

## **Development agenda and the tea industry of Assam: Special reference to its problems and prospects**

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### **Abstract:**

Assam, the most economically prosperous state in the north eastern region, is blessed with enormous natural resources. It is the home to various agro based, mineral based and forest-based industries. Tea industry of Assam is the largest agro based Industry which contributes a lion's share towards state GDP and plays a pivotal role in the state's economy in particular and country's economy in general. Assam is one of the largest teas growing region by production which alone produces more than half of India's tea production. Wherein India stands for the 2<sup>nd</sup> position after China in the world in tea production. By being a labour-intensive industry, it includes almost 17% workforce of the land. Due to its unique flavor, the Assam tea has its international reputation and demand in the World Tea market, which helps in enhancing the foreign exchange reservoir. Despite being such a significant industry for generating livelihoods, revenue and increasing foreign exchange towards state economy, the tea industry of Assam has been suffering from various problems in terms of its existence and growth. In this paper, attempts have been made to highlights the various challenges faced by the tea industry of Assam, prospects of growth and government's initiatives to develop the tea industry of Assam.

**Keywords: Industry, economy, region, production, livelihood, initiative.**

### **INTRODUCTION:**

The Tea industry of Assam has glorious past and considered as the backbone of state's economy. Tea, as a beverage plays an important role in socio-economic life of the people of Assam. The Assam tea provides a special identity to Assam outside Assam and India as well for its unique aroma and burgundy color and has a well-established position in the World tea market.

Now Assam has more than 850 tea gardens in both the Brahmaputra valley and Barak valley with plantation area of about 3.22 Lakh hectares which is more than half of the Country's total area under tea. The tea industry of Assam basically produces variety of black tea made from the green leaves of the plant called *Camellia sinensis* var. *Assamica*. Some of the best tea producing tea estates Of Assam are Monabari tea estate, Dikom tea estate, Manohari tea estate, Maijan tea estate. The tea industry occupies a vital place in state economy by earning foreign currency and generating highest employment opportunity. By being the most labour-intensive industry, it provides daily employment to more than 6 Lakh persons in the state, wherein the major portion of labour force is comprised of women. Over the years, with the technology, research and government initiatives the industry has come a long way. It has undergone major changes since its beginning by overcoming various ups and downs. The ownership pattern has also changed and area of tea cultivation has also increased considerably. In recent times, the concerned industry is

comprised of both the big companies as well as small tea growers. At present the tea industry is going through great turmoil due to various reasons. Such as, rise in global competition from other tea producing countries, resulting in fall of export rate and deterioration in quality. Apart from these, the rate of price in the domestic market is also decreasing and posing a threat towards its survival.

**OBJECTIVES:**

1. To describe the problems of the tea industries of Assam.
2. To analyze the possible ways of development of the tea industries in Assam.

**RESEARCH QUESTIONS:**

1. What are the problems of the tea industry of Assam?
2. What are the prospects of the tea industry of Assam?

**METHODOLOGY:**

This research work is descriptive as well as analytical in nature. The required data, information, facts have been collected from various secondary sources such as books, newspapers, journal articles, government reports, web sources and others.

**PROBLEMS OF ASSAM TEA INDUSTRY:**

The tea industry of Assam has undergone major changes since its beginning. Despite being the oldest and organized industry in the region, and breaking records of tea prices: the old problems still continue to hinder the development of tea industry of Assam. The major problems of the tea industry are as follows:

**Tea Plantation problem:**

The tea industry has serious problem in terms of plantations of tea. High water table, damages due to annual flood and waterlogging because of inadequate drainage facility are some of the major problems of tea plantations in most of the tea estates. Moreover, climate change is affecting the tea cultivation. Due to the rising temperature yields are reducing and altering the distinctive flavor of the tea.

**Labour issue:**

By being a labor-intensive industry, it is facing the issue of labor shortage in recent times in most of the tea estates, particularly in Cather area shortage of labor and non-availability of skilled labor force is a burning issue. Bonus payments, salaries and wages, and hardship of work are some of the reasons for labor shortage in the industry. Besides these reasons the other facilities such as housing and medical facilities are not adequate for which labors are discontent and don't get motivated to work.

**High-Cost Production:**

The cost of production is very high of Assam tea due to various obligatory reasons, social responsibilities and traditional system of running the tea estates of Assam. Modern techniques and

technologies are still not available in the tea manufacturing industries of Assam. Most of the activities are done manually, such as plucking the tea leaves are done manually, which results in slow growth of the entire manufacturing process.

Communication and Storage issue:

The poor connectivity and lack of proper and adequate storage has posed another threat towards the tea industry of Assam. Since Assam is located in the easternmost region, it has some issues like poor transport, communication network, it requires more time for all incoming and outgoing consignments which is a disadvantage in money transaction. Moreover, due to delay in transportation and lack of storage facilities, the processed tea gets moisture from the atmosphere and deteriorates the quality of the tea.

Infrastructure issue:

The poor infrastructural problem, lack of power supply, lack of modernization and efficient management have been engulfing the tea industry of Assam for a long time. Especially the tea gardens of Barak Valley region have been suffering from power shortage and poor infrastructure, which has created disruptions in tea production.

Pest Problem:

The tea industry of Assam also has a major of pest attack on tea plants. Along with the mosquito bug, a disease called the bacterial black spot has also affected the tea plantations of many tea estates of Assam.

Decline in tea production and price:

Decline in the production of tea and decline in tea price have also created a major threat towards the tea industry of Assam in recent times. Due to the increase in prices of fertilizer, pesticides, coal, natural gas, transportation the production has reduced. Due to the decline in the tea price, the concerned industry along with the small tea growers are facing harsh challenge.

Deterioration of quality and weak marketing strategy:

Another major problem of tea industry of Assam is the quality deterioration and weak marketing strategy. Due to the failure of maintaining quality and safety standards, the industry is diminishing its charm and the position in the World's tea market is coming down.

**The tea industry of Assam and some suggestions:**

Keeping in mind, all the above-mentioned problems of the tea industry, actions should be taken in the direction of solving the existing issues of the tea industry. The government of Assam should come up with several initiatives in the form of schemes, programs and policies which will open new prospects regarding the development of the tea industry of Assam. Some of the suggestions for strengthening the tea industry of Assam are discussed below:

Plantation is the most crucial sector in the tea industry. Proper and adequate water supply during the time dry season as well as effective drainage system during flood times is required to maintain tea production. The scenario of climate change also has affected tea plantation process which requires to research works to be done so that it will survive even in the extreme weather conditions. With the continued support of the tea industry and government, the Toklai Research is trying to come up with possible solution through use of bio-technology.

Besides the Plantation, the human resource is the most vital segment in the tea industry. In recent times, the tea industry is undergoing acute labor shortage problem. Here is the need of effective implementation of human resource management principles to motivate the labors. It will help in the improvement of productivity. To tackle the issue of labor shortage, the government of Assam should take various welfare schemes for solving the various problems and improving the working conditions of the tea labours.

The roads surrounding the gardens should be improved for better accesses to the tea gardens. Apart from this, housing facility, running water facility should be given to better the living conditions of the tea labourers.

Government should bring different schemes of financial assistance for the small tea growers and training should be given to them to produce quality tea. Which will help in the rise of tea production in the region.

Apart from these initiatives of the Central government as well as state government of Assam, the Tea Welfare Department, NABARD and the Act East Policy department may be engaged in different activities for the development of the tea industry of Assam by removing communication issue, infrastructure issue, labor issue, marketing issue and others.

### **CONCLUSIONS:**

The government of Assam must continue with the action based and pragmatic long-term solutions towards the age-old problems and new challenges of the tea industry of Assam. In recent times, a ray of hope can be seen regarding the rise of tea price in Assam tea industry. Which will help in the rise of tea production in the region and to regain the lost glory in the international market. It has been noticed that the second flush season in the tea industry produces the best quality tea which fetches highest price and most of the second flush tea is exported to the foreign countries. Some of the premium quality tea that have been auctioned at the Guwahati Tea Auction Centre at record breaking price per k.g. are Golden Butterfly Tea, Maijan Golden Tips etc. With the government initiatives, the tea industries will get a new trajectory towards its growth and will help to convert the tea industry to tea tourism industry. With good transportation facility and infrastructural development, the entire environment of green and tea gardens can be furnished to transform the tea gardens into tourist destinations and attract both domestic as well as international tourists.

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