

Chaa Sambah

the voice of small tea growers

ISSUE 02 | SEPTEMBER 2011



STG National Workshop in Darjeeling



The National Workshop of Small Tea Growers (STGs) held in Darjeeling on September 11, 2011, organized by the Confederation of Indian Small Tea Growers' Associations (CISTA) was unique for the STG movement as it mobilized a peoples' collective to work towards ensuring their life and livelihood through better terms of trade. All stakeholders from the STG ecosystem were present here, including the Ministry of Commerce & Industry, the Tea Board of India (TBI), the Tea Research Association (TRA), the Indian Institute of Plantation Management (IIPM), the Centre for Education & Communication (CEC), Assam Agricultural University, the North Bengal University, Private Company representatives and the Darjeeling Organic Ekta Society.

During the conference, a number of important issues were taken on board. One of the most important ones was the setting up of an institutional framework, the Directorate of STGs, to empower STGs with modern farming technologies to improve farm productivity and quality and realize better terms of trade through the power of the collective. Another objective of the Directorate would be to

provide a fair return on investment to STGs. To achieve its objectives, the Directorate would have different departments that would work closely with partners such as TRA, UPASI, and CEC for different objectives such as the provision of advisory services, extension services and training.

Another important decision that was taken was the decision to set up an advisory body with membership from CISTA for STGs. This would allow STGs to leverage CISTA's dense grassroots-level network, enabling any communication or training from STGs to reach very quickly. This is particularly important because most STGs are new to tea cultivation. This was followed by a decision to establish a corresponding quality cell with representation from bodies such as TBI, CISTA, TRA, IIPM, CEC and BLFs.

In accordance with the principles behind mobilizing small-scale tea growers to form the STGs movement, a decision was taken to form Tea Producer Societies (TPS). As CEC is implementing similar project (EU funded) in five tea-growing



G. Boriah, Director,
Tea Development, Tea Board of India

Erratum

Lalhriatpuui is Field Officer for Mizoram. We wrongly mentioned it as Manipur in the previous issue of the newsletter. Regrets.
Editor

Concept & Design by
The Information and Feature Trust
B-107 (Basement)
Shivalik, Malviya Nagar
New Delhi - 110017
91-11-26692402/26693024
E: edit@labourfile.org
W: www.labourfile.org

Printed at
Varma Printographics, New Delhi

TURN TO PAGE 2

Rally Against Increase in Cess

On August 10, 2011, the Small Tea Growers Association, Jalpaiguri district organized a protest rally against government's decision to charge a cess of 12 paisa per kg on green tea leaves and to remove tax exemption on their agricultural income. The protestors also raised their voice against the unexplainable delay in issuing NOCs to Small Tea Growers.

The rally of almost 1500 growers, marched through the town to the Land Reforms Department, where a deputation was sent to meet the officials. They submitted a memorandum to the officials.

Mr. Bijay Gopal Chakrobarty, the Joint Secretary of the Small Tea Growers Association, Jalpaiguri and the President of CISTA, said, "no cess or income tax has been levied on the green leaves produced by STGs for the last seven years. Government's decision to implement both of these, from March 1, 2011, is creating great trouble for the STGs". Mr. Chakravarty said that the cess would significantly decrease the profit margins of growers. Therefore, before imposing any financial burden on the small growers, the government should analyze the situation keeping in mind the interests of these growers.

Mr. Rajat Kumar Roy Karjee, joint secretary of the STG Association, said that for unspecified reasons, Small Tea Growers had not been issued NOCs for the last three years. There are almost 10,000 STGs in the nine blocks of the district, but the census report has recorded only 6,000 growers in this area. As a result, growers are unable to take advantage of government schemes pertaining to them. He said that repeated pleas made to the government led to



assurances made by department officials, but no action had been taken. He said that it was therefore urgent that the process of issuing NOC to the small growers be mobilised, so that they might take advantage of government schemes.

In addition, closing of the big plantations in the region due to the strike called by the Professional Transport Workers Union (PTWU) was hurting the price of green leaves in the market. Small tea holdings sell about 20 percent of their produce to the big plantations. In the face of the cessation in the production of the established holdings, the small growers did not have any option other than to sell their produce to Bought Leaf Factories (BLFs). As a result, the price of the raw leaf dropped drastically. Mr. Bijay Gopal Chakrobarty, President of CISTA, confirmed the news.

Kaustav Roy

kaustav.roy998@gmail.com



Observe
International Tea Day

ITD 2011

at Kailasahar, Tripura

Massive Assembly of Small Tea
Growers

National Workshop in Darjeeling

FROM PAGE 1

states, it can form these societies. Bodies such as TRA, IIPM and CEC can train these TPSs, building capacity in technology, management and providing institutional inputs.

A really important development of the workshop was the announcement that the Tea Board would extend a 100 percent grant to TPSs to set up leaf collection centres, plastic bags and weighing balances and a 50 percent grant towards purchasing leaf-carrying vehicles. A recommendation was made that the cap on the one-time capital grant to TPSs should be increased to Rs 7 lakh. It was announced that a revolving corpus fund of Rs 10,000 per ha would be made available for STGs that were part of TPSs which would be supported by TBI, TPSs and individual STGs. It was also announced that the Tea Board would provide a training grant for up to

two members from each TPS. On a related note, it was decided that a subsidy of up to Rs 50 lakh would be provided for setting up mini tea-processing factories along with a bank loan guarantee and an interest subsidy on the bank loan, while the particular society would be responsible for mobilizing a minimum of 25 percent of the total project cost. It was further decided that a subsidy of 25 percent would be given for new planting in hilly areas and a subsidy of 50 percent would be given for replanting unproductive bushes with fresh TRA/UPASI/AAU-certified bushes. To incentivise quality, and to give due recognition to the best performers, it was announced that a cash reward of Rs 1 lakh would be given to the best-performing TPS.

On another note, it was decided that if SHGs or TPS were registered as societies, their members

would be eligible for all benefits or subsidies given by the TBI, regardless of their land title deeds or whether they had NOCs.

A few warning notes were struck. As poor price realization from BLFs during auctions reduces the price of green leaf, collusion during auctions should be actively countered. Similarly, random checks of BLFs by inspectors would ensure quality both in procurement and in production. This would incentivise STGs to ensure quality while plucking. Furthermore, it was decided that BLFs must disclose all details regarding leaf purchase, processing and sales so as to implement price-sharing formulas transparently.

Looking ahead, it was decided that direct linkages between STGs and the domestic and international markets would be explored, that a database of



STG National Workshop, Darjeeling, September 11, 2011

Tea Cultivation in Bodoland

Small Tea Growers (STGs) in Bodoland became more empowered when indigenous people residing in lower Assam realised the huge potential of their land.

At the beginning of the 1990s, a small tribal community of lower Assam, the Bodos, started a small tea growing farm, in what is presently the Udalguri district of Bodoland. The Bodoland Autonomous Council authorities, after its formation in 1993, allocated some funds to the owners of the tea plantations. This in turn enticed other young people to grow tea in uncultivated areas, leading to a rapid growth in the number of tea farms. Interestingly, over a period of time, these gardens gradually reached a position of managing themselves without any additional funds from the Council authorities.

Support from the Government

In the early years, Small Tea Growers from

Bodoland faced numerous problems in marketing their products and increasing their growth. These problems were related to funds, market channels and competition. In later years, they were supported by several measures undertaken by the Tea Board of India.

However, initial support from the Bodoland Autonomous Council was stopped a few years later. The Small Tea Growers Association has requested renewal of the assistance from the Council authorities.

Impact of Tea Cultivation on the People

Tea cultivation in Bodoland has had a great impact on the indigenous people here. Traditionally, the people of Bodoland are agriculturists and very fond of their independence. For them, cultivating tea on their own lands carries great value, and infuses their work with passion.

Huge amounts of previously uncultivated lands have been transformed into productive assets for the people of Bodoland. Thousands of agricultural workers have been freed from the bonds of unemployment. Above all, it has also added

significantly to the national income. Finally, the planting of tea is an eco-friendly activity that maintains an ecological balance.

The Future of Bodoland Tea

The energetic and enthusiastic STGs in Bodoland are very clear about their dream of producing a tea of excellent quality in large quantities. The members of the All Bodoland Small Tea Growers Associations have framed their policies strategically, in order to strengthen the smaller associations at the ground level. The All Bodoland STG Association aims not only at improving quality and quantity of the tea produced, but also at creating a sense of unity among the growers themselves, to enable groups to tackle common issues together. This will ensure that each grower enjoys an equal growth in trade. The growers of the area are striving seriously for their own independent processing unit. This will maintain the authenticity and quality of their product, and establish Bodoland Tea as a reliable brand.

Pijush Goyary
pijuscec@gmail.com

STGs detailing their area of cultivation, yield and leaf collection centres would be maintained by the Tea Board, that special assistance for the cultivation of organic tea would be provided to leverage its high profitability and that a Cha Call Centre managed by the TRA would be set up on the lines of the Kisan Call Centre to give advice to STGs. It was also decided that STG workers would be covered up to Rs 30,000 under schemes such as the Rashtriya Swastha Bima Yojana. As most STG workers are women, there is an urgent need to provide them maternity benefits.

Finally, it was decided that CISTA would be involved in the decision-making process relating to STGs as it has a vision of consolidating STGs at the grassroots level to realize fairer terms of trade and climb the value chain and as it has worked to provide STGs benefits in the areas of networking and advocacy.

Tanmoy Chatterjee
tanmoy@cec-india.org

Project Staff Meets to Strategise

The project staff of EqualiTea met in Jalpaiguri on September 9-10 to plan future activities. The programme included presentations by Partners and Associates of the Project. Role play in which different participants enacted on different characters existing in STG eco-system helped the team to understand the STG tea eco-system. Different project monitoring tools in terms of operational activities and financial reporting were introduced and discussed. The team members were also introduced to project activities, core (networking with STGs and forming PPS, institutionalizing these societies & capacity building) and support (execution of baseline and business survey need, logistical support during training sessions etc). Each of the team members had been allocated monthly target for reaching STGs across five states and forming PPS. It was decided to open google docs for weekly field reporting, accessible to entire project team.



Prospects of Organic Garden in Bodoland

Organic farming is a technique of producing crops to achieve good yields without harming the natural environment or the people who live and work in it. The tea growers' search for better ways of producing crops, to yield larger quantities of produce and to find easy ways of maintaining the tea garden, have led them to the use of chemical fertilisers, pesticides and insecticides. Now, in Bodoland, a tiny group of organic tea producers have set out on a journey to popularise organic tea, with hope for better market and higher demand in the future.

Advantages of Organic Tea Garden

Organic plantation has various advantages:

- Organic plantations are eco-friendly and do not harm the environment around. They do not degrade the quality of the soil or affect the natural balance of the flora and fauna in the area.
- Organic pesticides do not kill the insects, but keep them away for the required period of time.
- As Bodoland is a land of people who are primarily dependent on agriculture, the resources for composted manures are easily available and can be procured at a low cost.
- As people over the world are becoming more health conscious day by day, the demand for organic products will grow in the future.

Vision of Organic Tea Growers in Bodoland

The organic tea growers in Bodoland have made a humble beginning, with the aim to actualise the vision of producing tea under the brand name 'Bodoland Tea', in a market where there is great demand for the same.

Organic tea growers from the Udalguri District sell their leaves to the Singpoo Tribes from Margerita at the Myanmar border. The Singpoo then process the

tea leaves in processing units in their homes and supply them to an agent from Canada. Growers from the Kokrajhar district have just started tipping the tea leaves and processing them in their homes. The growers from both districts plan to establish a processing factory for the organic tea leaves.

Market in the Future

The organic tea growers in Bodoland anticipate a large open market for their green leaves and their processed products in future. Presently, they are supported by a Canada-based NGO, Fertile Ground, which provides training to organic tea growers and connects them with foreign buyers.

For the present, these organic teas will not be sold in the Siliguri Tea Auction. However, in the near future, the growers at these organic tea gardens plan to obtain a certificate from accredited certification bodies, for better recognition and marketing facilities. The certificate, along with the anticipated high demand in the market for the organic green leaves and organically manufactured tea, will ensure a bright future for organic tea growers.

Market Rates

The rates of organic tea in the markets are always higher, as high as double the rate of inorganic tea if the products can be properly channelised. The Singpoo Tribe sells the processed tea at an average rate of Rs 2000 per kg to the Canadian agent.

Conclusion

Though the organic gardens in Bodoland are at the starting point at present, they have immense potential for growth and profit in the future. The advantages of marketing opportunities and high potential market rates, along with the benefits of an eco-friendly production process and the health consciousness of the people, will add value to these products. This will give "Bodoland Tea" great worth in the future.

Revolving Corpus Fund

The Revolving Corpus Fund of the Tea Board of India, set up during the Eleventh Plan is an attempt to help small growers by giving them capital in order to purchase the field inputs such as fertilizers and pesticides that are required to maintain a good quality production throughout the year. The process has been discussed in detail below:

Opening of Bank Account and Grant of Money by the Tea Board of India:

The Revolving Corpus Fund is an arrangement to ensure that the growers have a steady supply of money to purchase field inputs. In the initial stage of its implementation, the Tea Board of India will provide Rs. 10,000 per hectare as the input cost for one year. This will be utilized in the following manner: (i) Fertilizers (NPK) - Rs. 4,500; (ii) Pesticide and Herbicides - Rs. 5000; (iii) Sprayers (proportionate cost) - Rs. 500; TOTAL - Rs. 10, 000.

This amount will be deposited in a bank account opened jointly by the Tea Board of India and the Self-Help Group. Every SHG will have their own bank account, but to access the revolving corpus fund, they must open a separate bank account with the Tea Board of India. One member of the SHG, authorized by the executive committee of the group, will be allowed to operate the joint account on behalf of the SHG. According to the terms of this agreement, the concerned bank will release the fund only with the prior approval of the Tea Board of India. These funds will only be utilized to purchase inputs required for the field operation.

An agreement will be signed with a BLF to ensure that the leaves are supplied without any restrictions on their quantity, while maintaining the quality parameters set by the concerned BLF. The price of green leaf will be paid to the Self Help Group in accordance with the Price Sharing Formula set by the Tea

Board. It will be the responsibility of the BLF to deduct money from the price payable to the SHG for their supply of green leaf in accordance with the instructions of the Tea Board. The Tea Board will determine this amount depending on the actual cost incurred by the SHG in the purchase of materials required for the field operation, making use of the corpus bank account. This money will be deposited in the corpus fund bank account of the BLF.

A Few Necessary Steps for the Implementation of the Scheme:

1. A separate bank account, different from the regular bank account of the Group, has to be opened for the revolving corpus fund. It will be managed by the Tea Board of India and one member of the SHG designated through a resolution passed by the executive committee of the SHG. A copy of this resolution, authorizing the person to access the bank account, has to be submitted.
2. All payments will be made by cheque and the cheque will be drawn on the suppliers.
3. An all-party agreement must be drawn up, to define all the stake-holders' responsibility towards the successful implementation and operation of the corpus fund scheme. The stakeholders include the Bank, the SHG, the BLF and the Tea Board of India.

The scheme can be useful to the small growers if it is implemented in a scrupulous manner. However, only a small section of the growers are a part of Self Help Groups. The definition of what constitutes suitable quality and how to define the percentage of the fine leaf in the total supply is likely to pose a problem. Growers often complain about the percentage procedure followed by the BLF.



Centre for Education and
Communication
173-A, Khirki Village, Malviya Nagar
New Delhi - 110017
T: 91 11 29541858 / 29541841
F: 91 11 29542464 E: cec@cec-india.org
W: www.cec-india.org