



Growth Recession Of Small Tea Gardens And Its Impact On Rural Economy Of Assam With Special Reference To Sonitpur District

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ABSTRACT: Growth of small tea gardens initiated during the last part of the 20th century is considered as a turning point for the traditional agricultural economy of Assam towards commercial farming. Small scale tea farming also appeared to open up new doors for a few other commercial agricultures and allied agricultural activities that characterized the rural economic landscape of Assam at the onset of the present century. It is observed that the small-scale tea gardens, which presented a sharp growth rate contributing significantly to income and employment generation in rural areas present a sluggish growth rate after the year 2010. Such a growth recession of the small tea gardens appears to impact adversely the economic growth momentum achieved by the small and medium tea farmers of Assam. Sharp regional and seasonal variation in prices of green tea leaves produced by the small-scale tea growers and rise in their production cost leads to recession of both the growth and expansion of small scall tea gardens in the study area as against a spurt in the growth of allied agricultural activities. Absence of any secured pricing system for the products of the small tea gardens is likely to make this vibrant sector of rural economic growth a retrograded sector of commercial agriculture of Assam. The present work intends to analyzed the causes of growth recession of small-scale tea gardens and its impact on the rural economy of Assam; considering Sonitpur district as a representative areal unit of study.

KEYWORDS: Small Tea Gardens, Growth, Recession, Rural Economy, Sustainable

INTRODUCTION:

The study area- Assam is situated in the north eastern part of India with its geographical location 24°13' & 28°00' N latitudes and 89°46' to 96°04' E longitude with a total area of 78,438 sq km. Assam has a total population of 36.49 million (as per 2025 projection) i.e. 2.58% of total population of India. Tea (*Camelia sinensis*) is a popular beverage not only in Asia but also in many countries of Europe, America and Africa. Assam is known for its high-quality orthodox tea and it contributes to 50% of India's total tea production. According to the report of the Assam Tea Board, the total area under tea cultivation in Assam is 3.12lacs hectares of which 1.14lacs hectares (approximately 36.78%) are covered by small tea gardens (STGs). Assam contributes around 715 million kg of made tea with over 50% of this output comes from STGs.

Since the mid-19th century i.e. during the British colonial period, a good number of large-scale capitalistic tea plantations began to emerge in Assam. Prior to this, period tea was a favorite community drink of the Singpho tribe of present Arunachal Pradesh. It was the Britishers who made the traditional community drink “Tea” a popular beverage particularly in Asia, Europe and Africa by inducting large scale commercial farming and processing industries and Assam secured a worldwide reputation as producer of best quality orthodox tea. Till 1980s, the large-scale tea plantations started by the Britishers retained the monopoly in production, pricing, and trading of Assam tea. But, during 1970-1980, following the encouragement of the then Agriculture Minister of Assam Mr. Someshwar Bora (also known as the father of STGs) were motivated the economically hard strained small and medium farmers to opt to start small holding tea cultivation both in fallow govt. land and private horticultural land. This was the first step of the marginal and medium class farmers of Assam towards commercialization of their traditional agricultural activities. The growth momentum of the small tea gardens (STGs) reached its peak period during 2000-2010, followed by a growth recession. At present, there are around 1,44,000 small tea gardens, the majority of which came up prior to 2010. The noticeable fact is that the sudden recession trend of growth in this sector of state's economy indicates entry of certain retrograding factors; which need to be assessed, analyzed, and addressed. The shifting of priority of the farmers from tea cultivation to some other commercial farming activities such as rubber plantation, banana plantation, areca nut farming, fisheries, piggeries, poultry, Duckery, dairy farming, herbal gardening, incense bearing aromatic plant farming, species farming etc. is also an indicator of losing interest in tea plantation by them. All such observations necessitate an intensive study on the cause of growth recession of STGs in Assam over the last two decades.

A similar observation is also made in case of Sonitpur district extending from 26°30' to 27°01' N latitude & 92°16' to 93°43' E longitude, which is located in the central part of the Brahmaputra valley in Assam. It is one of the 35 districts of the State, which experienced growth of large number of STGs (4288) over last five decades. This rapid proliferation reveals decentralization of rural economy and provides widespread livelihood opportunities to rural communities.

OBJECTIVES:

The objectives of the present study are-

- I) To examine the causes behind the growth recession of small tea gardens in Assam over last two decades considering Sonitpur district as a representative areal unit; and
- II) To examine the economic compulsions of the farmers to shift their priority from tea farming to other commercial farming activities that pushing back tea plantation to an optional status.

RESEARCH QUESTION:

The research questions based on the objectives are--

- I) To search for repulsive factors leading to a growth recession of small tea gardens in the study area.
- II) To investigate whether any changes are made in the existing small tea gardens to make them high income generating farming activity?
- III) Whether there is any support policy to remove the obstacles behind the growth recession of STGs?
- IV) What redressal measures the small holding tea growers need to regain confidence for sustainable growth of their tea gardens?

METHODOLOGY:

The analysis and observation of the study are based on both primary and secondary data particularly in the growth trend analysis. Secondary data available from Tea Board of Assam, and the Small Tea Grower Association, Assam (STGA) are used. Primary data are collected from 30% (1286 nos.) of the small tea gardens of Sonitpur district belonging to various farm size classes using, a questionnaire accommodating queries pertaining to research questions and objectives. The sample STGs are selected at random accommodating equal numbers of samples from three different farm size categories i.e. 0.5-5-acre, 5-10 acre and above 10 acres.

The data and information so collected are presented in the work in the form of tables, graphs and, diagrams along with interpretation.

ANALYSIS AND OBSERVATION:

Growth trend analysis of an economic activity provides indication and understanding regarding viability and sustainability of the concerned economic sector. Table 1(a) and 1 (b)] given below present the growth trend of small tea gardens in Assam and in Sonitpur district since the year 1980.

Table 1(a): Growth Trend of Small Tea Gardens in Assam (1980-2025)

Year	No. of STGs established	No. of STGs with farm size extension	% of growth of STGs with 1980 as base	% of growth of farm size extension with 1980 as base
1980	10,028	---	---	---
1990	28,462	246	183.83%	----
2000	36,576	589	28.51%	139.43%
2010	63,172	2036	72.71%	245.67%
2020	4484	42	-92.90%	-97.94%
2025	542	05	-87.91%	-88.10%
TOTAL	1,43,264	2918		

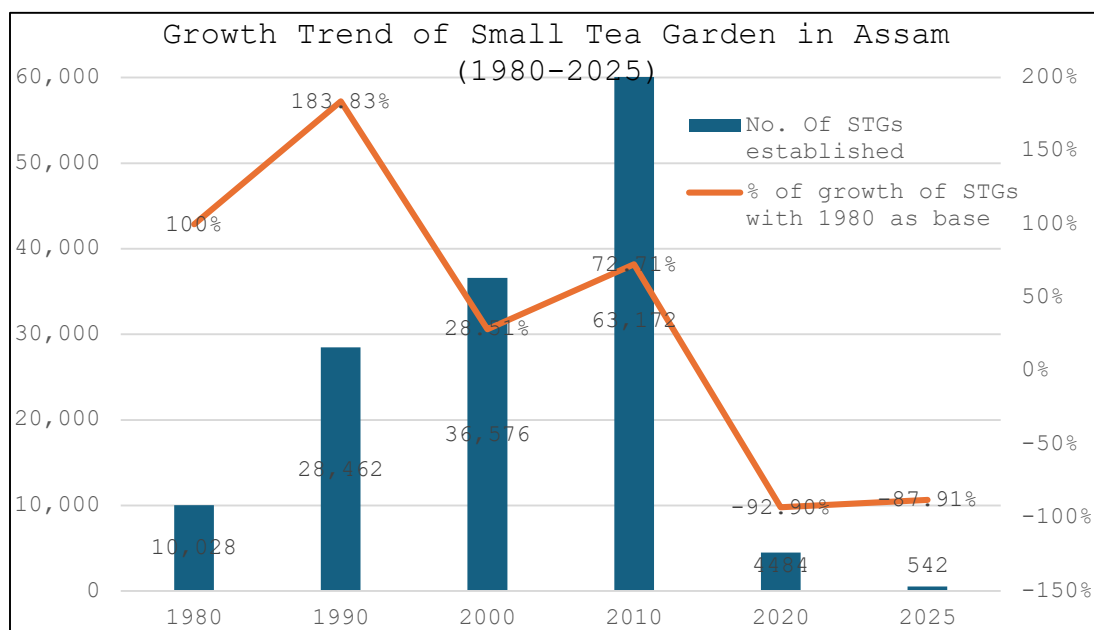


Fig- 1(a)

Table 1(b): Growth Trend of STGs in Sonitpur District (1980-2025)

Year	No. of STGs established	% of growth of STGs with 1980 as base	No. of STGs with farm size extension	% of STGs with farm size extension with 1980 as base
1980	332	----	----	----
1990	824	284.19	06	----
2000	1016	123.30	45	750
2010	2102	206.88	88	195
2020	12	.57	06	6.818
2025	02	16.66	01	16.66
TOTAL	4288			

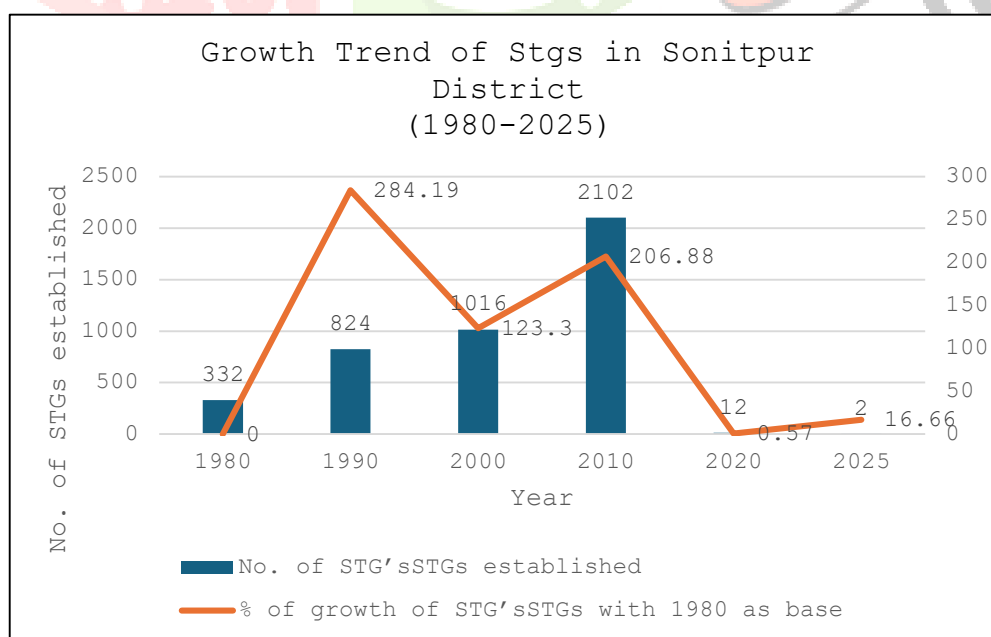


Fig- 1(b)

As presented in Table 1(a) fig 1 (a), the small tea gardens that started emerging in early 80's of the 19th century picked up a speedy growth momentum with highest growth recorded in 2010. The period 2010-2025 presents an abrupt growth recession. Similarly, STGs with farm size extension also presents highest number in 2010 with a sudden recession afterward. Such an observation points out to the fact that after the year 2010 not only the smaller size STGs ranging from 0.5 acre to 5 acre show a

repulsive behavior for starting new tea gardens; the larger size STGs ranging from 5 acre - 10 acre which usually opt for farm size extension appears to left interest any further growth extension of the farm size. Thus, both small and medium farmers appear to search for other commercial farming activities leaving aside interest in tea farming.

Likewise, the general growth and farm size extension growth trend of Sonitpur district reveal a similar growth recessional scenario as that of the Assam as a whole.

It is to be noted that the STGs are dependent on the processing factories for selling out the green tea leaves produced by them. The two categories of procurers of the green tea leaves produced by the STG's are large tea plantation having their own factories and the bought leaf factories (BLFs) who are fully dependent on the procured green tea leaves of STGs. In Assam there are all together 28 large tea plantations and 360 bought leaf factories that procure green tea leaves from the STGs.

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Table 2 (a): Price and Income growth trend of STGs in Sonitpur District during 1980-2025.

Year	Average price /kg of green tea leaf of the STGs. (Rs.)	Production cost /kg of green tea leaf of STGs. (Rs.)	Net income generated/kg of green tea leaf by STGs (Rs.)	Net income generated by STGs against/kg of made tea. (Rs.)	% of net income generated by STGs against/kg of made Tea with 1980 as base
1980	9.50	7.00	2.50	11.25	---
1990	12.00	8.50	3.50	15.75	71.42
2000	15.00	11.00	4.00	18.00	87.5
2010	17.50	13.00	4.50	20.25	88.89
2020	18.50	13.50	5.00	22.50	90.00
2025	18.50	14.00	4.50	20.25	111.1

Table 2(b): Manufacturing cost and Net profit generation /kg. of Made Tea by the Bought Leaf factories of Sonitpur District during the period (1980-2025)

Year	Raw material cost/kg. of Made tea leaf	Manufacturing cost /kg. of made tea	Whole sale price /kg of made tea by BLFs	Net profit generated/kg of Made Tea by BLFs (Rs)	% of net profit growth/kg by BLFs with 1980 as base (Rs)
1980	43	25	100	32	---
1990	54	30	120	36	112.5%
2000	68	40	160	52	162.5%
2010	79	45	180	56	175%
2020	83	50	200	67	209.37%
2025	83	50	220	87	271.87%

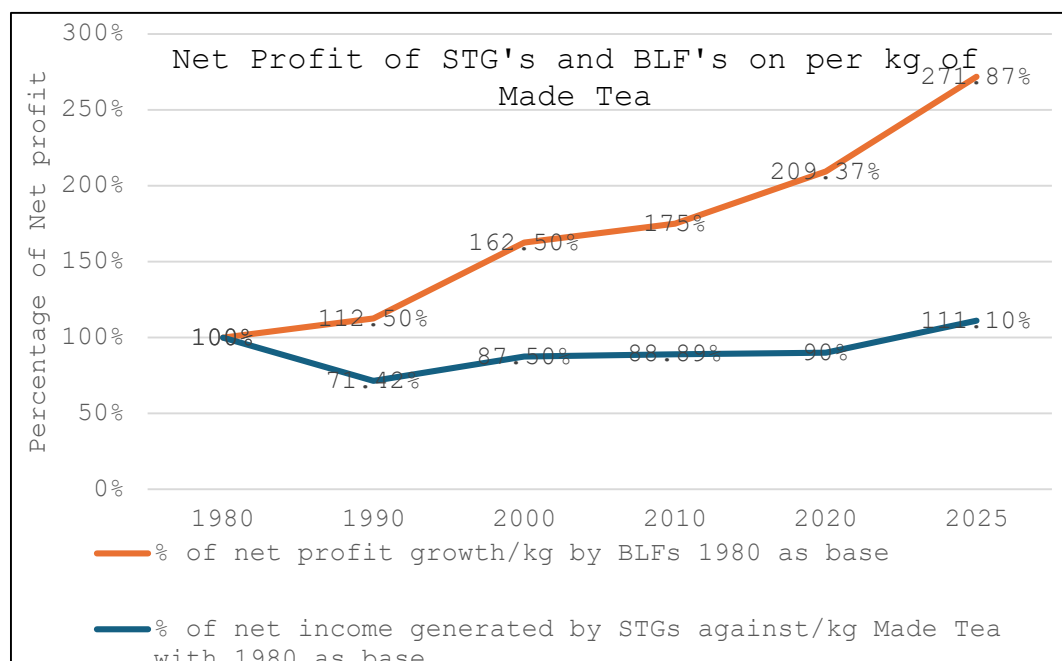


Fig. 2

For the production of one kg. of made tea the requirement of green tea leaf is on average 4.5kg. On the basis of this consideration, the net profit generated /kg. of made tea both by STGs and BLFs are presented in the table 2(a) & 2(b) above. From Fig 2 it can be analyzed that the net income growth /kg. of made tea by STGs has been increased by 111.1% (1980 net profit as base) over the period (1980-2025).

On the contrary, the net profit growth of the BLFs with 1980. net profit base has been increased to 271.9% over the same period. A comparison of net profit benefit pattern of the STGs & BLFs during the period 1980-2025 clearly indicates that there is a wide disparity pointing out to an adverse impact on the small holding tea growers' income generation as against an inspiring growth motivation for the BLFs. Such an observation necessarily warrens the need for the creation of a statutory authority that can set out a balance in pricing and income generation pattern of the STGs & BLFs to revitalized the sustainability of the STGs.

Table (3): Change in economic activities in the STGs of Sonitpur District for higher income generation in addition to Tea cultivation (Sample based)

Activity adopted for enhancing income by the STGs	No. of STGs	% of STGs to the total sample	% of net income share provided to the STGs through added economic activities.
Reduction of production cost	304	23.60	30
Multiple cropping	262	20.40	65
Plantation of herbal, medicinal and aromatic plants	175	13.6	80
Attachment of allied agricultural farms	418	32.50	95
Plantation of valuable timber/wood plants	127	9.9	48
TOTAL	1286	100%	---

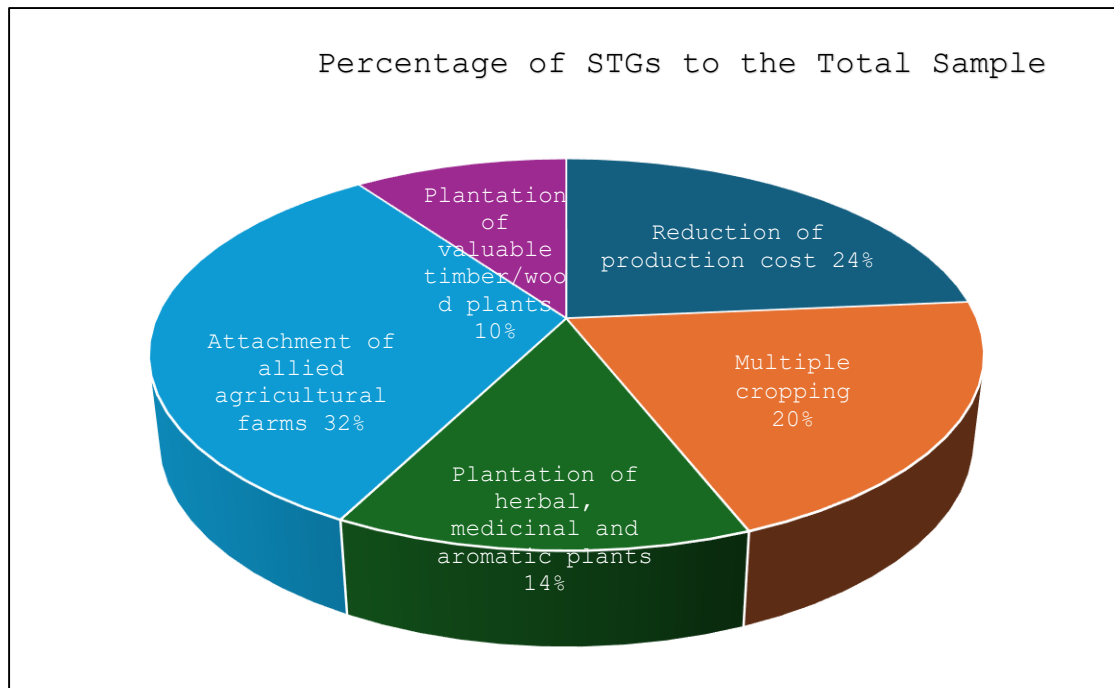


Fig. 3(a)

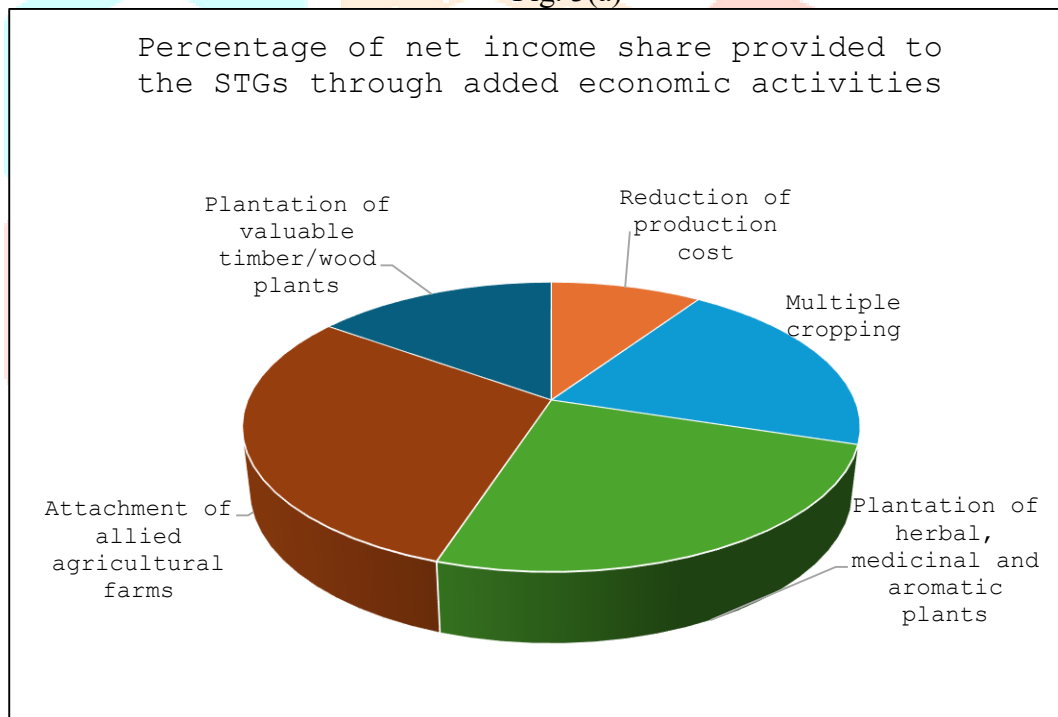


Fig. 3(b)

As presented in Table 3 and Fig 3(a) and 3(b) based on sample survey, there is a clear indication about a growing tendency among the small holding tea growers to minimized their income dependency on their already established STGs under the consideration of future uncertainty of income growth. For increasing income by reducing dependency on tea farming and adopting multiple cropping, other allied agricultural farming, addition of forestry within and alongside their tea farms are some of the strategies adopted by small holding tea growers for securing higher income instead of total replacement of their gardens by such activities. Such a changed farming attitude points out towards a total or partial elimination of small holding tea farming in the rural economic landscape of Assam in the near future.

The table 3 also reveals that 30% of the STGs has adopted the strategy of reducing production cost for higher income generation, which affect adversely the quality and yields of green tea leaf in their tea farms. These small holding tea farmers are found to be incapable of any other strategy for

income enhancement due to the smaller sizes of their farm ranging from 0.5-5 acres. Another 65% of the small holding tea farmers adopted the strategy of multiple cropping. This section of farmers is found to replace the shade trees of their tea gardens by plants like areca nut, banana, pineapple, rubber, lemon and various spice plants. A look in to the farm size class of this section of STGs indicates that their farm size lies within the range of 5-10 acres. In the sample farm size class above 10 acres, it is found that 13.6% of the tea farmers replaced shade trees of their gardens by herbal, medicinal and aromatic plants, while 32.5% of the tea farmers of this class are found to have started allied agricultural farms such as poultry, piggery, fishery, duckery, dairy etc. alongside their tea farms for enhancement of their income. Again 9.9% of the sample tea farmers of the farm size class above 10 acres are found to replace the shade trees of their gardens with valuable hardwood timber plantation. (Teak, Sal, Sheesham, Bonsum (Uningthou) etc) By doing such strategic changes within and alongside the STGs, the dependency of income on STGs are found to be reduced 30-95%. These facts strongly indicate that the small holding tea growers develop a mindset to replace priority growth status awarded by them to tea farming by an optional status.

FINDINGS:

Based on analysis and observations the findings made are as stated below: -

- 1) The motivation of the small and medium class farmers of Assam towards commercialization of their agricultural activities found expression in the emergence of STGs in the early 80s of the 19th centuries. The enthusiastic participation of these classes of farmers appears to continue till the year of 2010, while a sharp decline in fresh growth and expansion is revealed in during the period 2010 AD.
- 2) The small-scale tea growers who had started tea farming mostly replacing their earlier horticultural and upland paddy fields ranging from 0.5-10 acres with an anticipation of gaining higher economic benefit got frustrated due to wide variation in sale price of their product incompatible with their production cost leading to only a minor financial gain as compared to their earlier agricultural practices.
- 3) A comparative analysis of the financial gain achieved by the STGs and the processing factories or the BLFs reveals that; even if there is a steady income growth for both, the financial benefit gap is wide. Over a period of 45 years 1980-2025 AD. the income growth of the STGs is only 111.1% as against of the processing factories 271.8%.
- 4) Sample study reveals that the stagnancy in the growth of the STGs after 2010 has not been resulted by dearth of suitable land holding but by uncertainty in the income growth prospects in the future for the farmers. The sample study also reveals that certain other commercial farming activities adopted by the farmers after 1980 such as poultry, piggery, fishery, duckery, dairy etc. appeared to the highly income generating than that of tea farming. The farmers also find all such commercial allied agricultural activities maintain secured market and price.
- 5) Investment and use of available land holding by the farmers on non-tea commercial agricultural activities are also indicators of losing interest by them in starting new STGs.
- 6) Absence of specific govt. policy aiming at growth, market and price support towards the STGs appears not only attribute to the growth stagnancy, but also provide monopoly to the BLFs in procurement and fixation of prices of the products of the STGs.
- 7) Once a tea plantation is started over a small land holding and over a large area, its active production period ranges from 40-60 years. Thus, the small-scale tea growers who had already invested in tea farming adopted certain complementary and high -income generating activities within an along their tea farms instead of abandoning tea farming completely. Such a changed attitude of the STGs growers is reflected both in growth and expansion stagnancy.
- 8) It is the demand of time to review both by policy makers and rural economic planners whether to sustain the STGs by creating policy instrument or leave it to uncertainty as STGs maintain adequate scope as an elevator of rural economy not only in Assam but in several states of India.

- 9) The marginal farmers whose farm size ranges from 0.5-5 acers and who are financially incapable of adopting other commercial activities within their farm are found to increase their income from STGs by reducing their production cost such as cost on pruning, nutrient supplements, weedicide, pesticide, fungicide application etc. resulted in both yields and quality of tea.

CONCLUSION:

The growth of STGs is considered as the very fast motivational outcome of the small and medium class farmers of Assam towards commercialization of their age old traditional self-sustainable agricultural activities. This thrust of commercialization among the farmers open-up many other agricultural and allied agricultural areas of commercialization. Strong policy support assuring technical support, justified pricing and market can bring back vibrancy to this widely established rural economic sector and can contribute to the state and national economy with their diversified products spectrum which have been gaining popularity in the national and international market such as Organic tea, White tea, Green tea, Matcha tea etc. Such diversification can only be achieved by providing market and financial support to the farmers. Therefore, future agricultural frameworks must prioritize structured subsidies, fair pricing guarantees, and localized cooperative models. Empowering these marginal farmers is not merely an economic necessity, but the foundational requirement for achieving true, inclusive growth across the entire state and national agricultural economy.

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