

The wilting tea industry of North Bengal

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A closed tea processing factory of Lankapara tea garden in North Bengal ASHOKE CHAKRABARTY
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From Nangdala More on NH 31D, near Birpara in Alipurduar, there are five tea gardens on the way to the Bhutan border.

Four of them – Demdima, Jaybirpara, Bandhapani and Dekhlapara – are closed, wiping out 5,000 permanent and an identical number of temporary job opportunities.

Most of the able-bodied have left for other States in search of jobs. The women, children and the elderly subsist by collecting stones, used in construction, from the dry beds of scores of seasonal rivers flowing down from the Bhutan hills.

Welcome to the stressed tea industry of West Bengal, spread over roughly four districts in North Bengal.

Excluding some 10 million kg (mkg) from Darjeeling, the region produces over 300 mkg of tea annually (25 per cent of national production), with 60 per cent of the total contributed by large plantations employing 2.64 lakh permanent and a larger number of casual workers.

But industry insiders claim that barely 30-35 gardens out of 195 make profits. Some 30-32 gardens are closed or abandoned. Nearly half the closed gardens are concentrated near Birpara, especially in the Madarihat block.

Environmental decay

There is no specific reason behind the heavy concentration of sick assets here.

In a recent appeal to the State administration, the Indian Tea Association reported that rampant dolomite quarrying in parts of Bhutan had had a serious impact on the tea industry here.

In the rainy season, the dolomite extract is washed down to the plains, making the soil alkaline and rendering it unsuitable for plantation.

Responding to the appeal, the district administration of Alipurduar recently ordered setting up of an air and water quality monitoring centre bordering the Jayanti hills.

Management failure

Abhijit Majumder, son of the late Naxalite ideologue Charu Majumder and a prominent leader of the CPI (M-L), says management failure is the prime cause of the sickness.

“The boom in tea prices in the 1990s,” he says, “lured many to own gardens for quick returns. The subsequent crash between 2000 and 2006 found them cutting corners, damaging the asset quality and defaulting on workers’ dues.”

The entry of money-collection companies (or chit funds) from the middle of the last decade added to the woes.

Take the case of Bandapani.

Till 1995, when it changed hands, the garden was producing 9 lakh kg of tea without any major history of work stoppage.

According to Suryaman Tamang, a former head clerk, as the prices crashed, the new management (Alipurduar Enterprises) reduced consumption of agri-inputs and neglected measures to check dolomite seepage from the Dhumchi river, which flows through the estate.

This led to a steady decline in production, further impacting the cash flow. In 2010, the asset was sold to the money-collection outfit, Saradha Pleasure and Adventure, which went bust in 2013, with ₹4.7 crore dues against PF and gratuity.

Locals allege that 12 Duncan Goenka gardens similarly closed down last year.

Compare this with Gairkhata tea garden of Gillanders Arbuthnot. It too suffered losses during the tough market conditions. But, today, the garden records 50 per cent higher yield than the regional average. And its teas fetch a 40 per cent premium price.

Pressure on prices

Tea industry sources admit to management failures. But they claim that more fundamental reasons are pushing even well-managed gardens to slow death.

At the heart of the controversy is the proliferation of small growers and 'project gardens' during the Left Front rule.

There are at least 70 project gardens (including two of Duncan Goenka) in North Bengal operating outside the purview of the Plantation Labour Act.

Sources say that to complete the vicious cycle, project garden owners control a majority of the 164 bought-leaf-factories (BLF) in the region, dictating the price of green-leaf on small growers.

According to Bijoy Gopal Chakraborty, President of the Confederation of Indian Small Tea Growers Associations (CISTA), farmers received an average price of ₹10/kg in 2015. The tea was sold in the market at ₹50-55.

"Complying with regulations comes at a cost. Unless market fundamentals are set right, a majority of the gardens in the region will down shutters over the next decade," says one of the top 30 garden owners in Dooars.

If he is right, North Bengal's economy is headed for major trouble in the days ahead.

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