



India's Tea Industry

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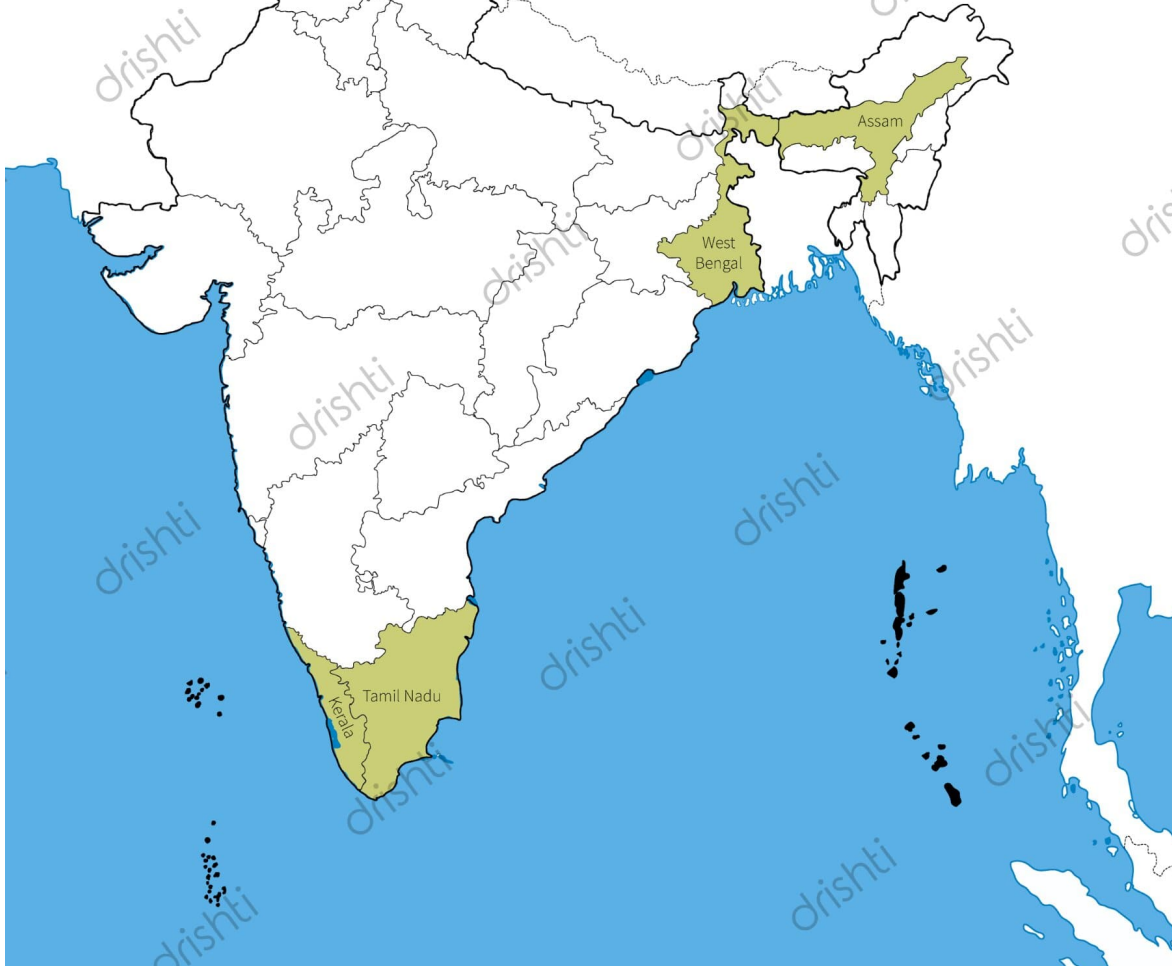
Why in News?

According to the **Executive Director of the International Tea Committee**, India has the potential to become a **global tea superpower**, supported by its strong **production capacity**, large **consumption base**, and growing **export opportunities**.

Current Status of India's Tea Market

- **Major Producers:** India ranks as the **2nd largest producer and consumer of tea** and the **3rd largest exporter**. **Kenya**, the **top exporter**, ships nearly all its **output**, while **China** is the **2nd largest exporter**.
- **Tea Producing Regions:** In India, major tea growing states are **Assam (Assam valley and Cachar)**, **West Bengal (Dooars, Terai and Darjeeling)**, **Tamil Nadu** and **Kerala** that account for about **96% of the total tea production**.
- **Consumption:** India is a top **tea-consuming country**, using **80% of its production** domestically, with a **per capita consumption** of **840 gm/year (Highest: Turkey, 3 kg/year)**.
- **Exports:** India exports tea to over **25 countries**, with major importers including **Russia, Iran, UAE, USA, UK, Germany, and China**.
 - About **96% of India's tea exports** is **black tea**, with other exported types including **regular, green, herbal, masala, and lemon tea**.

Major Tea Producing States



What are the Key Facts Regarding Tea?

- **About:** Tea is a beverage made from the **Camellia sinensis** plant and is the **world's most consumed drink after water**.
- **Tea Board of India:** Established under the [Tea Act of 1953](#), it is a **statutory body** under the **Ministry of Commerce** with its **head office in Kolkata** and overseas offices in **London, Dubai, and Moscow**.
 - Provides financial and technical support for the cultivation, production, and marketing of tea.
- **Growth Conditions:**
 - **Climate:** Tea is a tropical and sub-tropical crop that thrives in **hot, humid conditions**.
 - **Temperature:** It grows best between **20°-30°C**, while temperatures **above 35°C or below 10°C** can damage the plant.
 - **Rainfall:** Requires **150-300 cm of well-distributed rainfall** annually.
 - **Soil:** Prefers **slightly acidic, calcium-free soil** with a **porous sub-soil** to allow free water percolation.

▪ Factors Contributing to the Crisis in Industry:

- **Weather-Driven Decline:** Extreme heat in May 2024 followed by **flooding in Assam** cut India's tea production by **30% to 90.92 million kg**, its lowest in over a decade.
- **Supply-Demand Imbalance:** There is a growing gap between the demand for tea and its supply, creating further pressure on the industry.
- **Stagnant Prices:** Assam, which accounts for 55% of India's tea production, has been particularly affected by stagnant prices.
Intense Competition: India is facing stiff competition from other major tea-producing countries like Kenya.
- **Rising Input Costs:** Over the past decade, the costs of essential inputs have increased by 9-15%, while tea prices have only risen by 4%.
 - The ban on 20 **pesticides** raised **tea prices** due to costly alternatives further straining the profitability of the sector.

How can India Ensure the Sustainability of its Tea Industry?

- **Shift to Quality & Value Addition:** Promote **GI-tagged**, **specialty**, and **branded teas** for better **export prices**.
- **Diversify Export Markets:** Target **South America, Middle East, and Africa** to reduce reliance on volatile markets.
- **Boost Domestic Consumption:** Increase **per capita intake** through marketing, **ready-to-drink (RTD)**, flavored, and wellness teas.
- **Improve Farm-Gate Value:** Ensure **small growers** receive a fairer share via **direct markets, Farmer Producer Organizations (FPOs), and transparent auctions**.
- **Learning from Other Countries:** Equip farmers to produce **high-quality, sustainable tea**; Kenya's **Farmer Field Schools (FFSs)** provide hands-on training in **planting, fine-plucking, and certification preparation**.

Conclusion

The Indian **tea industry** stands at a crossroads, balancing its **global potential** against severe challenges like **climate vulnerability** and **low value realization**. Achieving **sustainable profitability** requires a strategic shift from **volume to quality, empowering small growers**, and **innovating** for both **export and domestic markets**.

Drishti Mains Question:

Q. Examine the current status and challenges of India's tea industry and suggest measures for its sustainability.

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims

Q. With reference to the "Tea Board" in India, consider the following statements: (2022)

1. The Tea Board is a statutory body.
2. It is a regulatory body attached to the Ministry of Agriculture and Farmers Welfare.
3. The Tea Board's Head Office is situated in Bengaluru.
4. The Board has overseas offices at Dubai and Moscow.

Which of the statements given above are correct?

(a) 1 and 3

(b) 2 and 4

(c) 3 and 4

(d) 1 and 4

Ans: (d)

Mains

Q. Whereas the British planters had developed tea gardens all along the Shivaliks and Lesser Himalayas from Assam to Himachal Pradesh, in effect they did not succeed beyond the Darjeeling area. Explain. (2014)

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