

THE NATION

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PLANTATION SECTOR

Brewing resentment



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Assam's small tea growers, who contribute substantially to the total tea production in the country, get a raw deal. By T.K. RAJALAKSHMI in Udalguri, Dibrugarh and Tinsukia

THE idyllic landscape of the tea gardens popularised by Indian movies and picture postcards hides some harsh realities. Behind the huge swathes of green and the big brands that dominate the Assam tea market lies the story of the small tea growers, a constituency that has not received the kind of attention and representation it deserves. Dibrugarh, Tinsukia, Sonitpur, Jorhat, Sibsagar, Golaghat and Nagaon are the seven main tea-cultivating districts in the State. Tea is also grown in Udalguri, Kokrajhar, Chirang and Baksa, the four contiguous districts of the Bodoland Territorial Area District. The area under cultivation by small tea growers is around 2.5 lakh hectares, which accounts for around 33 per cent of the total tea production in the State. It is estimated that nearly 29 per cent of the 1,000 million kilograms of tea produced annually in the country is contributed by the small tea growers of tea-growing States.

The small tea growers of Assam cultivate the crop on small plots that used to be agricultural land. In terms of area, they range from two to 10 acres (one acre = 0.4 hectare). However, they are hardly recognised by the tea industry. Several families in the region subsist on income from tea cultivation on a small scale. Thanks to organisations such as the Centre for Education and Communication (CEC), which is trying to collectivise some of the small growers, and the Assam Small Tea Growers Association (ASTGA) and local trade unions, the problems faced by this segment have come to the fore.

Pranay Basumatary, president of the All Bodoland Small Tea Growers' Association, said the small tea grower was caught between the big tea plantations and the bought leaf factory owners, who controlled the price-fixing mechanism at the retail as well as processing stages. The small grower has no negotiating capacity. Unable to afford the costs of transportation of the processed product, he depends on transport provided either by the local agents/buying centres or owners of bought leaf factories who transport the "made tea" (processed tea) for auction at select auction outlets. At the auction outlets, the produce is tasted, graded, branded and sold to the retailer. The small grower does not get even a fraction of the price paid by the consumer for the branded tea.

Basumatary said: "We need a separate directorate for small tea growers. We made a representation to the Central government in 2007, but nothing happened. We generate employment and in areas such as these [Bodoland areas] where there is disturbance, it helps to engage the youth in productive activities. Many youth who were involved in the movement for a separate Bodoland have surrendered and are now small tea growers. Therefore, some encouragement is needed to keep them engaged."

There are nearly 10,000 small tea growers in the four Bodoland districts, with half of them in Udalguri. "More than three crore tonnes of green leaf is produced in these four districts. Most of us are first-generation tea growers. We do not have marketing outlets. Many of us do not have land *pattas*. That is the first requirement. We would like to set up our own tea factories, but we need capital and technical expertise. The Tea Board of India does not seem to provide much help," he said.

Production of tea, despite being a food crop, is regulated under the Ministry of Commerce, the implementing authority of the Tea Act, 1953. The small tea growers want to start their own bought leaf factories so that they can process and sell their "made tea" at the auction centre. (Assam has one tea auction centre, which is at Guwahati.) A notification issued in October 2015 amending the Tea (Marketing) Control Order, 2003, redefined a bought leaf factory as one that sourced not less than 51 per cent of its tea leaf requirement from other tea growers during a calendar year for the purpose of manufacturing tea. This, in effect, placed the small tea grower at the mercy of the bought leaf factory owners, who could now cite the order to avoid buying more green leaf from the producers and thereby control the rate of the green leaf. The definition also overrules the possibility of a small tea grower setting up a

bought leaf factory to process his own produce.

The order cemented the industry hierarchy further, making it impossible for any small tea grower to aspire to anything beyond the cultivating stage. “Therefore, there is no guarantee that our produce will be bought by the factories. Tea has to reach the factory within five to six hours of its plucking,” he said, adding that there had to be a price-sharing formula at all levels. “We do not even know at what price our tea sells at the auctions. The Tea Board is supposed to help us out here, but it does not happen,” he said.

Mukundo Mosari is a small tea grower in Udalguri. He and 55 other small tea growers formed a society and jointly hired a vehicle to deliver green leaf to a bought leaf factory. “The factory is located 18 kilometres away. It made sense to collect the produce and hire a vehicle for transport, thus eliminating the role of the transport agent. But the problem of off-take still remains. When our production is at its peak, in July, August and September, the factory owners buy less from us. We cannot hold on to green tea indefinitely. This breaks our morale. This also affects the rates that we are able to give to tea pluckers,” he said. Mosari said small tea growers should get at least 50 per cent of the rate at which the “made tea” was sold in the retail market. To set up a factory, small tea growers need land *pattasin* their names. As the land is not registered in their names in a majority of cases, they could not avail themselves of bank loans and subsidies. The size of the landholdings of small tea growers of the Bodoland districts is larger than those in other districts, and they are confident of setting up factories.

Rohit Borgohain, president of the ASTGA, said there were 1.2 lakh small tea growers in the State and they accounted for 33 per cent of the total produce. “More than 1,700 made tea products are sourced from small tea growers. Eight per cent of these tea growers own less than three acres of land, yet we are able to produce organic and green tea, which are exported. Yet, we do not get the price benefits,” he said. Almost 5 per cent of the tea sold as “organic” is produced by small tea growers.

Borgohain told Frontline that the bought leaf factories fixed the rate for green leaf. “They exploit us. It is important that we set up factories,” he said, hoping that the State and the Central governments would facilitate this.

Although Assam is the largest tea-producing State in the country, it does not have a tea research laboratory. Borgohain said it was high time an auction centre was opened in Dibrugarh district, one of the largest tea-growing areas in the country. “The government takes a cess from us for the welfare of tea workers, but more than Rs.106 crore is lying in the corpus unutilised,” he said. Borgohain complained that since October the price small tea growers had got for their produce was less than the cost of production. But their produce is sold at hundred times the rate they get for a kilogram of tea from the bought leaf factories. In Gorudharia, a village in Dibrugarh district, Basudev and Ranjan Sharma have formed a collective of 56 small tea growers and are determined to set up their own factory. “The problem is we operate on a very small scale. In order to avail ourselves of any facility, we need a PAN [permanent account number] card, which many of us do not have. We have to be registered with the Tea Board of India to apply for any facility. We are producers. The government, both in the State and at the Centre, should take some interest. We are aware that there is a huge demand for green tea, and we can produce that by hand rolling instead of using machines. Factory owners are interested only in quantity, not quality,” they said. The Rangagora Small Tea Growers Society in Tinsukia has set up its own green leaf storage warehouse with some help from the Tea Board of India. Basudev and Ranjan want to establish a similar warehouse to store plucked and processed leaves.

Ajit Kumar Giri of Tinsukia said: “Earlier, whenever we went to sell green leaf to factory owners, they would never offer us a chair to sit on. After we collectivised and formed a group, they have started taking us seriously. But the real challenge is to reach our produce to the market.” The rate per kilogram of green leaf has gone up. “Earlier, the rates never rose beyond Rs.15 a kg. Now, it does not fall below Rs.15 and sometimes we get Rs.24-25 a kg,” he said.

Rana Moran, president of the Organic Small Tea Growers’ Association, told Frontline that small tea growers would benefit only if the government granted export licences. “For that, Parliament has to legislate and introduce easy ways of certification under the Tea (Marketing) Control Order by making amendments in the Tea Act,” he said.

Colonial law

The Tea Act was a colonial piece of legislation and it needed drastic amendments, said J. John, CEC’s executive director. Until the early 1990s, 98 per cent of the tea was produced by big plantations. The Tea Research Institute was set up by plantation owners, and tea trade was controlled by the Indian Tea Association, a plantation owners’ body. The Tea (Marketing) Control Order regulated and set the norms for marketing. It was only in 1985 that the government started encouraging tea cultivation outside the plantations. This increased the area of cultivation under tea, but no facilities for processing and marketing the produce were made available to small tea growers. The per capita consumption of tea in Assam is still among the lowest in the tea-producing areas of the world because of the costs of tea at the retail stage. Many of the big brands procure the green leaf from small growers. In fact, one particular multinational company does not own a single plantation now.

John said the Tea Board of India had recommended that at least 60 per cent of the price realised at the auction should go to the grower, but most often the growers never got to know at what rate their tea had been auctioned. The leaf agents, who procure the green leaf from the growers, keep the latter in debt. They use muscle power and other means to exploit the growers. If the growers get Rs.91 a kg from the leaf agent, the agent gets Rs.141 from the bought leaf factory owner.

Swadesh Dev Roye, national secretary of the Centre of Indian Trade Unions (CITU), told Frontline that the small tea growers’ problems were genuine, but their handling of the labour they employed for plucking was problematic. Tea is classified as a plantation crop, and plantation workers are protected under the Plantation Labour Act. But small tea growers were exempt from any obligation under the Plantation Act. “When tea plantation workers in West Bengal and Assam are not given minimum wages, it is unlikely that small tea growers pay their labour minimum wages,” he said. Both need some form of statutory regulation, small tea growers as well as workers employed by them, he said.

For a commodity that is consumed on a regular basis and for which the consumer pays considerable amounts, it makes sense to encourage the small tea grower.

