



Mains Practice Question

Q. Despite being the second-largest producer of tea globally, there are challenges faced by the Tea industry in India. Highlight some government initiatives to promote the growth of the tea industry. (250 words)

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Approach

- Start your answer by giving a brief introduction of status of tea sector in India.
- Discuss challenges faced by tea sector in India.
- Discuss some government initiatives for the promotion of tea industry.
- Conclude accordingly.

Introduction

- India is the **second-largest producer of tea globally**. Further, the **northern part of India is the biggest producer** at about **83% of the country's annual tea production in 2021-22** with the majority of the production coming from Assam followed by West Bengal.
- The **southern part of India produces about 17% of the country's total production** with the major producing states being **Tamil Nadu, Kerala, and Karnataka**.

Body

- Despite India being the world's top tea consuming countries and is among the top 5 tea exporters in the world making about **10% of the total exports**, the production in the country is slowing down and its unable to optimize full potential due to various challenges as follows:
- **Challenges:**
 - **Tea prices started declining:** Across the world, tea's auction price has declined in the recent past as per World Bank's report. And also, no proper steps were taken to improvise the quality of tea being produced in India to raise the price margins as the profits were often used for something else and not for the tea gardens.
 - **Less Production:** Tea industry is facing number of problems such as financial problems, power problems, labor issues, poor labor schemes, inadequate communication system, increased pollution fee, less subsidy for transport etc. This kind of situation have put the tea industry in North East India in a hopeless situation, resulting in low production of tea and tea leaves.
 - **Climatic Conditions:** If climatic conditions are unfavorable for tea plantations owing to less or heavy rainfall that also poses severe problems affecting the production of tea and lives of tea industry laborers.
 - **Pest Problem:** Bacterial black spot is a disease that spreads and spoils the tea leaves. North East Tea Estates are prone to this kind of a disease spread by a bug and this is also an issue that affects tea industry
 - **Low wages for laborers:** As price realization of tea is very less in the international market and as temporary laborers are used in the peak seasons, usually the wages paid for tea industry laborers are very less. This made some of them starve and leave out the industry.

- **Quality deterioration:** As importance is given only to production increase and not for quality improvement, Indian tea known for its superior taste may lose its market in the international arena if quality is not taken care of.
- **Government initiatives:**
 - **Promotion for packaged Tea of Indian origin:**
 - The scheme provides assistance in promotional campaigns - up to 25% of the cost reimbursement, display in International Departmental Stores, product literature and website development, and inspection charges reimbursement of up to 25% of the charges.
 - **Subsidies for Domestic Exporters:**
 - The Tea Board also provides subsidies to the domestic exporters to participate in International Fairs and Exhibitions.
 - **Tea Development and Promotion Scheme:**
 - This scheme was launched in November 2021 by the Tea Board of India for the period of 2021-26.
 - The objective of this scheme is to enhance the productivity and quality of the production in India.

Conclusion

- India being the second largest producer of Tea has numerous opportunities to develop the Tea Industry as it is providing employment to a huge number of people in the north eastern states. As Global production of tea in 2017 got reduced because of problems faced by Kenya and other countries who are also the major suppliers of tea to the world.
- India now has the best opportunity to penetrate through the world market. And also, recently tea production of India has increased from previous years thus showing a positive sign of reviving back as demand is increasing that in turn leading to increased prices. It is the policy makers who have to formulate strategies to keep this industry alive.