and which advocate simple rainfall index insurance as a better alternative to the existing agricultural insurance scheme. He further stated that the rainfall insurance is in practice in many countries for years and has been very simple to understand by a common farmer. It is put into practice with minimum existing resources with very little administrative and overhead costs. It also covers agricultural laborers and non-farm workers whose income is affected adversely by failure of rainfall and it is a very effective mechanism to increase insurance penetration ratio. The rainfall insurance is also more compatible with reinsurance practices, which make primary insurers cover their local/regional risks in catastrophic events by pooling their resources with reinsurance. The reinsurance agents can also effectively transfer their risks by

\begin{thebibliography}{9}
\bibitem{27} Acharya S.S., Liberalisation of Agricultural Produce Markets and Role of Marketing Organisation, Industrial Journal Agricultural Marketing, Delhi, 1997.
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Review of literature

exchanges (NSE and BSE) as our stock markets are relatively well developed and it may effectively fit into the portfolios of some of the fund managers and hedge funds.

Bank Nilanjan in his research paper “An Analysis of India’s exports during the 1990s” traced the factors that appear to be responsible for a significant decline in India’s export growth during the post-reform year and second, an examination of the possible impediments for high export growth in a sustained manner. The decline in Indian exports during 1996-97 was due mainly to a fall in the growth rate of export volumes. The paper brings out the nature of demand-side factors, as against supply side bottlenecks, that have constructed the growth of exports. However, easing of supply side constraints too would have aided the revival of export growth. He further stated that a serious shortcoming for India’s global electronic commerce is the weak infrastructure facility. India is way down the ladder in terms of carrying out investment in telecommunication, availability of computers and Internet facilities, compared with Southeast Asian nation. India’s exporters are therefore unable to make use of increasing business opportunities through electronic means.

Rajagopal in his working paper examined the changing marketing technology of product presentation, packaging, style, displays and logistics, which have made a significant dent in international marketing. The small export units operating from the developing countries could cope with international

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30 Rajagopal, Innovation in Marketing Technology: Diffusion and Adoption for export in Developing Countries, Institute of Rural Management, Anand, 1997.
Review of literature

advancement in marketing technology and largely survived on the conventional process in captive market. The researcher further stated that the diffusion of technology is faster than the rate of absorption in the developing nation, most likely because of the gap between acquiring knowledge and practice. The change process broadly depends on the attitude of marketers and financial abilities; other factors associated with the adoption of marketing technology in developing countries are demographic categories, process of decision-making and strength of information base.

2.4 Studies relating to export marketing

Ekanayake Anura in her article traced that the plantation industry has moved into a new era of productivity since the mid 1990s. The recent changes in the management of the large plantations, the increasing confidence and the vigour of the small holders augur well for the future. Rubber and coconut lands are facing a relatively higher plane of productivity. From a purely technological point of view there appears to be no bar to increase the productivity of tea, coconut and rubber plantation crops to internationally competitive levels.

Glover David and Tussie Diana in their article pointed out that the smallest and poorest countries will see their interest best served by a world trading system based more on rules and less on power and skills. They should

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32 Glover David, Tussie Diana, Developing Countries in World Trade Implications for Bargaining, Westview Press, USA, 1998

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have to much to gain from pooling talent and establishing an efficient division of
labour allow them to make technically credible contribution to negotiations about
rules. The authors further stated that without the certainty that rule provide,
investment and adaptation are discouraged at a time when they are badly needed
and while small countries may benefit most from rules, the burden of maintaining
an open multilateral trading system cannot be borne mainly by its weakest
members.

Khandela Man Chand\(^{33}\) in his book analysed the changing conditions
relating with foreign trade like role of bilateral and multi-lateral trade agreements,
government assistance and cooperation for expanding foreign trade, changing
pattern in relation with commodity, country and currency, new challenges and
opportunities, demand of professionalism.

Hopkins Raymond F.\(^ {34}\) in his article pointed out that in the case of the
Uruguay Round; the LDCs had not been interested in bargaining for lower food
prices, nor have they sought access that would be differentially helpful to
developing countries. The authors have not sought an agreement that exempted
them from all responsibilities or obligations. As a group, and individually, LDC
negotiators found it difficult to agree, partly because they had different interests
and partly because they did not know what was in their interest.

\(^ {34}\) Raymond F. Hopkins, Developing Countries in Uruguay Round: Bargaining Under Uncertainty
B. Bhattacharyya\textsuperscript{35} in his article \textit{Perspectives on India’s Foreign Trade} pointed out that India has set a target of 12 percent annual growth in exports during the 2002-2007 periods. World trade is expected to grow at an average rate of 6-8 percent annually and this means that India’s exports will have to rise by 1.5 to 2 times the world export growth rate. This is possible only when India becomes more competitive than its competitors. In addition, it must focus on markets and products and services which are expected to record a higher than average growth rate. This will require a constant monitoring of world trade trends, both at the Government and Corporate level, and flexibility in terms of continued adjustments in line with the market movements.

Bhargava P. K.\textsuperscript{36} in his book traced that the Indian economy had witnessed significant change since the initiatives of economic reforms undertaken from the year 1991. This had been possible due to an improvement in investment climate, spurt in industrial activity, growth in exports, increase in foreign exchange reserves and inflow of capital in the country. The economy is also be set with a number of problems, such as the increasing fiscal and revenue deficit, unstable agriculture growth, and increasing oil import bill and inadequate socio-economic infrastructure. The author recommended for additional resource mobilisation by Central and State Government, creation of suitable investment climate to attract indigenous as also foreign direct investment to strengthen infrastructure facilities, promotion of exports and development of social sector on sound lines.

\textsuperscript{35} Bhattacharyya B., \textit{Perspectives on India’s Foreign Trade}, Ministry of Information & Broadcasting India, Yojana, New Delhi, Vol.47, Jan. 2003, pp. 54-57.

Naik Gopal, Jain Sudhir Kumar\textsuperscript{37} in their article “Indian Agricultural Commodity Futures market” examined the performance of six commodities (cotton, groundnut, raw jute, wheat rice, sugar) futures. A large number of agricultural commodities and their byproducts are being trade in several exchanges. The author concluded that the Indian futures markets for agricultural commodities are yet to develop fully as efficient mechanism of risk management and price discovery. The futures markets are useful to hedgers only when the basic risk remains substantially lower than the price risk.

Mallik Jayant Kumar\textsuperscript{38} in his research paper “India’s trade” recommended for critical evaluation of the export strategy. The excessive dependence on the import-linked schemes has implications for the sustainability of export growth. For lasting gains in the competitiveness of export, it would be prudent to replace these indirect schemes by permissible direct methods such as marketing assistance, transport subsidy and other forms of support being extended to select agricultural products. It would make incentive system transparent and predictable.

Johnson D. Gale\textsuperscript{39} in his article examined that International trade policies for agriculture remain as adjuncts of domestic farm policies. The farm policies that attempt to increase or stabilise farm prices require that trade be regulated through import quotas, tariffs, variable levies and export subsidies. For much of the period since World War II, most developing countries have discriminated

\textsuperscript{37} Naik Gopal, Jain Sudhir Kumar, Indian Agricultural Commodity Markets A performance Survey, Economic Political Weekly, Mumbai, July 2002, Vol XXXVIII No. 29, pp. 3161-3173
against agriculture with disastrous results for agriculture and the rest of the economy. Farmers in the industrial countries would not suffer significant reductions in the returns to labour and capital if the protection of agriculture were eliminated.

Kumar Rajiv in his article provided a brief historical review of economic trends since independence in order to explain the nature and magnitude of macro imbalances that emerged during the 1980s and necessitated a change in policies despite a good growth record. The author revived the evolution of trade and industrial policies, focusing on the reforms undertaken since mid 1991 and evolution of domestic trade and industrial policies to the position in external negotiations within the GATT, IMF and World Bank. He concluded that negotiating positions might no longer be determined by consideration of leadership.

Jara Alejandro in his article opinioned that most developing countries now find themselves in the position of using the system's principles and procedures to protect and further their economic interest. Sectorial approaches and exceptions in the name of developing but lacking a sound economic basis should be discouraged. Developing countries need to approach negotiations with a clear view of how and where the multilateral system should evolve in order to meet their interest, thereby defining a position on future questions such as competition policy, environment and trade, and regionalism.

Andrew K. Rose\textsuperscript{42} in his working paper "Foreign Service and foreign trade: Embassies as Export Promotion" investigated whether exports are in fact systematically associated with diplomatic representation abroad. The author used a cross-section of data covering twenty-two large exporters and two hundred-import destinations. Bilateral exports rise by approximately 6-10 percent for each additional consulate abroad, controlling for a host of other features including reverse causality. The effect varies by exporter and is non-linear; consulates have smaller effect than the creation of an embassy.

Dattatreyulu M\textsuperscript{43} in his research paper "Export potential of Fruits, Vegetables and Flowers from India" traced global scenario and Indian scenario of fruits, vegetables and flowers. The author has also given strategies for tapping export potential. According to him, India has vast potential for production and exports of floricultural products. A combination of factors including infrastructure, environment, and ecology and Government policy would ultimately decide the competitiveness of India’s floriculture industry. Liberalization of industrial and trade policies has opened up several avenues for growing floricultural products for exports. Combined with this the availability of credit and incentives for taking up floriculture business would help India to retain her competitiveness to emerge as an important supplies to Global market.

Bhattacharya B., Mukhopadhayay Somasri and Panda Bimal K.\textsuperscript{44} in their research paper tried to quantify the extent of change in the international component of India's economy. The authors found that by taking the Export-GDP ratio as the indicator, the Indian economy has internationalized substantially. They further stated that removal of controls on exports and imports should result in specialization of those products in which the country enjoys a competitive advantage. It also implies a more pronounced shift in favour of imports of those product-groups where the competitive advantage is absent.

2.5 Studies relating to Tea:

Ghose Hajra N.\textsuperscript{45}, Project Director, chief of Darjeeling Tea Research and Development Centre, Tea Board of India, in his book "Tea and Health: Science behind the myths" offers a timely and comprehensive review of the major health benefits of tea consumption including the anti-oxidative action of tea catechins and polyphenols, that will increase the appreciation of tea as a health drink. It is also a dietary source of biologically active compounds that help prevent a wide variety of diseases. The author further stated that tea has anti-bacterial, anti-viral, anti cariogenic and anti carcinogenic properties. He explained that how polyphenols in tea can lower the risk of cardio-vascular disease. Black and green teas have attributes that can lower the risk of several chronic diseases. He further


\textsuperscript{45} Ghosh Hajra N., Tea and Health: Science Behind the Myth, UBSPD, New Delhi, 2006.
recommended that Tea should be the beverage of choice in hospitals, which might facilitate recovery of the patients.

Chatterjee Piya\textsuperscript{46}, Assistant Professor of Women’s Studies at the University of California, Riverside, in her book “A Time for Tea: Women Labour, and post colonial politics on an Indian Plantation” provided a sophisticated examination of production, consumption and circulation of tea. A Time for Tea reveals how the female tea pluckers seen in advertisements, picturesque women in mist-shrouded fields came to symbolize the heart of colonialism in India. Chatterjee exposes how the image has distracted from terrible working conditions, low wages and coercive labour practices enforced by the patronage system. Chatterjee mentioned the fertilisation of women who labour under colonial, postcolonial and new neofeudal conditions. The book reflected the cultures of hierarchy, power and differences in the plantations villages. It explored the overlapping processes by which genders; caste and ethnicity constitute the interlocked patronage system of villages and their fields of Labour.

Gokhale Nitin\textsuperscript{47} in book “The hot brew: The Assam Tea Industry’s most Turbulent Decade (1987-1997)” investigated the Tata Tea-ULFA controversy which dominated newspaper headlines in Sept-Oct 1997. He tried to find out answers of the questions like whether Tata Tea Company was guilty of abetting terrorists the and role of other Tea Companies fulfilling the demand of militants. Also examined steps taken by State and Central government for protecting


business establishments from militants. In a way, he wrote a condensed report on the happening in Assam over the last one decade.

Bose Sanat Kumar\(^4^8\) wrote his book “Capital and Labour in the Indian Tea Industry” quite long ago but its publication was delayed till 1954. This book was published by AITUC in a hope that the book would be useful for trade union workers as well as for the general public. The author had traced and analyzed the history of growth and development of tea industries. He also tried to show how the so-called economic development of India was undertaken in order to suit the need of the British capital in the mother country only. He recommended that the tea industry must be freed from the clutch of foreign capital, which should be confiscated and turned into a national asset. The author further stated that government should take steps for safeguarding the interest of consumers and labours. He stressed on formation of Tea Board.

Mitra Neelanjana\(^4^9\) in her book “Indian Tea Industry: Problems and Prospects” explained the observed trends in the production, consumption, export and prices of Indian tea, both in the domestic and international market. The author traced that the basic problem of the Indian tea industry is that the production of tea is not sufficient to keep pace with the expanding domestic demand on the one hand and maintaining India’s share in the world tea market on the other.

\(^{4^8}\) Bose Sanat Kumar, Capital and Labour in Indian Tea Industry, All India Trade Congress, Delhi, 1954.

Paul Jaiwant E.⁵⁰ in his book “The Story of Tea” focused on the origin and early drinking of tea in the west. The author described how tea was discovered in China and reached India, Sri Lanka, Africa, Bangladesh, Kenya, Japan and other countries of the world. He further discussed planting, manufacturing, tasting and blending of tea. He narrated the interesting story of Broke Bond and India’s marketing of tea in rural areas during the British period. He stressed that instant tea is likely to play a significant part in the near future.

Subramaniam Bala⁵¹ in his book gave an over-view of the tea trade especially the role of Indian tea Industry in the world tea market. The book also focused on the history, characteristics of the plant, genetic improvement of the bush cultivation, different types of tea and their manufacturer, therapeutic properties and nutritive value of the beverage.

Damu T.⁵² in his book mentioned the various legends surrounding its origin to the first tea plantation, the varieties of tea, tea consumption in India, tea plantation, Boston Tea Party, changing trends in tea.

Chandra J.⁵³ in his article “Warped Priorities” opined that exporters are trying to boost exports at any cost therefore; they have left untapped the huge domestic market for premium teas. The author contended that such a policy has resulted in a double loss. First, the unit price realization is falling in the international market and second, domestic consumers continue to get a raw deal.

⁵¹ Subramaniam Bala, Tea in India, Wiley Eastern Ltd., New Delhi, 1995.
R. Sundaresan and Menon Preeti\textsuperscript{54} in their Research Paper “An analysis of Production, Export and Price variation in Tea” had mentioned the global picture of tea export. They concluded that India used to dominate the world market by maintaining the status of largest exporter of tea till 1985. Currently, tea-producing countries like Kenya, Malawi and Indonesia have made significant progress in the export of their tea. The main constraints in the export of Indian tea is its inability of Indian tea to compete on price and quality fronts in international market and lack of export promotion measures like publicity for popularising Indian tea abroad and developing the taste of foreign consumers for Indian tea.

Boriah G.\textsuperscript{55} his article “Substantial forex earning” has laid out Substantial foreign exchange earnings (around Rs. 1.850 crore) with negligible import content, and contribution to the State and Central exchequers (around Rs. 1000 crore) are the other significant economic features of the Indian tea industry. Cultivated mostly in the remote rural areas of the country, the tea industry is also one of the most environment friendly of industries. India is also the largest consumer of tea and accounts for 22 percent of global tea consumption. The average annual consumption is estimated to be over 700 million kg. With a penetration rate of 77.2 percent, tea continues to be the most popular and widely consumed beverage in the country. The author further emphasized that research is not confined only to the improvement of production and productivity, but also to

develop value added products like instant tea, flavoured tea and allied fields like tea packaging.

Boriah G. 56 in his article “India world’s largest consumer” mentioned that until 1987-88, tea was the most significant export item from India. By accounting for 20.7 percent, it ranked number one among agricultural exports but thereafter it started declining and now it occupies the third position by contributing 8.8 percent of the total agricultural exports. Similarly, its contribution to GDP has declined from 1.24 percent in 1950-51 to 0.33 percent in 2000-01 due to increase in domestic consumption.

Prasad M.V. 57 in his article “Tea: Slowdown in Exports” mentioned that as government allows import of tea from Sri Lanka for re-export at concession import duty, the Indian tea industry especially South-based industry, is going to face tough challenge from the imports. The tea industry is lobbying hard to get some kind of concession from the government for survival. Imports, currently not permitted for domestic consumption are unlikely to be allowed duty-free even under WTO. He further stated that 50 million kg of high-quality Indian tea would always have a secured market in Europe and other countries.

C. Sankaranarayanan 58 in his article “Uncertain Future for Tea” opined that with globalisation the whole scenario has changed. The terms of trade had

Review of literature

become totally adverse to the industry. India’s pre-eminent position in the export market has disappeared. Because of the high wages, welfare and social security costs apart from high direct and indirect taxes as compared with rival producing and exporting countries, Indian commodities do not have a level playing field to compete with products of competitors.

Kumar Narendra\textsuperscript{59} Chairman of Indian Tea Association in his article “Promote or Perish” traced that tea promotion efforts taken by tea board is suffering from the vacillation between generic and uninational promotion. He further stated that behind the success of every promotional campaign lies adequate financial backing. Unfortunately, a wide gap persists between the levels sought by the Tea Board and what was sanctioned. He recommended for imaginative and professional approach

Reddy V.M.\textsuperscript{60} in his working paper “Global Tea Scenario: 2001 AD” examined the global demand and supply of tea by estimating the semi-log trends separately to the recent past data of 1974 to 1988 on the area under tea, production, exports and the retention of tea for domestic consumption. From the semi-log trend, he also estimated the supply of tea and the demand for tea in 1993, 1996 and 2001. Researcher’s findings indicated that the global demand for tea exceeds the global supply of tea and this gap may increase over a time and because of which price may rise. He further derived the levels of productivity needed to meet the expected in 1993, 1996 and 2001. Similar analysis he did for

countries such as India, China, Sri Lanka and Kenya and regions such as Asia and Africa.

Gupta Monojit Das\(^6\) reported that export of tea from India has remained static at around 205 millions kgs over the last 30 years. World trade in the meantime has increased from 500 million kgs to around 1100 million kgs. Thus as a percentage the share of Indian tea exports has come down from 45 percent to 18 percent in this period. The main factor responsible for this has been the phenomenal rise in internal consumption cutting into the exportable surplus of the industry. The reporter further stated that trade with USSR suffered from two major drawbacks. Firstly, over-dependent on a single market and secondly centralized purchasing system. He recommended that instead of one united Soviet Union, Indian exporter should negotiate with different republics for their requirements.

Dhanuka C.K.\(^6\) in his article “Burden of Excess Supply” traced that in India various incentive schemes were provided to enhance production. The small grower and bought leaf sector suddenly emerged in a big way in North India. Many producers raised production at the cost of quality. This was coupled with large-scale conversion from Orthodox to CTC teas. The export market shrank. As a result, the domestic market was flooded with plainer varieties at a much faster rate than the rise in domestic consumption. With teas, selling below cost of production many gardens went into the red.

Chaudhary T. C., Director Research, Tea Board in his article “The Standard Bearer” focused on quality standard of tea. He emphasized that quality control in tea is not only required for International market but also for Domestic market. The author further stated that National specification on production, quality parameters of tea and packaging substances are fixed by the standard institute of respective countries and International Organization for Standardisation (ISO) is the authority for fixing specification for all items and is followed globally.

Bureau of Business Standard, Kolkata traced Infinitea and tea store. Infinitea had carved out big plans for its outlets, which includes tapping the international market. The first Infinitea was launched on 15th April, 2006 in Kolkata in central business district, following the Banglore debut. Another five tearooms were planned for Kolkata over the next two years. Ninety percent of the tea in Infinitea was from own tea gardens.

Mittal Ashok reported that despite various incentives given by the government, the percentage share of packet tea exports had been stagnant at around 20 percent. Reporter traced that a major factor, which has led to lower demand for Indian packets teas in International market, is the quality of packaging. While packaging worldwide has undergone a total revolution, very little has been done in India to improve the quality and no innovative measures

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64 Bureau Infinitea plans chain of stores, Business Standard, Delhi, April 15, 2006, p 7.
have been adopted to attract the overseas consumers. He recommended for free import of high quality packing material to be allowed for export and at the same time Indian packing industry should try to match the International quality standard and provide more attractive packaging options.

Sarma I.R.K. and Vijaygopalan S.\textsuperscript{66} in their Project “Domestic Marketing of Tea” attempts to find out how the product reaches to final consumers, agencies engaged in tea trade and services provided by them and cost incurred there in. It also tried to find out the margin between the consumer price for tea and the price received by the tea planter. The authors had made suggestions, which would help in effecting some reduction in the consumer price of this commodity.

Jhawar R.S.\textsuperscript{67} in his article “Taxing times ahead” opined that a double-edged axe had crippled the tea industry. The Centre imposes taxes on 40 percent of its income and the States slap levies on the rest. The tea companies bear a much higher tax burden compared with any other industry and herein lay the major problem for them generating sufficient funds for normal working and development. The author hoped that the Centre and the State resolved a rational tax structure, which would help create the necessary environment for the long-term growth of the industry.


by Department of Economic Analysis and Research NABARD traced the needs of small tea growers especially as regards production credit. The authors stressed that a better understanding of the cyclical nature of the tea industry is required from the bankers while tea growers and tea manufacturers need to concentrate on innovation in product development and improvement in quality. They analysed tea production, consumption, marketing and exports in general.

Guha Basudeb Khasnobis\textsuperscript{69} in his research paper "Devaluation and Competitiveness: Evidence from the Tea and Cotton Textiles Industries" published by Indira Gandhi Institute of Development Research measured the effect of currency rate changes on the competitiveness of India's main export industries, Tea and Cotton Textiles. In contrast to the conventional approach that uses data from commodity market his study was based from stock markets. He did analysis in two parts. The first part reported estimates of somewhat significant currency rate exposure of the major Tea and cotton Textiles exporting firms in India and other countries. The second part reported the movement of the average excess return of exposed Indian firms, based on an event-study of the devaluation of the Rupee in 1991.

Goenka Vinay\textsuperscript{70}, Managing Director, Warren Tea Limited, reported that it had been established analytically that tea contains substantial amount of nutritional elements like the Purina alkaloid; caffeine and theobromine, vitamin C and E, proteins, carbohydrates, minerals as well as other compounds. He traced


the positive health effects of tea consumption as regards a chemo preventive role against cardiovascular diseases, cancer and several other diseases.

Rao Niranjan in his working paper “Geographical Indications in Indian Context: A case Study of Darjeeling Tea” published by Indian Council for Research on International Economic Relations provided an understanding of the issues involved from the context of India’s interest for that purpose he took a case study of Darjeeling Tea which is the most important geographical indication for India. The study concluded that the developing countries are being short sighted in their demand for a legally enforced Multilateral System, as this is not in their long-term interest. The study also concluded that enhanced protection through Article 23 for wines and spirits is not required and recommended its removal from the TRIPS Agreement. Using the case study of Darjeeling Tea, the study argued that Article 22 protection may be enough and that developing countries should experiment with Article 22 protection for some years, and only if the results are unsatisfactory, they should ask for enhanced protection.

Mitra B.C. in his article “The Alternate Packaging” recommended that tea industry must give up the wood-based chests and look for alternative packaging because studies by World Resources Institute (WRI) indicated that deforestation accounted for a third of the carbon dioxide being released into the atmosphere making it the largest contributor to the global warming phenomenon. India has among the highest percentage of degraded land in the world; a major

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reason is that it is losing forests at the rate of 2.8 percent a year. The author stressed that to protect the environment and save our forests efforts should be made to switch to jute as a packing material.

In the editorial of EPW “Extreme measures” the editor opined that for market expansion of tea, efforts to make it succeed must be accompanied by improvement in quality, especially of CTCs, now that quantitative restriction on tea imports have been removed and efficient and cost effectively producers of premium qualities such as Sri Lanka are aggressively promoting exports to India. The industry will also need to take heed of the FAQ’s emphasis on cutting net costs by increasing productivity and improving infrastructure and sprucing up marketing.

Sivaram B. had analysed the situation of South India tea Industry in 1992. He reported that the South Indian industry, which had performed fairly well until recently, is at present struggling to keep its head above water. The lower crop had pushed up the unit cost of production, which had further escalated on two counts- first a higher Dearness Allowance moving up this year by a daily average rate of Rs. 33 per worker; and second, a higher manufacturing cost, going up by 75 paise per kg of made tea on current levels of application. The auction price this year is lower by Rs. 2 per kg compared with average levels during the last three years. He concluded that Tea output has slumped in South India. But

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since a good harvest could have aggravated the marketing problems now that the industry is steeped in crisis, planters are less likely to look upon it as a bane.

Press Trust of India\textsuperscript{75} pointed out that Tea Board has decided to conduct Geographical Information System (GIS) mapping all tea gardens at periodic intervals to monitor the progress of rejuvenation and re-plantation work under a Special Purpose Tea Fund (SPTF) programme. It further reported that the decision to start surveillance of gardens was taken to monitor a re-plantation and rejuvenation programme to begin shortly with thirty percent government subsidy.

Srinivasan Lalitha\textsuperscript{76} reported that the Tatas are planning to take on Hindustan Liver (HLL) in the iced tea segment. Tata Tea Ltd. is evaluating launch of Tetley’s ready to drink iced tea ‘To Life” in India and other countries. He further reported that iced tea segment accounts for 10 percent of Rs. 6000 crore carbonated soft drink market. Tetley already has a presence in the Ready to drink market. Tata Tea plans to add new flavours to Tetley’s existing portfolio.

Lohia S. K.\textsuperscript{77} traced that due to heavy tax burden profitability is declining particularly for the northern region, as statistics on profits before and after tax indicate. Retention of profit has not been commensurate with investment. The author concluded that unless the tax is reduced, profitability of tea companies would take a severe beating.

\textsuperscript{76} Srinivasan Lalitha, Storm in an iced tea cup, Financial Express, Mumbai, April 15, 2005, p.10.
Kurian Boby\textsuperscript{78} in his report mentioned that the Hindustan Lever-Pepsi alliance for the ready-to-drink Lipton iced tea is returning to the drawing board as the hot cuppa’s mesmerizing hold over domestic consumer continues. HLL and Pepsi are likely to bank on modern retail and out-of-home kiosks targeting the experimentative and specific urban consumers.

Selvaras A. and Rao S.B. Nageswara\textsuperscript{79} in their article “Over a Cup of Tea” opined that greater attention is needed towards the tea industry. Tea taste needs to be promoted amidst the non-users too to increase the demand in order to solve the problem of excess production. The authors stressed that Central Government needs to fix an appropriate minimum support price to protect the interest of the tea producers and planters. Investing in Delhi, Business Standard special issue on Indian Tea Industry, an emerging market of organic and herbal tea certainly has the scope of paying rich dividend.

Dey Amal Krishna\textsuperscript{80} analysed twenty-five tea companies ranked by sales. He also analysed tea companies by assets He calculated profits and profitability ratio of selected tea companies. The author found that in assets formation, Tata Tea ranked first followed by Brooke Bond and Jay Shree Tea. Tezpore Tea registered the highest increase of 112.7 percent.

\textsuperscript{78} Kurian Boby, HLL, Pepsi rework Lipton alliance, Economic Times, Banglore, April 25, 2006, p 4.
\textsuperscript{79} Selvaras A, Rao Nageswara S.B., Over a Cup of Tea, Ministry of Information and Broadcasting of India, Yojana, New Delhi, October 2004, Vol 48, pp. 28-29
Review of literature

Boriah G. in his article “India World’s Largest Consumer” mentioned that until 1987-88, tea was the most significant export item from India. By accounting for 20.7 percent, it ranked number one among agricultural exports but thereafter it started declining and now it occupies the third position by contributing 8.8 percent of the total agricultural exports. Similarly, its contribution to GDP has declined from 1.24 percent in 1950-51 to 0.33 percent in 2000-01 due to increase in domestic consumption.

Ghosal Sutanuka in his article examined the role of Tea Board to implement The Tea Market Control Order. The contour of Tea Marketing Control Order, 2003 was worked out on the basis of the recommendations of AF Ferguson, the board consultant in 2002. Even though the order has been in existence for nearly three years, it has not yet been implemented by all stakeholders in totality.

Ahuja S.S. in his article “Production Constraints Stay” stated that old age of the plantation and low replantation are some of the major limiting factors that curb the scope of expansion of tea production. The author further stated that the health aspects of tea provide a golden opportunity in the hands of industry to face the challenges coming from newly brought out beverages and it is expected that tea’s health advantages could push consumption higher in the west.

Ghosal Sutanuka\textsuperscript{84} reported that a number of tea estates in Darjeeling may be deregistered by the Tea Board shortly. It had come to the notice of the Tea Board that some unscrupulous Darjeeling tea producers are bringing in green leaf from tea gardens in Nepal and selling them in the world market as Darjeeling thereby jeopardizing the geographical indication value of Darjeeling tea. He further stated that even though 9 m kg of Darjeeling tea is produced nearly 40 m kg of tea is available in world market.

Punnathara C.J. and Subramani M.R.\textsuperscript{85} pointed out that due to drought situation in Kenya, which is the largest supplier of CTC tea to Pakistan, demand for Indian Tea, would increase in Pakistan. The tea industry is also looking to inroads in some other markets in West Asia, especially Egypt.

Misra Udayon\textsuperscript{86} in his article “Assam Tea: The Bitter Brew” traced that tea garden management in Assam have been systematically ignoring the demand of the workers, especially for welfare measures. Successive governments in Assam have failed to force management to implement the Plantation Labour Act of 1951. The author further stated that management now claims that the Industry is passing through a recession, but during the tea boom of the 1990s the same managements did not share even a minuscule part of their prosperity with the workers.

\textsuperscript{84}Ghosal Sutanuka, Tea Board talks tough on Nepal Tea, Economic Times, Kolkata April 25, 2006, p. 4.
Ghosal Sutanuka reported\textsuperscript{87} that Tea Board had given a mandate to IIT Kharagpur to come up with R&D proposals in three areas new products from tea, new tea processing machinery and mechanical equipment for increasing the tea plucking capabilities of workers at plantations. IIT Kharagpur has already initiated the feasibility study and the institute was expected to submit a report within the next three months. Based on this report the Tea board will submit a proposal to the planning commission. The reporter further stated that laboratory tests show that black tea may help boost metabolism to aid weight loss, block allergic response, slow the growth of tumours, prospect bones, fight bad breath and protect against Parkinson's disease.

Ajayan\textsuperscript{88} in his article mentioned that the Tea Board has decided to rein in importers by ensuring that all exporters meet the Prevention of Food Adulteration (PFA) norms after receiving complaints of spurious tea exports under the Indian label. A recent meeting of stakeholders convened by the Tea Board arrived at this decision in the wake of spurious tea being shipped out to Libya. He further stated that authority for issuance of certificate of origin was debated during the meeting and it was decided that only tea grown or manufactured 100 percent in India could be issued the certificate. In case imports were mixed for blending, the details of the contents have to be listed with label indicating that material was packed in India.

\textsuperscript{88} Ajayan, Tea Board plans to make PFA norms mandatory for exports, Financial Express, Kochi, January 17, 2005, p. 11.
Sundar P.S. in his article opined that year 2004 would go down in the history of Indian tea industry as a year, which ushered in a new profile for exports. Three vital aspects clearly emerge when the export performance was analysed. First, while the volume rose, the value earned fell. Second, while the South has earned more from an increased volume of shipment, the North has lost in terms of both value and volume. Third, unpredictable importers supported the shipments even as the expected.

Reddy V.N. in his working paper pointed out that with the active presence of cooperative tea factories in the Nilgiris district, the smaller growers had been benefited in many ways. With increase in the average production of made tea per cooperative tea factory, the cooperative had been able to provide remunerative prices for the produce of small growers of tea. The small growers were out of the clutches of the bought leaf factories, which used to gang up and determine low prices for the produce of small growers of tea. Secondly, stable prices had encouraged small growers to improve the yields of their plots. Thirdly, these growers had shown interest in extending their area under tea. Fourthly, the absorption of labour by small growers had also increased.

Economic Times reported that Indian Tea Association (ITA) had urged the Tea board and ministry of commerce to immediately make procedural changes towards protecting the quality image of Indian tea as a large chunk of inferior

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90 Reddy V.N., Socio-Economic study of small growers of Tea in Nilgiris District, IIM, Kolkata, 1989.
quality was being imported into the country and mixed with Indian teas for re-export. This was affecting the image of the local industry. The ITA chief had suggested introducing a minimum quality stipulation which should be observed even in case of imports for re-exports and that a certificate of origin from India should be according to only 100 percent tea grown and manufactured in India.

Chakrawertti Samiran in her article pointed out that India’s tea exports had dropped from 203 million tones in 1997 to 165 tones in 2003. This at a time when the global export market had grown from around 1,200 million tones to 1,400 million tones. Further, depreciation of the rupee against the dollar since 1980-81 too had eroded dollar earnings. India was the only major tea exporter that has registered a decline in export volumes in recent years. Sri Lanka, China and Kenya had gone up by an average of twenty five percent since 1997, while India had seen its exports dwindle by twenty percent over the same time.

Goswami Nandini reported that the Tea Board had indicated that KolKata, Guwahati and Siliguri auction centers should set up the building blocks by the end March, following which, 100 percent of all transactions related to buying selling will be done electronically. Interestingly, none of the biggest in international auction houses likes the ones at Mombasa or Colombo has any kind of electronic auctioning system. Currently the country has some 20 auctioneers

92 Chakrawertti Samiran, India's top tea slot under threat, Times of India, Mumbai, January 26, 2005, p. 17.
93 Goswami Nandini, High Brew: Online tea auctions are now just a click away, Economic Times, Kolkata, January 26, 2005, p. 11.
Review of literature

across six auction centers in Kolkata, Guwahati, Siliguri, Coibatore, Kochi and Connoor.

Commodities Bureau of Financial Express reported\(^\text{94}\) that the Multi Commodity Exchange of India (MCX) and United Planters’ Association of Southern India (UPASI) have tied up to develop the tea futures market on the exchange. MCX is the first commodity exchange in the world to initiate tea futures. UPSI Commodities Exchange Ltd. (UCEL), a company promoted by UPSI and MCX will work together to design the specification of tea futures contract while working on the setting up of best practices and procedures for settlement, delivery among others.

Financial Express reported\(^\text{95}\) that as teas estates were located in far flung places, workers and officers were to be statutorily provided fringe benefits like ration, education and healthcare facilities. Taxing such benefits would have a negative impact on the industry, as it would be an added cost to the tea companies. Although the Budget had proposed reduction of additional excise duty, price of tea was expected to go up due to the combined impact of fringe benefits tax and reduced depreciation rate. As a result of this, price to the consumers would also go up which have a potential to affect the consumption

\(^{94}\) Commodities Bureau, MCX UPASI in tie-up to develop tea futures, Financial Express, Mumbai, February 25, 2005, p. 7.

\(^{95}\) Tea industry concerned over proposed fringe benefits tax, Financial Express, Kolkata, March 14, 2005, p. 8.
volumes. Due to VAT there would have a positive effect on the large retailers, which sell branded tea.

Times Of India reported\textsuperscript{96} that Indian scientists had developed a tea pill, which can be carried in the pocket to be chewed when desired for the same refreshing effect as a freshly brewed cup. It can also be enjoyed in the conventional manner by dipping a cup of hot water and will be able to freshen and cheer up a person with nearly the same effect as having a hot cup of brewed tea. It further reported that scientist had applied for a patent and would decide later on commercial manufacturer. This will be primarily for people who do not have time or are too busy to wait for a morning cup of tea.

Financial Express reported\textsuperscript{97} that India produces 826 million kg of tea per annum, amounting to around 30 percent of global production. India is also the world’s largest consumer of tea with total consumption amounting to 14 percent of global volume sales. Global prices of tea are falling and production in India is too inefficient and companies financials too opaque, to be able to cope with the international cost of production. There is huge oversupply in the domestic market. The only option for Indian tea producers to make money out of their investments is to export in large numbers. Indian producers have to focus on branding their teas. Otherwise, the world’s largest tea producer will remain an unknown name to the global consumer.

\textsuperscript{96} Pill my morning cuppa, Times of India, Jorhat, March 24, 2005, p. 6.
\textsuperscript{97} Tea Time, Financial Express, Kolkata, June 7, 2005, p. 9.
Punnathara C.J.\textsuperscript{98} traced that with the acquisition of Tetley Tata was an active player in around 35 countries, spanning the US, Europe and Australia it was thinking of consolidating his global market share through fresh acquisitions. He further stated that the company which deliberated whether to continue to focus on plantation and remain the largest integrated Tea Company in the world during the late 90s, finally decided to divest its plantations operations and focus exclusively on its brands. The joint venture in Sri Lankan plantations could be viewed purely as an investment. These moves were designed at making Tata Tea a truly multinational FMCG company in the branded tea business.

Pande Bhanu\textsuperscript{99} in his article traced that the smaller players such as Wagh Bakri Cafes in Gujarat and Infinitea in Bangalore were making regional efforts and Duncans and the Sri Lankan tea major Dilmah were thinking of pouring out a retail strategy soon. There were an estimated 1.65 lakh medium-sized teashops in urban India, each selling upwards of 100 cups a day. Even if a fraction of the traffic upgrades itself, then tea bars would make money. He recommended that attempts be made to contemporise tea drinking habit and makes it relevant to youth.

\textsuperscript{98} Punnathara C. J., Tata Tea mulls acquiring more Global Brands, Kochi, June 15, 2005, p. 6.
\textsuperscript{99} Pande Bhanu, Cup and Storm: Lots Brewing in the piping hot Tea Business, Economic Times, New Delhi, December 8, 2005, p. 4.
Ananthanarayanan Ravi\textsuperscript{100} in his article pointed out that Hindustan Lever and Tata tea had decided that their core competence was in marketing and not making it. HLL and Tata tea had struggled with the tea plantation business before deciding to exit. The reasons were mainly economic and a need to change the manner in which the business was being run. Running a plantation is a tough business since it's highly labour-intensive. Over the years, the welfare measures that tea plantations had to undertake have raised business costs. What made matters worse in places like Assam was militancy, which imposed more uncertainty and difficulties.

Saini Priya\textsuperscript{101} in her article traced present marketing strategies initiated by tea companies like Godrej tea looking at new markets in middle-east, Unilever to set up tea bars across the country, Godricke expanding distribution, setting kiosks and experiential centers. Domestic consumption pattern has also changed of 680 million kg tea consumed in India, 44 percent is in packet form and rest is in loose form.

2.6 Conclusion

It is clear from the above review of literature that, a large number of studies have been undertaken on the export of agricultural goods such as rice, jute, cotton, and tea. A comprehensive study of India’s foreign trade in tea, her

\textsuperscript{100} Ananthanarayanan Ravi, Companies walk out of Gardens as costs surge, Economic Times, Mumbai, December 14, 2005, p. 7.

\textsuperscript{101} Saini Priya, Marketing storm brews in India’s teacup, Economic Times, New Delhi, December 11, 2005, p. 5.
competitive position in the world market, the marketing of tea, and reasons for falling share in world tea trade has not been undertaken.

In the present economic crisis which the country is facing there is an immense need to improve on our international business which will help us to face the overburdened deficits of the past so many years.

The thesis studies Indian tea exports from a historical point of view to bring to light the important role-played by tea in export earning of the country. It presents an analytical pattern of the tea trade and throws light on India’s competitive position in these commodities in the world market and highlights the problem experienced in their exports. The importance of tea in the country’s export today is outlined even when non-traditional exports are gaining importance.