

STATUS PAPER ON

SMALL TEA SECTOR OF ASSAM

Jointly submitted by

**All Assam Small Tea Growers Association (AASTGA) &
All Bodoland Small Tea Growers Association (ABSTGA)**



To the

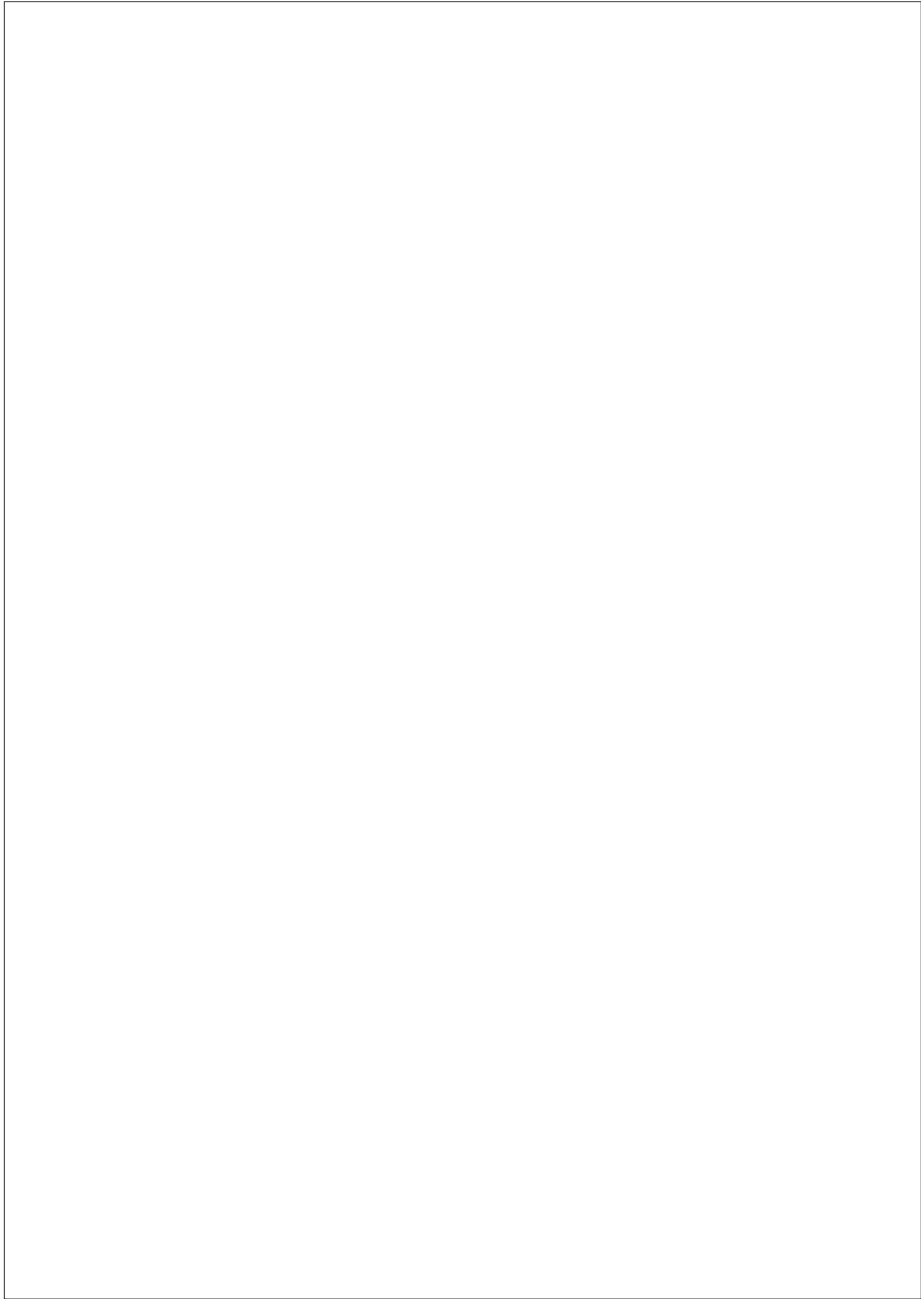
**Government of Assam *for*
Seeking Policy Intervention**

Prepared with support from

INDIAN TEA ASSOCIATION (ITA) & SOLIDARIDAD ASIA



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Acknowledgment

The preparation of this Status Paper on the Small Tea Sector in Assam, intended for submission to the Government of Assam, has been made possible through the invaluable contributions of various individuals and organizations. Their insights, expertise, and unwavering support have been crucial in addressing the challenges faced by small tea growers and in identifying the necessary policy interventions to enhance their position within the tea value chain.

On behalf of the All-Assam Small Tea Growers Association (AASTGA) and the All Bodoland Small Tea Growers Association (ABSTGA), we would like to express our deepest gratitude to the following contributors:

All Executive Members of the Central and District Committees of AASTGA (Tinsukia, Dibrugarh, and Jorhat) and ABSTGA (Udalguri).

The lead farmers who actively participated in the consultative meetings organized by the Indian Tea Association (ITA)

The Secretary, Sustainability Cell of ITA, for convening the consultative meetings and compiling the recommendations from small tea growers.

Farm Support Centres of Solidaridad Asia – Tinsukia, Dibrugarh, Jorhat, and Udalguri.

Their dedication to the cause of empowering small tea growers in Assam has significantly enriched this document. We hope that the recommendations outlined in this paper will lay the foundation for meaningful policy interventions, facilitating the upward movement of small tea growers within the tea industry.

We would also like to acknowledge:

BDO India LLP: A highly reputable consultancy agency with extensive expertise in the tea industry. The expert study team from BDO conducted, on behalf of Solidaridad Asia on-site visits to tea production areas across Assam, allowing them to assess ground realities and engage with key stakeholders in the small tea sector. The team gathered information from both primary and secondary sources, including the Tea Board of India and small tea growers' associations. The accuracy and completeness of the information provided to Solidaridad were vital to the assessments presented in this report.

Solidaridad Network Asia Limited: An international civil society organization with a significant presence and a wide-reaching network, particularly among small farmers in Asia. Solidaridad has been collaborating with the small tea sector in India since 2012, leading numerous innovative initiatives, including field training, mechanization, traceability, and sustainability programs. These initiatives are designed to uplift small tea growers and manufacturers by enhancing their position in the value chain.

AASTGA and ABSTGA would like to express our heartfelt gratitude to Solidaridad Asia for their financial support in the preparation of this report. Their assistance has been invaluable in our pursuit of a thriving and sustainable small tea industry in Assam.

Acronyms & Abbreviations

BLF	Bought Leaf Factory
CAGR	Compounded Annual Growth Rate
CTC	Crush Tear Curl (type of black tea,
EF	Estate Factory
FO	Farmers' Organization
FPC	Farmers' Producer Company
FPO	Farmers' Producer Organization
FY	Financial Year
GAP	Good Agricultural Practice
GDP	Gross Domestic Product
GoI	Government of India
Ha	Hectare
INR	Indian Rupees
Kg	Kilogram
KVK	Krishi Vigyan Kendra
MoC	Ministry of Commerce
MT	Metric Ton
NABARD	National Bank for Agriculture and Rural Development
NER	North-Eastern Region
NGO	Non-Governmental Organization
PSF	Price Sharing Formula
RTG	Regulated Tea Growers
SHG	Self Help Group
STG	Smallholder Tea Growers
TBI	Tea Board of India

TABLE OF CONTENTS

Sl.#	Subject	Page #
1.	Acknowledgments	2
	Acronyms & Abbreviations	3
	Table of Contents, List of Graphs and Tables	4
1.1	Introduction	6
1.2	Executive Summary	12
Chapter -1	Overview of Tea Production and spread of small tea growers (STG) in India	13-16
Chapter -2	Overview of the Small Tea Sector in Assam	17-19
Chapter -3	Small Tea Growers: The Vulnerable Link in the Tea Value Chain	20-23
Chapter -4	Challenges Impacting STGs	24-29
Chapter -5	Strategic Intervention Areas	30-32
Chapter -6	Joint Initiatives by STGAs, Indian Tea Association, and Solidaridad Asia	33-38

ANNEXURES

1	Press Release from IIT Guwahati dated 14/09/2023	39-40
2	Suggestions for Reviewing the Tea Cess Utilization Policy 2022	41-42
3	Feedback received through consultative meetings held in the Districts of Tinsukia, Dibrugarh, Jorhat and Udalguri.	43-46
4.	Photographs and video links highlighting various ongoing sustainability programme activities since 2019 on wards:	47-48
5.	All Assam Small Tea Growers Association All Bodoland Small Tea Growers Association	48

Fig #	GRAPHS	Page #
1	Spread of small Tea Growers in India in 2023	13
2	Percentage Share of STGs in total tea production in India	13
3	Growth in Tea production of India and Share of STGs Production over the years	15
4	Comparative Analysis of increase in Cost of Production (COP) vis a vis auction price from 2017-2021 (in INR/kg)	15
5	Auction Price of Tea (FY 2013 – 22)	16
6	Schematic representation of Tea value chain in Assam	17
7	Number of STGs and their Land Coverage (in hectares) (2011-2021)	18
8	District Wise STG Production in Assam	18
9	Profile of the Big eight Tea Producing Districts of Assam	19
10	STG Value Chain	25
11	Cost build up across tea value chain	26
12	Comparative Analysis of increase in Green Leaf Price and Cost of Production	27
13	Production contribution expected in India by 2030 (Big Growers vs. STGs)	28
14	Major collaborators of the Trinitea programme	33
15	Activities Supported under Trinitea Programme	34
16	Trinitea Sustainability Framework	34
17	Trinitea Assessment Process	35
18	Rating of the Growers based on their compliance to the Trinitea Framework	35
19	Traceability through Solitrace App	36
20	Benefits of Traceability through Solitrace App	36
21	Trinitea Framework Compliance Status	37
22	Linking the Grower's collectives with Tea Factories in the near vicinity of the villages	38

Table #	TABLES	Page #
1	Tea Area and Production in Assam and relative share of Big and small gardens	17
2	Major Tea Districts of Assam	19
3	Average Size of Tea Area Owned by Small Tea Growers	20
4	State-wise Current EPSF	22
5	Skewness in distribution of BLFs in major tea producing districts of Assam	24
6	Support Measures required for optimizing cost of production for small Tea Growers:	31
7	Status of assessments carried out so far in ASSAM (From April 2019 to June 2023)	37

INTRODUCTION

The tea industry holds immense significance in Assam's economic and cultural heritage, having been a vital part of the state's identity for nearly two centuries. It plays a crucial role in providing livelihood opportunities to people in rural areas with limited alternative income sources. With a legacy of 200 years, the industry has undergone significant changes while maintaining its inherent strength and global standing. As the largest tea-producing state in India, Assam accounts for 51% of the nation's tea production.

To sustain the tea industry's position as a formidable force in the state's tea landscape, the Government of Assam has implemented several measures to address the emerging challenges of the rapidly growing small tea growers segment, which now contributes 48% of Assam's total tea production. Despite proactive initiatives by the state government, several challenges persist in the supply chain that can only be resolved through targeted policy interventions.

This status paper on the small tea sector in Assam has been jointly prepared by the All Assam Small Tea Growers Association (AASTGA) and the All Bodoland Small Tea Growers Association (ABSTGA). The purpose of this document is to bring to the attention of the Government of Assam, the current status and challenges faced by the small tea sector and to seek policy intervention from the Ministry of Commerce and Industries to address these challenges, thereby ensuring economically sustainable returns for small growers and manufacturers in Assam

The preparation of this report has benefited significantly from the support of the Indian Tea Association, the largest tea association in India with extensive domain knowledge of the tea industry in North India, and Solidaridad Network Asia Limited, an international civil society organization with a strong presence and network covering small tea growers (STGs) across Asia. Since 2019, Solidaridad has collaborated with the small tea sector in India, undertaking various innovative initiatives, including training small tea growers on good agricultural practices and implementing sustainability measures to help small growers and manufacturers advance in the value chain. For the first time, small tea growers have been digitally enumerated, and their compliance with sustainability frameworks has been closely monitored.

The digital data gathered over the past five years has been utilized for an in-depth analysis of the small tea sector in four major tea-producing districts of Assam: Tinsukia, Dibrugarh, Jorhat, and Udalguri. Additionally, reliable primary and secondary information from the Tea Board of India and producer associations has been considered. The assessment made in this paper is based on the completeness and accuracy of this information in all material respects.

We express our sincere thanks to the Indian Tea Association and Solidaridad Asia for their invaluable contributions to creating this status paper, which highlights the pressing issues of Assam's small tea sector. This paper endeavors to analyze the current status of the small tea sector in Assam, its strengths, and the opportunities it can leverage to retain its competitiveness. It also underscores the critical need for policy intervention by the Government of Assam to address issues such as stagnation in tea prices and explores avenues for strengthening the small tea segment to establish a robust linkage in the value chain.

The action points on which we seek the State Government's support are crucial for the sustainable and holistic development of Assam's small tea sector. We look forward to the State Government's continued efforts in our transformative journey, with renewed enthusiasm and determination to embrace the Amrit Kaal—a period of growth, prosperity, and sustainability.

Executive Summary & Recommendations

The growth and development of the small tea sector in Assam since 1978 tell a compelling story of challenges overcome by a group of enterprising entrepreneurs, resulting in a socio-economic transformation in Assam's rural economy. Tea cultivation emerged as a more economically viable alternative to traditional, non-tea crops, which offered limited returns to farmers. This transition was expected to yield better returns on investment and improve living standards.

The small tea growers in Assam now contribute over 48% of the state's total tea production, playing a critical role in the future of the tea sector. Recognizing their significance, the Government of Assam has already initiated various measures to support these growers. In alignment with this commitment, this status report has been prepared to highlight the challenges faced by small tea growers and to propose policy interventions that the government can undertake to address these challenges effectively.

To prepare this status report in collaboration with the Indian Tea Association and Solidaridad Asia, consultations were conducted with the small tea grower members of the All-Assam Small Tea Growers Association (AASTGA) and the All-Bodoland Small Tea Grower Association (ABSTGA). These consultations took place in the districts of Tinsukia, Dibrugarh, Jorhat, and Udalguri on various dates between August and October 2023. The purpose of these meetings was to provide an open platform for participants to discuss the challenges they face and to suggest solutions that would best serve the interests of small tea growers. Representatives from ABITA, Solidaridad, ITA Kolkata, and executive committee members from the STG Associations attended these consultations. The feedback gathered during these sessions forms the foundation of this status report and the summary of recommendations provided.

This summary and recommendations aim to provide actionable steps for the Government of Assam to support the small tea sector and ensure its sustainable growth.

This report provides a comprehensive analysis of the structural issues and critical challenges confronting small tea growers, including:

Limited Bargaining Power: Due to small land holdings, growers struggle to negotiate fair prices with leaf agents, bought leaf factories (BLFs), and input suppliers.

Limited Access to Financial Support: There is inadequate financial backing for infrastructure development in areas such as processing, storage, and value addition, which could help reduce dependence on intermediaries.

Limited Access to Training and Technology: Compared to their counterparts in the organized sector, small tea growers have limited access to training on good agricultural practices (GAPs), extension services, technology adoption, and digital tools.

Price Distortion: Intermediaries and tea factories often cause price distortions, leading to suboptimal price realization for small tea growers.

The lack of access to various schemes available to small farmers in the agricultural sector, coupled with

low price realization, raises serious concerns about the viability of small tea growers. If these trends persist, there is a risk that small tea growers may shift away from tea cultivation, which would not only impact the tea supply in the country but also affect the livelihoods of thousands of people directly and indirectly associated with the tea industry. This, in turn, would hinder economic development in remote regions with limited alternative livelihood opportunities.

To address these issues and enhance the skills and bargaining power of small tea growers, the following policy interventions are recommended for immediate implementation by the State Government:

1. Ensuing Fair and Remunerative Prices for Small Tea Farmers

Currently, many tea growers in Assam are unaware of the price-sharing formula (PSF) established by the Tea Board, which mandates a 65:35 split of the net sale average between small tea growers (STGs) and Bought Leaf Factories (BLFs). Due to lack of transparency in the supply chain, this formula is not being properly implemented by tea factories. The main issue stems from the role of leaf agents, who serve as intermediaries between growers and tea factories. The state could provide support to agents in maintaining leaf quality, particularly in storage and transportation. Additionally, agents should be required to disclose demographic information, the quality of green leaf purchased, the names of growers, and the prices at which the green leaf was procured and sold. The prospects of benchmarking green leaf price to cost of production indexed to quality (fine leaf) could be examined.

1.1 The Government of Assam to advise Tea Board for total review of the present Price Sharing Formula and come out with fair price sharing mechanism

The price-sharing formula as notified by the Tea Board requires a review. The practice of notifying a Minimum Benchmark Price for each district every month should be discontinued immediately. Instead, factories should be directed to share the Net Sale Average price realized (including both Auction and Private Sales) in a 65:35 ratio. Until the Tea Board establishes an IT system to track the Net Sale Average Price, it is recommended that the Tea Board publish the actual price realized by each factory in local vernacular newspapers to keep growers informed.

Rationale: According to the Tea (Marketing) Control Order (TMCO), each factory is required to submit sales details in Form 'E', which includes the actual volume of tea produced each month, the quantities sold through auctions and private sales, and the prices obtained. This information provides a comprehensive view of the Net Sale Average price achieved by individual factories that source green leaf from small tea growers. By applying the 65:35 ratio to this Net Sale Average, the exact price to be shared with small tea growers can be determined.

However, due to the non-submission of Form 'E' by the majority of factories, the Tea Board often relies on the Auction Sale Average to notify the Minimum Benchmark Price (MBP) payable by tea factories in each district. It has been observed that tea factories, particularly Bought Leaf Factories, tend to sell the higher-quality primary grades privately while offering lower-quality secondary grades for auction. Since auction prices are influenced by the quality of the tea offered, the prices realized for secondary

grades are generally lower. Relying on these lower prices as the MBP does not accurately reflect the true prices obtained by the factories for their primary grades.

2. Providing Training on Good Agricultural Practices (GAPs) and Climate-Smart Agriculture

Nearly 50% of Assam's tea production comes from small tea growers, whose numbers have surged from 657 in 1990 to over 122,000 today, covering a planted area of approximately 1.14 lakh hectares. Despite their increasing contribution, small tea growers continue to face limited profit margins due to poor market access, low price realization, and inefficient production structures. A major concern is the insufficient adoption of good agricultural practices (GAPs) among these growers.

Many small tea growers have not conducted soil testing since planting and often overuse fertilizers and pesticides. Additionally, poor plucking standards, lack of pruning, and inadequate drainage and shade management contribute to the declining quality of their tea. To address these challenges, the State Government should consider establishing a Directorate for Tea Smallholders and Bought Leaf Factories (BLFs) to coordinate support services and foster the development of entrepreneurial farmer organizations.

Given the large number of small tea growers and BLFs, the Directorate should be well-staffed with technically trained personnel, including one technical officer for every 2,000 growers and one Factory Advisory Officer for every 20 BLFs. These officers should receive induction training at the Tea Science Department of Assam Agricultural University (AAU). Furthermore, Krishi Vigyan Kendras (KVKs) in Assam should be required to include tea as a focus crop, with specialized training associates in tea science. The necessary funds for this initiative could be drawn from the corpus created by the Green Leaf Cess levied in the past.

2.1 Extension of Krishi Vigyan Kendra (KVK) Training Facilities to Small Tea Growers:

Rationale: Many small tea growers in Assam have transitioned from agricultural farming to tea cultivation, but they often lack the necessary knowledge of tea crop husbandry techniques. While agricultural farmers benefit from training on Good Agricultural Practices (GAP), tea growers are typically excluded from such opportunities. Given the fragmented and scattered nature of small tea holdings across most districts in Assam, it is nearly impossible for organizations like the Tea Board or the Tea Research Association to provide effective extension services.

However, in Assam, Krishi Vigyan Kendras (KVKs) have been established in every district to provide training on GAP to agricultural farmers. These KVKs are under the administrative control of Assam Agriculture University (AAU). As AAU is a state university, the state government can instruct the university to include tea as a subject for training at KVKs in all tea-producing districts.

Although there are more than 26 KVKs in the state, at least 8 KVKs in the major tea-growing districts—Tinsukia, Dibrugarh, Sibsagar, Jorhat, Golaghat, Sonitpur, Udalguri, and Lakhimpur—should be mandated to offer training specifically for tea growers. These 8 districts account for 85% of the tea produced by the small tea sector in Assam. Given that tea is a specialized crop compared to other agricultural products, KVKs should be equipped with Tea Subject Matter Specialists. Additionally, a cadre of tea technical officers should be created and attached to the District Agriculture Officers to provide grassroots advisory support to growers. The financial resources needed for hiring these specialists and technical officers could be sourced from the green leaf cess collected from small tea growers.

3. Extending the benefits of the schemes that are applicable to Agriculture Farmers to Small Tea Growers as well

Noted below are the list of schemes that are applicable to agri-formers and not applicable to tea growers:

S. No.	Scheme
1	Pradhan Mantri Fasal Bima Yojana
2	Kisan Credit Card
3	PM Kisan Samman Nidhi
4	PM Kusum
5	Krishi Vigyan Kendras
6	Pradhan Mantri Krishi Sinchayi Yojana
7	PM Annadata Aay Sanrakshan Abhiyan Yojana
8	Innovation and Agri-entrepreneurship Development programme
9	Agriculture Infrastructure Fund (AIF)
10	PM Kisan Sampada Yojana
11	Agriculture Marketing Infrastructure

3.1 To support small tea growers, tea should be treated as an agricultural crop in Assam.

Rationale: Average landholding size of small tea growers is around 1.00 hectare. Currently, 58% of their land is used for tea cultivation, and the remaining 42% is used for other crops. On analyzing the actual holding size of growers, it is noted that 27% of the growers own less than 0.5 hectares, 46% of the growers own between 0.5 to 1.00 hectares and 19% of the growers own between 1 & 2 hectares. Only 8% of the growers own between 2 and 10 hectares. It would be evident from this breakup of holding size that Tea is not a bread winning crop for the growers and they remain as subsistence farmers. By classifying tea as an agricultural crop and extending the agricultural schemes to tea growers also would help them to move up from subsistence to sustainability.

4. Establishment of Authorized Field Input Supply Centers in Major Tea-Growing Districts of Assam for Growers to Access Genuine Inputs

Rationale: Due to the stringent norms set by FSSAI, many teas produced by Bought Leaf Factories (BLFs) fail to meet the Maximum Residue Limit (MRL) standards. Growers, lacking proper knowledge of crop protection, often rely on whatever chemicals are provided by pesticide dealers, which can lead to the use of hazardous, banned substances. To address this issue, the Government of Assam should establish authorized input supply centers in the eight major tea-growing districts. These centers would stock only approved inputs and sell them to growers at government-regulated prices, ensuring the use of safe and effective materials.

5. Promotion of Collectivization Among Small Tea Growers

Rationale: The fragmented and scattered nature of small tea growers makes it difficult for them to

gather the necessary resources for field maintenance. Issues such as poor plucking standards, improper pruning cycles, and inadequate fertilization and plant protection lead to higher costs and lower productivity. This situation can be improved by encouraging small tea growers to form collectives—such as Self-Help Groups (SHGs) or Farmer Producer Organizations (FPOs). These collectives can leverage their combined strength to secure financial resources from banks, purchase field inputs and machinery at wholesale rates, and negotiate better prices for their green leaf from factories.

6. Facilitating Financial Linkages for Small Collectives and Providing Loan Guarantees

Rationale: Even if small tea growers form collectives like SHGs or FPOs, they may struggle to secure resources from banks without government-backed guarantees. The state government should establish an authority to regulate SHGs, FPOs, and leaf aggregators. This authority would assess their financial needs and recommend them to financial institutions for loans, providing guarantees to ensure loan repayment. The regulatory authority could be funded by the corpus created from the green leaf cess to support its regulatory functions, provide margin money, and offer loan guarantees to these collectives.

7. Supporting the Establishment of Micro and Mini Tea Factories by Small Growers

Rationale: Both the Tea Board and the Government of Assam are encouraging small tea growers and collectives to establish their own mini, micro, or larger tea factories, with the Tea Board offering a subsidy of 40% of the cost, subject to a ceiling. Despite this generous subsidy, growers and collectives often struggle to set up factories due to a lack of bridge loans from banks. The State Government's regulatory authority could assist these enterprising growers and collectives by helping them secure bridge loans from banks, providing the necessary margin money, and offering guarantees for these loans.

8. Preventing the Influx of Green Leaf from Neighboring States like Arunachal Pradesh and Nagaland

Rationale: While Assam's small tea growers generally maintain a certain standard of green leaf quality, this is not always the case for green leaf entering Assam from neighboring states, particularly Arunachal Pradesh. The large volume of lower-quality green leaf from Arunachal Pradesh negatively impacts the overall quality of leaf received by factories in Assam, leading to poor price realization for the made tea. Therefore, it is crucial to empower the regulatory authority to develop guidelines for either controlling the entry of green leaf with specific conditions or completely preventing its entry into Assam. This is a pressing issue for growers in the Tinsukia district.

9. Development of Agri-Export Zone

Rationale: Small Tea Growers are increasingly ready to establish their own manufacturing units through the SHG and FPO models. To support the marketing of their teas, whether handmade or factory-produced, the State Government could create Agri Export Zones in the major districts of Tinsukia, Dibrugarh and Jorhat with trading platforms by offering incentives, reducing taxes, and providing logistical support

10. Exploring Higher Value for Green Leaf through Technological Innovations

10.1 Assam's Tea Production and Diversification Opportunities

Rationale: Assam produces approximately 700 million kilograms of tea annually, with 48% coming from over 122,000 small tea growers. However, these growers face challenges in adopting good

agricultural practices due to their fragmented and unorganized nature, resulting in lower-quality green leaf and reduced price realization.

With an annual surplus of around 100 million kilograms of tea, there is a pressing need to diversify this surplus into industrial products such as cosmetics, nutritional items, and pharmaceuticals. Recent innovations by IIT Guwahati's Chemical Engineering Department, as mentioned in their press release (attached as Annexure-1), have identified several derivative products from green tea leaves, offering promising opportunities for better utilization of surplus green leaf.

The State Government is encouraged to facilitate an interface between IIT Guwahati and potential investors to showcase these innovations. This could attract entrepreneurs to establish processing factories for these new products.

10.2 Development of Hybrid Machinery for Small-Scale Specialty Tea Producers

A growing number of small tea grower groups are producing specialty and artisanal teas as cottage industries. However, they lack appropriate machinery, which impacts the quality of their products. The Mechanical Engineering Department at IIT Guwahati could be encouraged to develop hybrid machinery models designed to improve the quality of these specialty teas.

10.3 Detection and Neutralization of Pesticide Residues in Green Tea Leaves

IIT Guwahati's advancements in nano-technology-based systems for detecting and minimizing pesticide residues in tea leaves and processed tea are promising. Developing a portable detector for pesticide residues and a device to reduce these residues in processed tea could significantly enhance product quality and marketability. The absence of such devices has been a long-standing challenge, and innovations in this area could be transformative for the industry.

Chapter-1

OVERVIEW OF TEA PRODUCTION AND SPREAD OF SMALL TEA GROWERS (STG) IN INDIA

Over the past four decades, India has witnessed a significant shift in tea cultivation. Traditionally, tea production was dominated by Big Growers (BG) or Regulated Tea Growers (RTGs). However, small tea growers (STGs) have increasingly taken up tea cultivation, leading to substantial changes in the industry. Currently, approximately 230,000 STGs contribute over 691 million kilograms of tea, cultivating around 200,000 hectares of land across the country. These STGs are mainly situated alongside the organized sector in various tea-growing states. Figures 1 and 2 provide an overview of the distribution of STGs as of 2023 and their contribution to total tea production in different states since 2001, based on data from the Tea Board of India.

Figure: 1 Spread of small Tea Growers in India in 2023

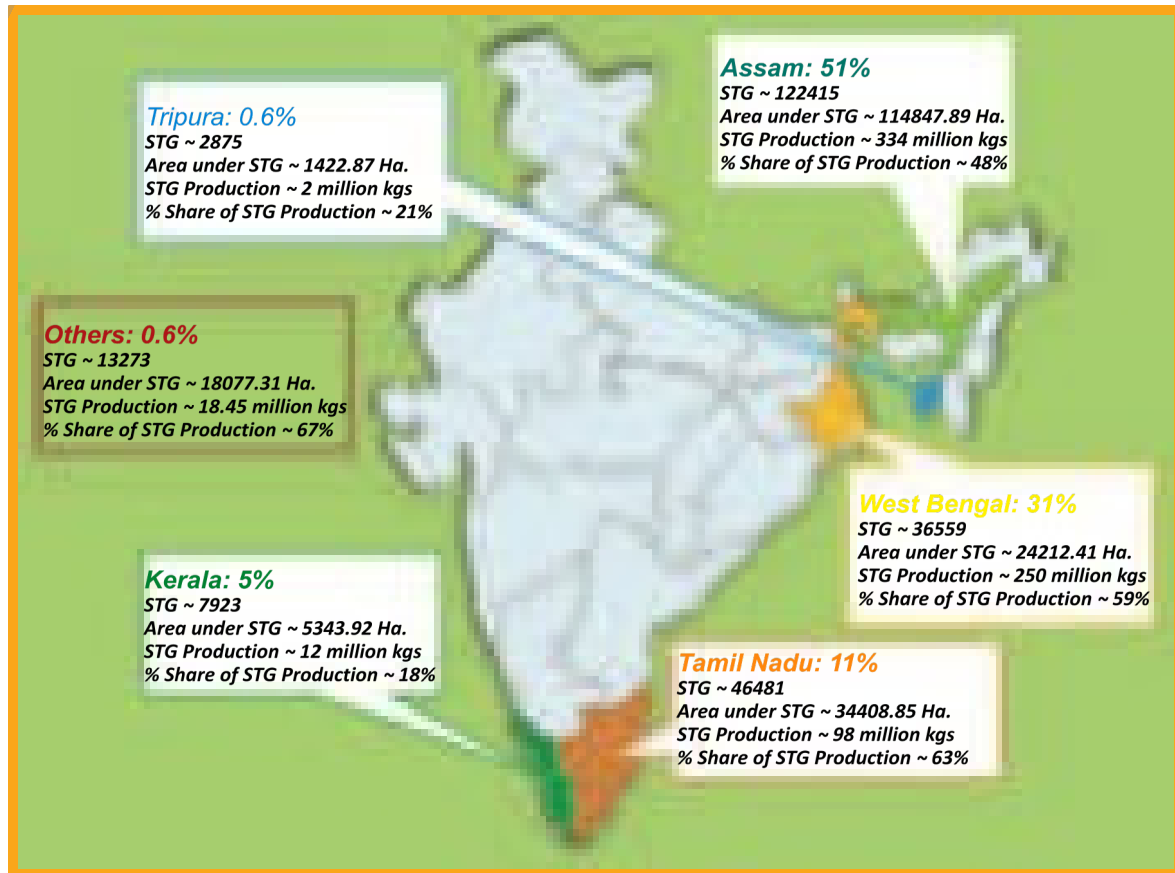
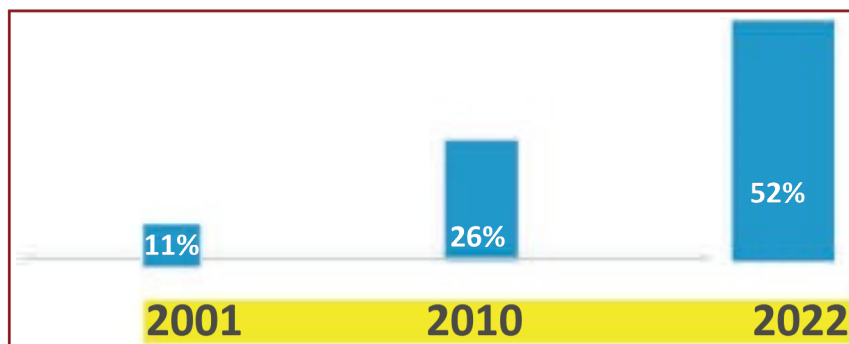


Figure 2 : Percentage Share of STGs in total tea production in India



Emergence of Small Tea Growers (STGs)

The rise of Small Tea Growers (STGs) in various tea-producing regions of India can be attributed to several factors:

- **State Government Initiatives:** Proactive efforts by state governments to create livelihood opportunities for rural populations and enhance farm incomes.
- **Economic Viability:** Tea cultivation has proven to be more lucrative compared to other agricultural crops.
- **Extended Harvesting Period:** Tea can be harvested for 8-9 months of the year, and nearly year-round in South India, reducing the need for multi-cropping as required in other agricultural practices.
- **Central Government Support:** Financial assistance from the central government has facilitated the establishment of new plantations in both traditional and non-traditional areas.

The emergence of STGs has also spurred the growth of Bought Leaf Factories (BLFs), which are independent tea leaf processing units without their own tea gardens. Presently, there are over 750 BLFs across India with a combined installed capacity of 640 million kilograms per annum.

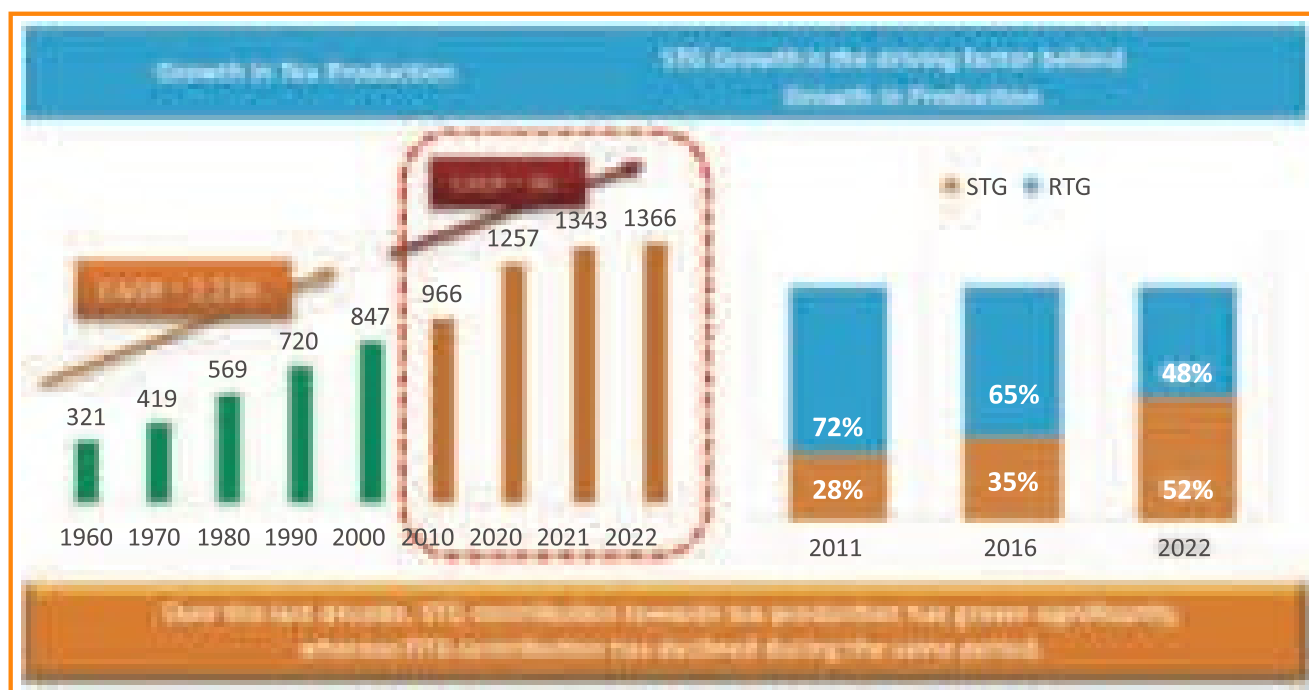
STGs typically sell their green leaves to BLFs, often through agents. Although a small percentage (around 5-6%) of STGs sell directly to BLFs, the majority rely on agents for this transaction.

Rapid Growth in the Last Decade

Tea production growth has accelerated in the last decade, with a compound annual growth rate (CAGR) of 3.2% from 2010-2022, compared to 2.2% from 1960-2010. This growth has been largely driven by increased production from STGs, whose contribution to total tea production has surged from 28% to 52% over the past decade.

- A comparative analysis between the STG and BLF segment and the organized segment (Registered Tea Growers or RTGs) reveals the following key insights:
- **Land Under Cultivation:** STGs cultivate around 200,000 hectares of land, which is nearly half of the area under the organized segment (~420,000 hectares).
- **Production Contribution:** STGs contribute approximately 52% of overall tea production (~710 million kg), while the organized segment accounts for about 48% (~656 million kg).
- **Stagnation in the Organized Segment:** The organized segment has experienced stagnation, with static land under cultivation and a slight decline in production levels.
- **Lower Production Costs:** STGs have significantly lower production costs compared to the organized segment, as they are not required to adhere to various social costs.
- **Growth of BLFs:** The BLF segment has grown alongside the rise of STGs, providing a viable opportunity for players to enter the tea manufacturing industry without managing labor-intensive tea plantations.
- **Higher Capacity Utilization:** BLFs have shown higher capacity utilization compared to factories in the organized segment, driven by increased availability of green leaves from STGs and reduced production levels in the organized segment's estates. It is worth noting that while BLFs primarily procure green leaves from STGs, they also source from estates.

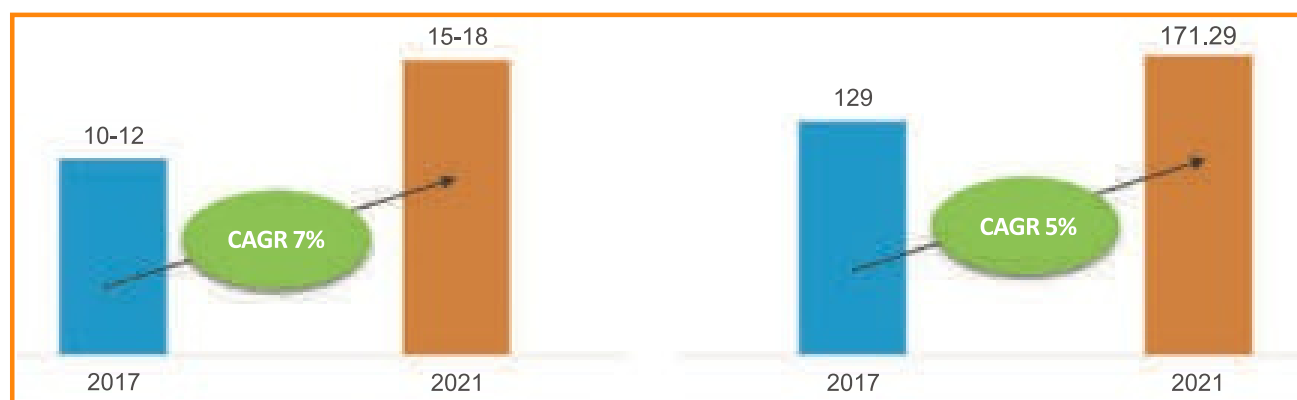
Figure 3 : Growth in Tea production of India and Share of STGs Production over the years



Moreover, the lack of sufficient knowledge about Good Agricultural Practices (GAP) among Small Tea Growers (STGs) has a direct impact on the quality of tea they produce. This compromised quality reduces the market value of their tea, negatively affecting the prices and earnings for STGs.

The Indian tea sector faces the dual challenge of increasing supply coupled with stagnant export growth, leading to a heavy dependence on the domestic market. The excess supply has created a buyer-driven pricing environment, further squeezing the profitability of STGs.

Figure 4: Comparative Analysis of increase in Cost of Production (COP) vis a vis auction price from 2017-2021 (in INR/kg)



While the COP of green leaf has increased at a CAGR of 7% from 2017 to 2021 the auction price has increased only by 5% for the same period

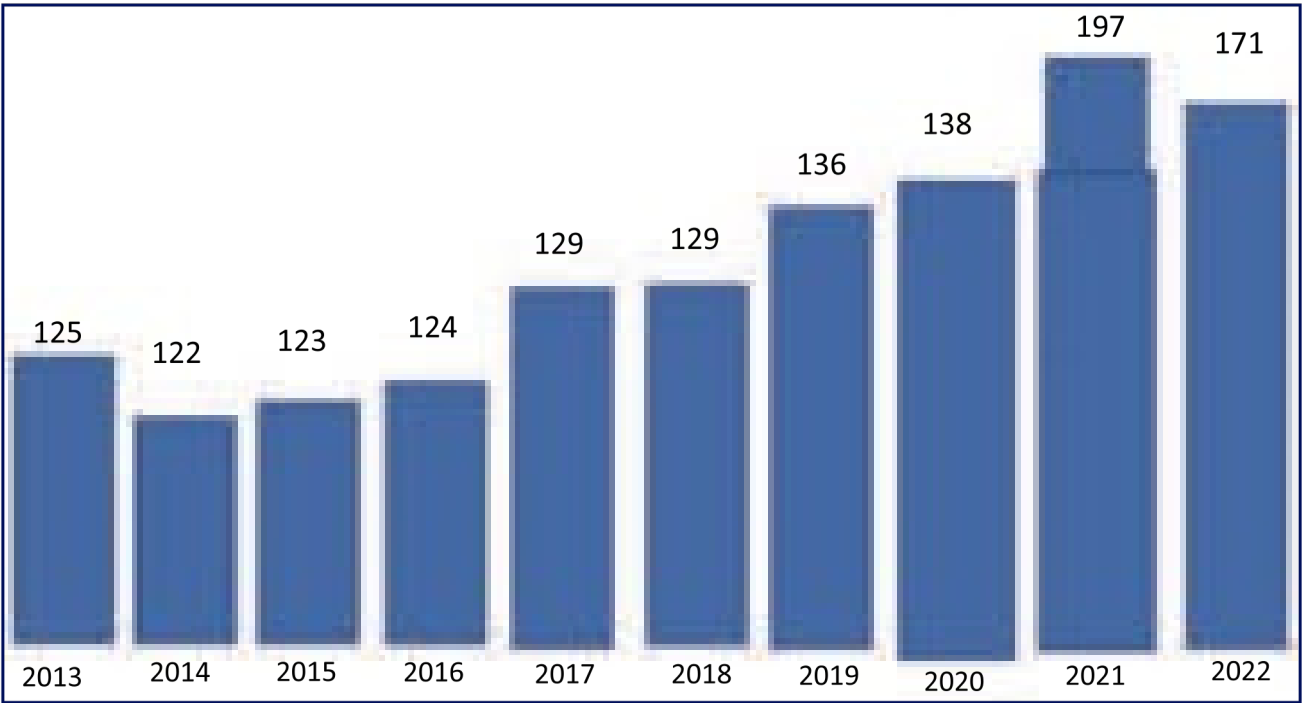
Tea auction prices have risen at a compound annual growth rate (CAGR) of around 5% over the past few years, but during the same period, the cost of production has grown at a CAGR of 7%. It's important to note that more than 80% of these costs are tied to inputs and labor, both of which are increasing by 6-7% year-on-year.

This growing cost of production, combined with stagnant auction prices, poses a significant threat to the business model of Small Tea Growers (STGs), putting their viability at risk. Such sub-optimal price realization raises serious concerns about the sustainability of the STG segment, with potential socio-economic repercussions.

The Chart showing the last 10 years auction price reveals that price levels have not kept pace with the input cost / inflationary trends.

Though auction is regulated by the Government, it does not lead to fair price discovery on which the price sharing formula depends.

Figure 5 : Auction Price of Tea (FY 2013 - 22)



Chapter-2

OVERVIEW OF THE SMALL TEA SECTOR IN ASSAM

Assam is globally renowned for its tea, accounting for approximately 51% of India’s total tea production and around 11% of global tea output. The tea industry in Assam plays a crucial role in the state's economy, contributing significantly to revenue generation and employment.

In FY 2022-23, Assam produced approximately 696.67 million kilograms of tea, making it the largest tea-producing state in India.

Table 1: Tea Area and Production in Assam and relative share of big and small gardens

Sl.#	Status as of 2023	Big gardens	Small holdings	Total
1	# Gardens	767	122415	123182
2	Tea area in Hectares	232967	114847	347810
3	Tea Production in Million kg	362	334	696
4	% Share in Total production	52%	48%	100%
5	# Tea Factories	480	330	810
6	# Workers Employed	684654	200000	884654

The tea industry in Assam has evolved significantly over the years, with a substantial increase in the number of Small Tea Growers (STGs). The number of STGs has grown by 56%, from 78,091 in 2011 to 122,415 in 2023. Correspondingly, the tea area under the STG sector has expanded from 88,674 hectares to 114,847 hectares during the same period. The growth of Bought Leaf Factories (BLFs) has further contributed to the increased production from this segment.

Given the rapid expansion of the STG segment over the past two decades, it is crucial to understand the tea value chain as it pertains to STGs. This includes identifying key players, tracking product movement, and addressing challenges to ensure the sustainable growth of the sector.

Figure 6: Schematic representation of Tea value chain in Assam

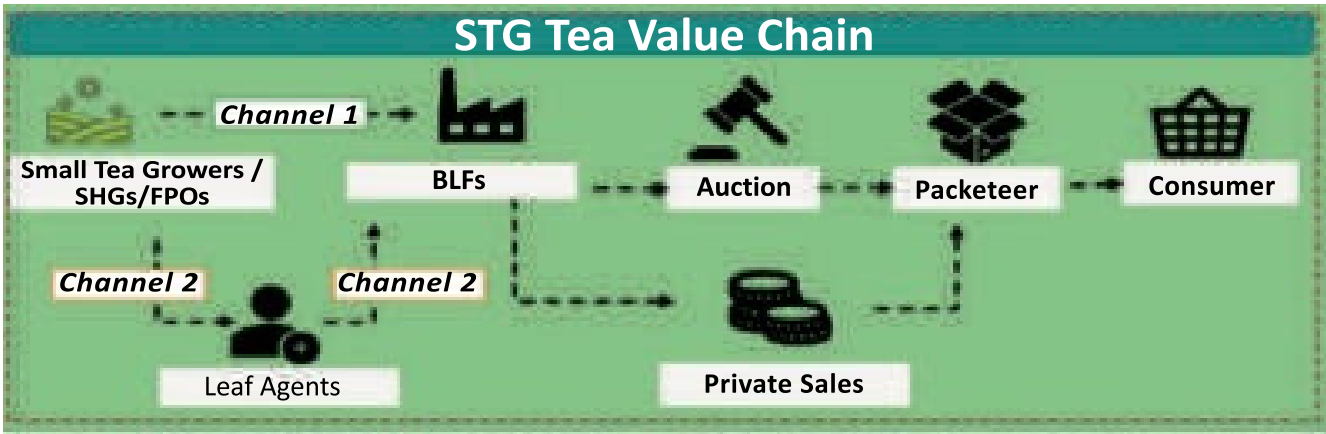


Figure 7: Number of STGs and their Land Coverage (in hectares) (2011-2021)



Figure 8: District Wise STG Production in Assam

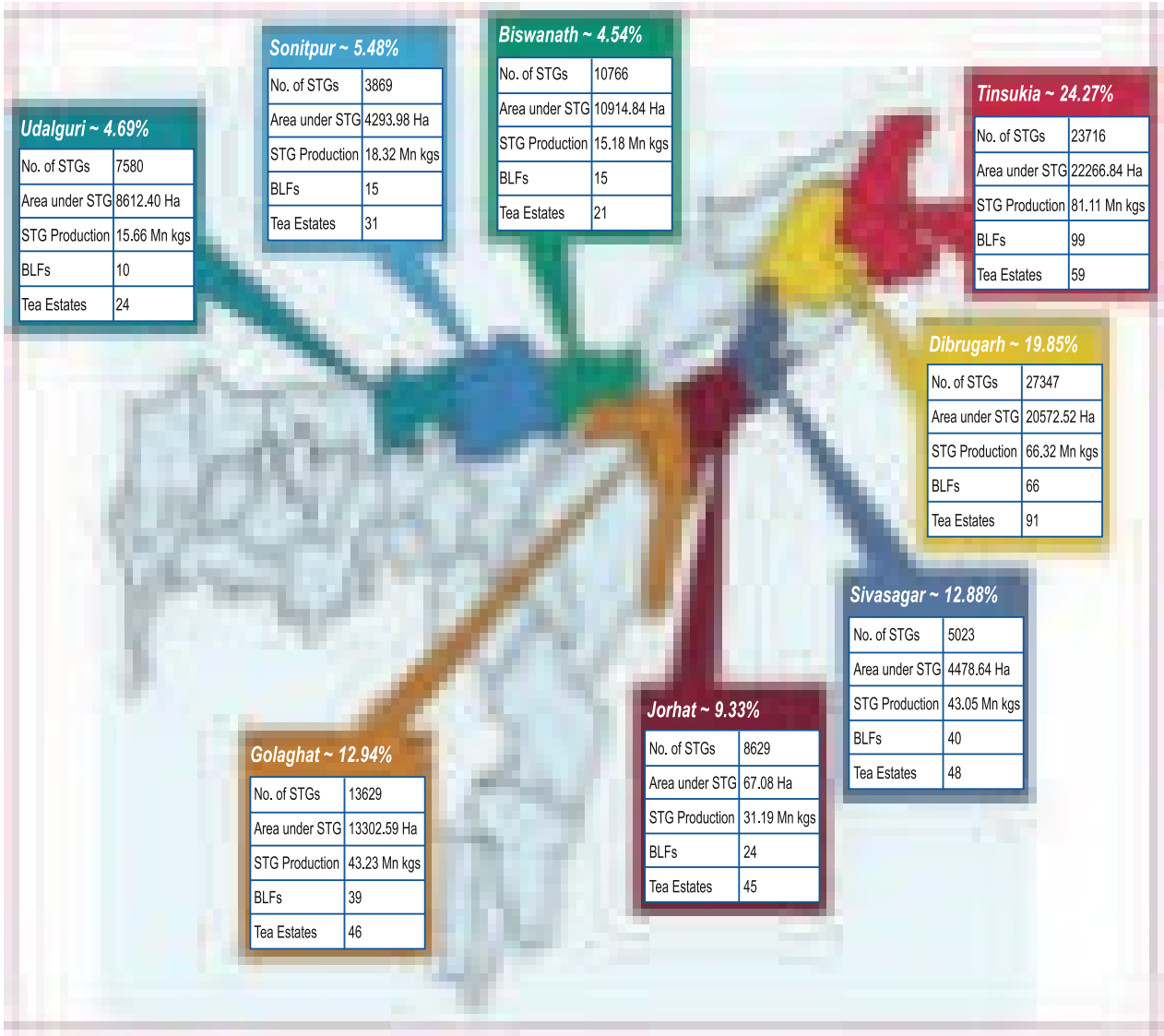


It is worth noting that out of total production of 334.15 million kgs in 2023 from small tea sector in Assam, nearly 94% of the total is accounted for by the following eight districts. The profile of those eight districts is depicted in Figure: 8

Table 2 : Major Tea Districts of Assam

District	STG Production (Mn Kgs.)	STG Share in Total District Production	STG Production as a % of State Production
Tinsukia	81.11	57%	24.27%
Dibrugarh	66.32	52%	19.85%
Golaghat	43.23	61%	12.94%
Sivasagar	43.05	55%	12.88%
Jorhat	31.19	51%	9.33%
Sonitpur	18.32	39%	5.48%
Udalguri	15.66	42%	4.69%
Biswanath Chariali	15.18	39%	4.54%
Total	314.06		93.98%

Figure 9 : Profile of the Big eight Tea Producing Districts of Assam



Chapter-3

SMALL TEA GROWERS: THE VULNERABLE LINK IN THE TEA VALUE CHAIN

Small Tea Growers (STGs) represent the most vulnerable segment in the tea value chain. Their vulnerability is compounded by their limited landholdings, as illustrated in Table 3, and a lack of access to capital for expanding operations or adding value. STGs also face challenges due to insufficient technical and managerial skills, making it difficult for them to compete effectively in the market. Typically, STGs sell their green leaves to Bought Leaf Factories (BLFs) through agents, with only a small percentage (around 7-8%) selling directly to BLFs.

Table 3: Average Size of Tea Area Owned by Small Tea Growers

Size of Tea Area (Hectares)	Percentage of Total STGs
Less than 0.5 ha	27%
Between 0.5 & 1.0 ha	42%
Between 1.0 & 2.0 ha	23%
Between 2.0 & 3.0 ha	5%
Between 3.0 & 5.0 ha	2%
Between 5.0 & 10.12 ha*	1%

*As per Tea Board's norms, growers holding tea areas up to 10.12 hectares are considered Small Tea Growers.

From the above profile, it is evident that around 92% of STGs hold less than one hectare, and only 8% manage more than two hectares. The fragmented and scattered nature of these small holdings underscores their vulnerability and highlights the importance of collectivization. By coming together, STGs can leverage collective strength to gain direct access to tea factories, suppliers of field inputs and field equipment, reducing their dependence on intermediaries.

Role of Leaf Agents

The time from harvesting of the green leaf in the field and reaching the processing factory gate should ideally be about three hours to produce high-quality tea. However, tea leaves cannot be stored for more than six hours without compromising quality. Given the geographically dispersed nature of STGs, they often have little choice but to sell their leaves to agents rather than approaching tea factories directly.

Several factors contribute to the agents' dominant role in this value chain:

- **Collection and Transport:** Agents collect green leaves from STGs and transport them to processing factories.
- **Risk Assumption:** Agents create the impression that they bear the risks, meaning any loss due to transportation delays or leaf withering is not borne by the farmer.
- **Cash Advances:** Farmers often receive cash advances from agents.
- **Community Trust:** Agents are typically trusted members of the community, sometimes being STGs themselves.

These factors create a dependency between STGs and agents, giving agents significant leverage in determining the price of green leaves.

Agents have become vital players in the tea value chain, especially over the last two decades, due to the rapid rise of STGs. STGs often lack the scale and financial capacity to develop leaf collection, storage, and transportation infrastructure. Socio-economic factors also contribute to STGs' reliance on agents, particularly since many STGs face difficulties in accessing credit from financial institutions. In the absence of proper mechanisms for price tracking and dissemination, STGs often realize sub-optimal prices for their green leaves.

The Unregulated Role of Agents

Unfortunately, agents in the tea supply chain operate without any regulatory oversight from either the State Government or the Tea Board. This lack of regulation has led to a rapid proliferation of agents across Assam and other tea-growing states.

The tea supply chain has developed into a three-tiered system:

Subagents: At the grassroots level, smaller subagents collect green leaves from STGs at their farm gates.

Middle Agents: Middle agents aggregate the leaves collected by subagents and supply them to big agents.

Big Agents: Big agents liaise between middle agents and tea factories, supplying green leaves according to factory requirements and negotiated prices.

The price paid to green leaf producers is usually determined by agents and BLFs, based on factors such as the production season, demand and supply, and the quality of the green leaves. Unfortunately, this process often disregards the price-sharing formula notified by the Tea Board under the Tea Marketing Control Order (TMCO).

In Assam, the quality of green leaves is predominantly assessed manually in over 95% of tea factories, leading to confusion and inconsistencies regarding the grade of leaves supplied. This growing issue is a critical factor to consider when analyzing the root causes of price suppression for growers.

Price Sharing Formula (PSF)

The Price Sharing Formula (PSF) was introduced under the Tea Marketing Control Order (TMCO) in 2003 to establish a fair price-sharing mechanism between small tea growers (STGs) and processing factories. The aim was to ensure that both stakeholders received an equitable share of the revenue from tea sales. According to TMCO, all registered tea manufacturers who source green leaves from small growers are required to pay a reasonable price based on the net sale average price realized.

The PSF takes into account the cost of production for green leaves in small holdings, the cost of manufacturing and marketing by Bought Leaf Factories (BLFs), and the outturn percentage (the amount of green leaf

required to produce one kilogram of made tea). The state-wise current PSF distribution is outlined below:

Table 4: Average Size of Tea Area Owned by Small Tea Growers

State	Share of STG	Share of BLF	Out Turn Percentage
Assam	65	35	21.65%
West Bengal	58	42	22.90%
Tamil Nadu	65	35	22.38%
Kerala	58	42	25.00%
Tripura	65	35	20.47%

Since its introduction in 2003, the PSF has undergone several amendments, but it still falls short of achieving its intended objective of ensuring a fair price-sharing arrangement between factories and small growers. This is primarily due to distortions in the supply chain caused by leaf agents.

Comparisons and Anomalies

The PSF in India was modeled after a similar formula successfully implemented in Sri Lanka. Under the Sri Lankan Tea Control Act, tea factories engaged in bought leaf manufacture are required to pay for green leaves based on the price fetched for made tea at those factories. The reasonable price payable to green leaf suppliers is determined by the monthly net sale average of each factory, with proceeds from made tea sales split between leaf suppliers and factories in a 68:32 ratio, based on an outturn of 21.5% from green leaf to made tea.

In contrast, the Indian PSF has several key anomalies:

1. **Auction Clause Manipulation:** In India, factories sourcing more than 51% of their green leaf from small growers are required to sell at least 50% of their total produce through public auctions. However, factory owners often exploit this clause by selling higher-quality primary grades in the open market at higher prices while offering secondary-grade teas at auction. This results in a benchmark auction price that does not reflect the true value of the tea, thereby reducing the amount paid to STGs.
2. **Minimum Benchmark Price (MBP):** A Minimum Benchmark Price (MBP) is notified for each tea district based on the BLF auction average price for that district. Factories often comply with this MBP to avoid the PSF provision that mandates sharing the actual net sale price realized by individual factories. This undermines the fairness of the PSF.
3. **Lack of Regulation on Leaf Agents:** There is no regulation over the collection, transport, and handling of green leaf by leaf aggregators. This lack of transparency leads to a disconnect between and factories, making it difficult to track the leaf's journey from farm to factory. Mishandling during collection and transport often damages the green leaf, resulting in lower quality output and further diminishing the price received by STGs.

In Sri Lanka, all leaf agents are required to be registered with the Tea Board and must adhere to specific norms for leaf collection and transport. Such regulatory measures are currently lacking in India.

Structural Differences

The PSF model, while inspired by the successful Sri Lankan framework, has not met its objectives in India. The fundamental structural differences between the tea industries in the two countries have rendered the Indian PSF less effective in ensuring fair price distribution between factories and small growers.

Key Differences Between the Sri Lankan and Indian Tea Industries

1. Auction Prices as a Benchmark:

- **India:** Auction prices are not a reliable benchmark because less than 50% of tea is sold through auctions, and the quality of tea sold at auctions is often poor.
- **Sri Lanka:** Over 95% of tea is sold through auctions, making auction prices a more accurate reflection of the market value.

2. Regulation of Agents:

- **India:** Agents are not regulated, leading to significant price distortions and unfair pricing practices.
- **Sri Lanka:** Agents are regulated, which helps mitigate price distortion and ensures a more transparent pricing process.

3. Monitoring and Enforcement:

- **India:** There is a lack of proper monitoring and enforcement by authorities, which contributes to issues within the tea industry.
- **Sri Lanka:** Authorities in Sri Lanka conduct proper monitoring and enforcement, ensuring compliance with industry regulations.

Factors Contributing to STG Discontent with the PSF

Key factors contributing to the dissatisfaction of Small Tea Growers (STGs) with the Price Sharing Formula (PSF) include:

- **Rising Production Costs:** The increasing costs of production are not adequately reflected in the prices received by STGs.
- **Need for Accurate Realization Figures:** There is a demand for more accurate and transparent price realization figures to ensure fair compensation.
- **Seasonal Price Variations:** While the cost of production remains consistent throughout the year, prices fluctuate seasonally, creating financial strain for STGs.
- **Non-Compliance by BLFs:** Bought Leaf Factories (BLFs) often fail to comply with auction mandates, leading to unfair pricing practices.
- **Transparency Issues in Private Sales:** The lack of transparency in private sales further complicates the fair distribution of prices.
- **Limited Awareness Among STGs:** Many STGs are not fully aware of the Minimum Benchmark Prices (MBPs) that should guide their pricing decisions.
- **Challenges from Leaf Aggregators and Agents:** The proliferation of leaf aggregators and agents creates operational challenges and contributes to price distortions.

These issues underscore the need for improved regulatory oversight and more effective pricing mechanisms in the tea industry to ensure fair treatment and sustainability for STGs.

Chapter-4

CHALLENGES IMPACTING STGS

While STGs face numerous challenges, addressing core issues is crucial for enhancing their sustainability:

I. Lack of Knowledge About Good Agricultural Practices

Many STGs have transitioned to tea cultivation from less profitable crops and lack expertise in essential agricultural practices such as pruning and plucking. This lack of knowledge affects both the quality of green leaves and the final made tea, potentially impacting long-term productivity and bush health.

i. Major Gaps in Agricultural Practices:

- Lack of understanding and use of appropriate clonal seed varieties, leading to poor leaf quality.
- Inadequate pruning cycles or limited pruning, which can affect bush health.
- Extended plucking cycles resulting in subpar leaf quality.
- Improper mechanization practices contributing to poor leaf quality.
- Indiscriminate use of inputs.
- Challenges and high costs associated with soil testing.

ii. Limited Scale and Bargaining Power

Over 92% of STGs operate on landholdings of less than 1 hectare, resulting in:

- Low quantities of saleable produce.
- Inconsistent and poor-quality output.

iii. Sub-optimal Price Realization and Price Distortion

Auction prices are not always accurate indicators of fair value due to several factors. Additional supply chain issues exacerbate price realization problems:

- Price fluctuations across seasons.
- Subjective evaluation of tea leaves at factory gates and BLFs.
- The role of agents in the supply chain.

Uneven geographic distribution of factories, leading to difficulties in traceability and adverse impacts on pricing, especially during oversupply scenarios.

Table 5:

Skewness in distribution of BLFs in major tea producing districts of Assam

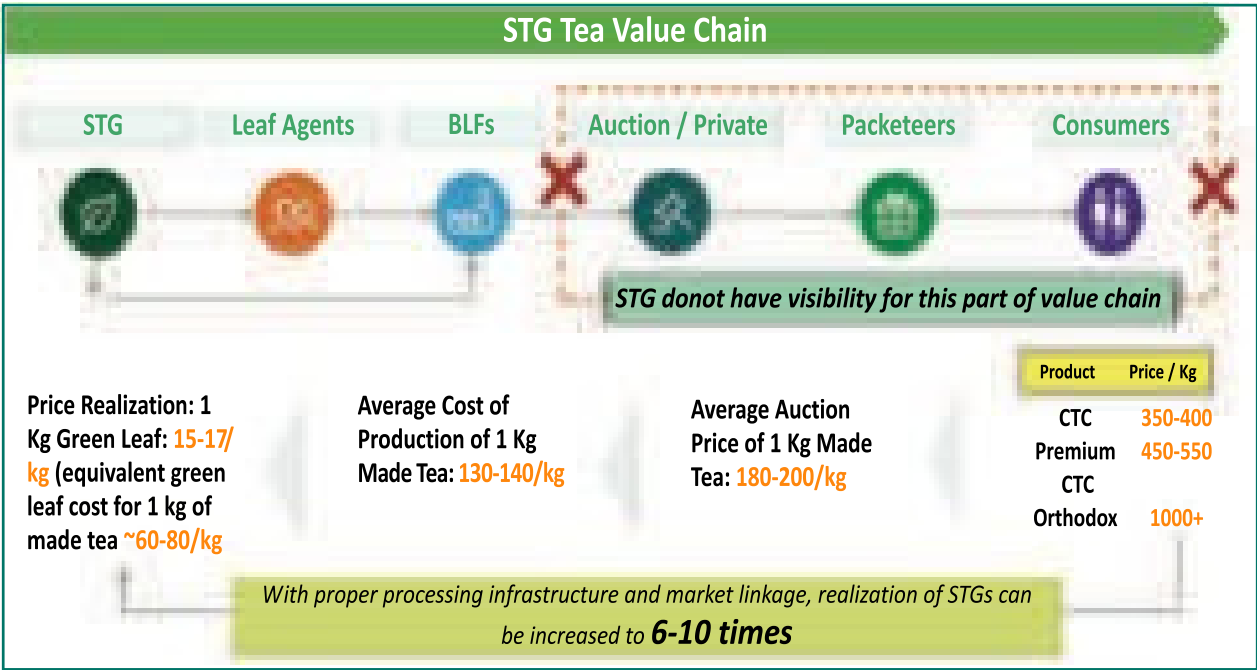
Districts / Region	# of STGs	# of BLFs	STGs per BLF
Dibrugarh	23,778	58	410
Tinsukia	20,686	92	224
Sivasagar	11,734	27	435
Golaghat	11,203	39	287
Sonitpur	11,228	21	535
Jorhat	7,361	20	368

The table above shows that BLFs are not evenly distributed relative to the number of STGs in each district. For example, Tinsukia and Golaghat have fewer STGs per BLF, while districts like Sonitpur, Sivasagar, and Dibrugarh have a higher ratio of STGs per BLF. This uneven distribution causes leaves to be transported between districts, affecting quality and leading to oversupply or demand issues that can result in poor-quality leaves being accepted.

To address these issues, encouraging STGs to form cooperatives and establish processing factories could help ensure fair and equitable price realization.

IV. Limited Supply Chain Visibility and Value Addition Awareness

Figure: 10 STG Value Chain



Many STGs lack visibility in the supply chain due to intermediaries and are often unaware of potential value addition opportunities. As depicted in the schematic diagram, green leaves from STGs are processed by BLFs, auctioned, and then bought by packeteers for consumer sale.

For example, CTC tea, which averages INR 300-350 per kg, has a potential value addition of 6-10 times. There is significant potential for STGs to add value as they move up the supply chain, but this requires investments in processing, logistics, and post-processing infrastructure. Collectives, given their capacity to scale, can facilitate these advancements.

V. Challenges Around Collectivization

The fragmented nature of STGs' small landholdings impedes their ability to scale. Forming collectives such as Self-Help Groups (SHGs), Farmer Producer Organizations (FPOs), or Farmer Producer Companies (FPCs) can address this issue by:

- Creating infrastructure for processing and value addition.
- Improving access to finance and credit from financial institutions, crucial for capital investment.

VI. Access to Finance and Credit Schemes

STGs encounter significant barriers in accessing finance, including:

- Issues with creditworthiness and risk profiles.
- Lack of collateral, as many farmers do not hold title deeds for their land.
- Absence of crop insurance support.

The tea sector faces similar challenges as other agricultural sectors, where small and marginal farmers struggle with financing. Although various schemes from the Ministry of Agriculture and Farmers Welfare support small farmers, similar support for tea farmers is lacking.

VII. Limited Marketing Channels and Market Linkages

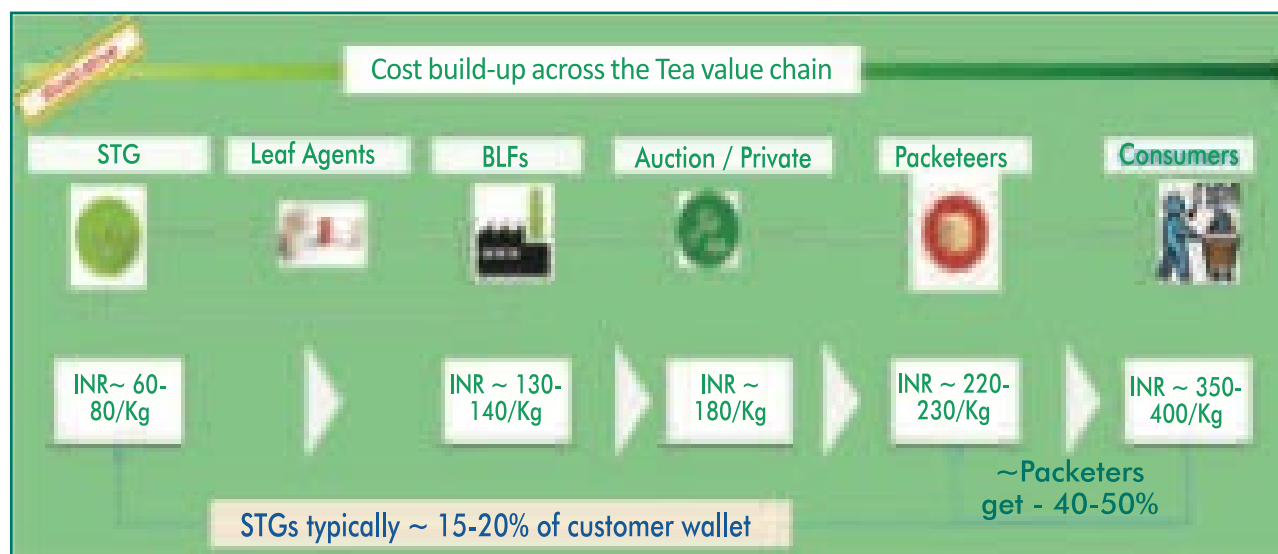
The limited number of collectives affects the scale and infrastructure for processing and value addition. Moreover, a lack of awareness about value addition and effective market linkage programs hinders STGs' progress up the tea value chain. Most STG tea is sold in bulk in the domestic market without value addition. Auction prices are often suboptimal due to structural issues, questioning the efficacy of auctions as a fair price discovery platform.

VIII. Need for Support Similar to Other Agricultural Crops

Tea was historically managed by the Ministry of Commerce and Industry due to its status as a major export commodity. However, with ~52% of tea production now from STGs, there is a growing need for support similar to that provided to small and marginalized farmers in other sectors. This includes affordable finance, irrigation support, subsidies on inputs, capacity building, market linkages, and better price realization. The tea sector faces similar opportunities and challenges as other crops, necessitating a shift in policy focus.

Cost build-up analysis in the tea value chain

Figure 11: Cost build up across tea value chain



As illustrated in the diagram, growers receive a disproportionately small share of the consumer's spending, highlighting the need for them to move up the value chain and access direct markets to achieve better price realization.

Currently, the price realization for STGs is closely tied to the made tea prices in auctions. However, due to various factors, auction prices are not an accurate reflection of the green leaf price for STGs. Furthermore, the slow growth in auction prices has led to a slower increase in price realization for growers compared to the rising cost of production.

The Tea Auction System - Current Status

In 2023, consistent with previous years, the majority of tea (57%) was sold privately by producers directly to selected buyers, who tend to choose higher-quality teas. The remaining tea was sold through auctions, resulting in lower-quality teas being offered. With prime buyers having already secured their main supplies, competition in auctions is significantly reduced, turning them into a dumping ground for rejected teas. This undermines competitive price discovery and affects market vitality negatively.

Available Options for the Tea Industry

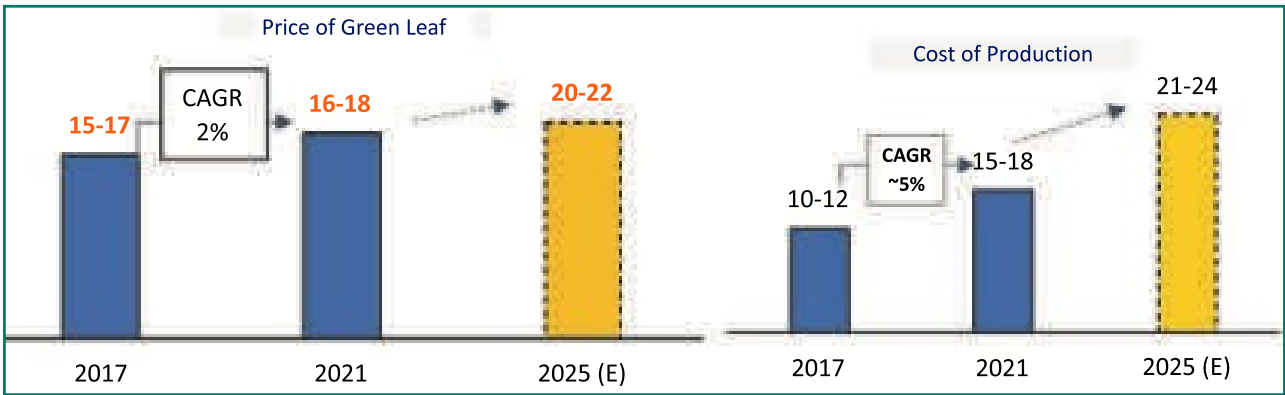
Strengthen and Streamline Benchmarking: Route all Indian tea supply and demand (both domestic and international) through a single source with uniform terms of sale, excluding branded/value-added producer packs from this system.

Or

Develop Alternative Market Models: Create and implement new market models that attract and harness competitive forces to enhance market dynamics.

Disband Tea Auctions: If the above options are not feasible, producers could eliminate the distorted price indicators provided by auctions and opt to sell their bulk produce privately at prices they determine.

Figure 12: Comparative Analysis of increase in Green Leaf Price and Cost of Production



It is crucial to recognize that over 80% of the costs for STGs are attributable to inputs and labor, both of which are experiencing an annual escalation of 6-7%. Such sub-optimal price realization threatens the business viability of the STG segment and could have significant socio-economic consequences:

i. Impact on Livelihood

STGs are situated in some of the most remote areas of the country, where employment opportunities are scarce. Tea cultivation is a major source of employment in these regions, directly engaging over 500,000 people and indirectly involving more than 1 million others. The livelihoods of 1.5 million people could be at risk if these issues persist.

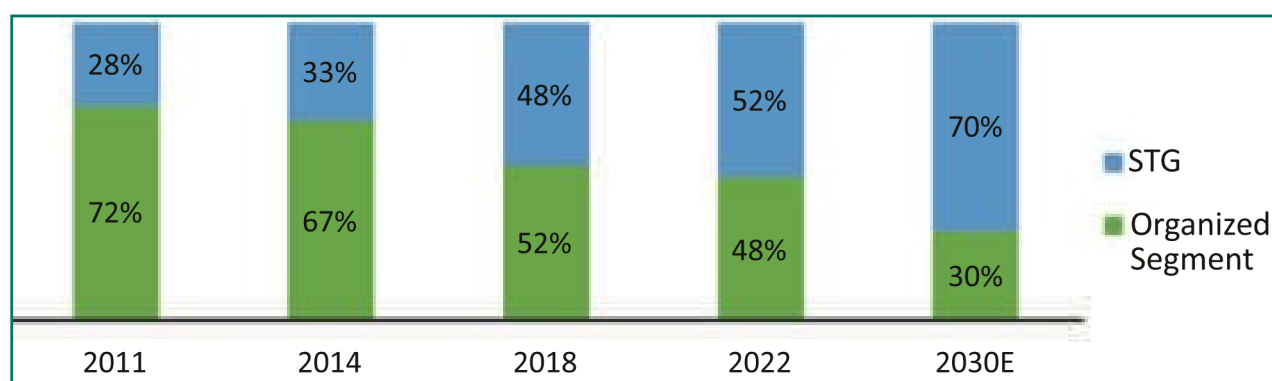
ii. Economic Development

Regions with a high presence of STGs heavily rely on the tea industry for economic stability. Many of these areas have experienced economic improvements due to tea cultivation. Poor price realization affects not only the STGs but also hampers the economic development of these regions.

iii. Potential Disruption in Supply and Production

There are already signs in South India of farmers migrating away from tea cultivation. This trend could escalate if STGs fail to receive a remunerative price that covers production costs, impacting the sector's overall production. Notably, one of the reasons for the STG segment's rapid growth is its relatively young bush profile. However, as these bushes age, they will require investment in plantation development to maintain yield and production levels. Failure to do so could create a significant supply-demand gap in the industry.

Figure 13: Production contribution expected in India by 2030 (Big Growers vs. STGs)



The scenarios outlined provide valuable insights into the role of STGs in the coming decade and highlight key areas that need close evaluation to ensure industry viability:

i. Increasing Dependence on STG Tea

STGs are becoming the largest tea-producing segment in the country, which will increase reliance on their tea by leading packeteers. Currently, many packeteers use low-quality tea from BLFs as fillers rather than the main blend. As STGs' share of production grows, BLF tea is likely to become the base for tea blends. Additionally, with the expected rise in the middle-income and affluent segments in India, demand for quality and specialty teas is set to increase. This shift will necessitate higher quality production from STGs.

ii. Need for Enhanced Traceability and Quality Testing

STGs often use fertilizers and pesticides indiscriminately due to limited knowledge of good agricultural practices, affecting overall leaf quality. Furthermore, BLFs lack visibility into STGs since they purchase leaves from agents aggregating from multiple growers. This results in low traceability and quality management. As STGs' production share increases, strengthening traceability and quality management will be crucial for ensuring high-quality tea for both domestic and export markets.

iii. **Emergence of STGs in Tea Exports**

Currently, STGs contribute minimally to tea exports from India, where producer and merchant exporters dominate. Much of the BLF tea in South India is exported but is generally of lower quality. As the contribution from the organized segment declines, STGs are expected to play a significant role in Indian tea exports, similar to the role of STGs in Sri Lanka and Kenya. This will require the development of export infrastructure, including clusters in major STG-producing regions, and the creation of effective forward and backward linkages.

iv. **Shift in Product-Mix**

Most tea produced by STGs is of the CTC variety, due in part to limited knowledge and infrastructure for non-CTC teas. Of the ~1343 million kg of tea produced in India, only about 8% is of the orthodox variety. As the STG segment grows, the proportion of non-CTC teas may decrease further, exacerbating the existing skew in the product mix. This shift could result in potential losses in price realization, particularly in export markets where demand for orthodox teas is rising.

v. **Organized Segment's Shift Away from Plantation Business**

Globally, there has been a trend of organized segments moving away from labor-intensive plantation businesses, a trend now observed in India as well. With the organized segment experiencing declining yields and production, STGs are expected to fill the gap. However, as more producers and estates reevaluate their business models, the organized segment may continue to decline.

Some global models have involved transferring estate management to private owners while federating workers into cooperatives. This approach addresses high social costs and reduces overheads. Policymakers in India may need to consider similar models to benefit STGs (typically with less than 10.12 hectares) and workers in tea estates, potentially federating them into cooperatives for better management and development.

Given these factors, it is essential to understand the challenges faced by STGs to develop effective support and development initiatives.

Chapter-5

STRATEGIC INTERVENTION AREAS

The following strategic intervention areas are critical for addressing the challenges faced by the tea industry, particularly for Small Tea Growers (STGs):

I. Addressing Structural Issues in the Price Sharing Mechanism:

- Ensure the selection of an appropriate base for price calculation.
- Clarify the distinction between the Price Sharing Formula (PSF) and Minimum Benchmark Price (MBP).
- Implement timely declaration of green leaf prices.
- Promote awareness and knowledge sharing among stakeholders.

II. Ensuring Benefits Reach Farmers and Stakeholders:

- Implement and monitor initiatives effectively to ensure that benefits are distributed equitably to farmers and other stakeholders.

III. Regulation and Monitoring of Green Leaf Agents:

- Introduce registration and monitoring of Green Leaf Agents, who are currently unregulated by the Tea Board of India.

IV. Factory Initiatives for Inclusivity and Transparency:

- Implement specific initiatives in tea factories to make the process more inclusive, transparent, and streamlined, ensuring that all stakeholders benefit and that initiatives are effectively executed.

V. Strengthening the Role of District Green Leaf Price Monitoring Committees (DGLPMC):

- Enhance the effectiveness of DGLPMC in achieving its intended objectives, ensuring that it plays a pivotal role in price monitoring.

VI. Leveraging Technology for Information Dissemination and Price Sharing:

- Utilize technology to improve information dissemination, facilitate price sharing, and monitor the implementation of initiatives.
- Increase awareness among STGs through the disclosure of prices in regional newspapers.

VII. Optimizing Cost of Production for Small Tea Growers:

- Implement enablers to optimize the cost of production for STGs, which, although not directly related to price sharing, are crucial for reducing production costs and improving net realizations for growers.

Table-6**Support Measures required for optimizing cost of production for small Tea Growers:**

Support measure	Current Scheme/Support available for other agriculture crops	Rationale for extension to STGs
Support in addressing the Rising Cost of Production		
Assistance in input procurement at subsidized rates	Input (Fertilizer) Subsidy and recently introduced PM PRANAM (for promoting natural farming	Individual farmers currently lack support for subsidized production costs. Fertilizers constitute a significant portion of production expenses. Providing this assistance to STGs would help reduce their production costs.
Addressing Financing and Infrastructure Needs		
Credit facilities (specially related to working capital needs)	Kisan Credit Card	STGs do not have access to similar credit facilities, leaving them dependent on leaf agents for urgent financial needs. Most TBI schemes are back-ended and not useful for many STGs who cannot afford the upfront investment.
Support Around Crop Insurance		
Crop Insurance – to safeguard farmers from various risks related to production, pricing etc	Pradhan Mantri Fasal Bima Yojana (PMFBY)	The tea sector currently lacks crop insurance schemes. Given the plantation areas' vulnerability to flooding, droughts, and pest infestations, crop insurance is crucial for STGs.
Productivity Improvement		
Enabling field mechanization to drive productivity and address the issues of labour shortage	Custom Hiring Centres	Although TBI has provided machinery for pruning and plucking, establishing CHCs will enhance accessibility and affordability of these machines for STGs through a "pay-per-use" rental model. This could also promote job creation and rural entrepreneurship.

POLICY INTERVENTIONS REQUIRED FROM THE GOVERNMENT OF ASSAM

In addition to existing TBI schemes, the Government of Assam should consider the following initiatives:

1. Cluster Development in STG-Concentrated Districts

- Promote the development of clusters in districts with significant STG presence for quality production and brand building, both domestically and internationally.
- Focus on developing collectives and supporting infrastructure within these clusters to attract investment.

2. Value Addition Support for Orthodox and Non-CTC Teas

- Increase financial support for orthodox tea production to INR 10/kg to offset additional costs and initial crop loss. Expand support for STGs producing other tea variants by introducing financial assistance linked to production, revenue, or export targets.

3. Assistance for Freight Costs

- Include STG collectives and BLFs in agricultural freight schemes such as Krishi Udan and Kisan Rail Train to support the tea industry in Assam.

4. R&D Support for Sustainability and Water Management

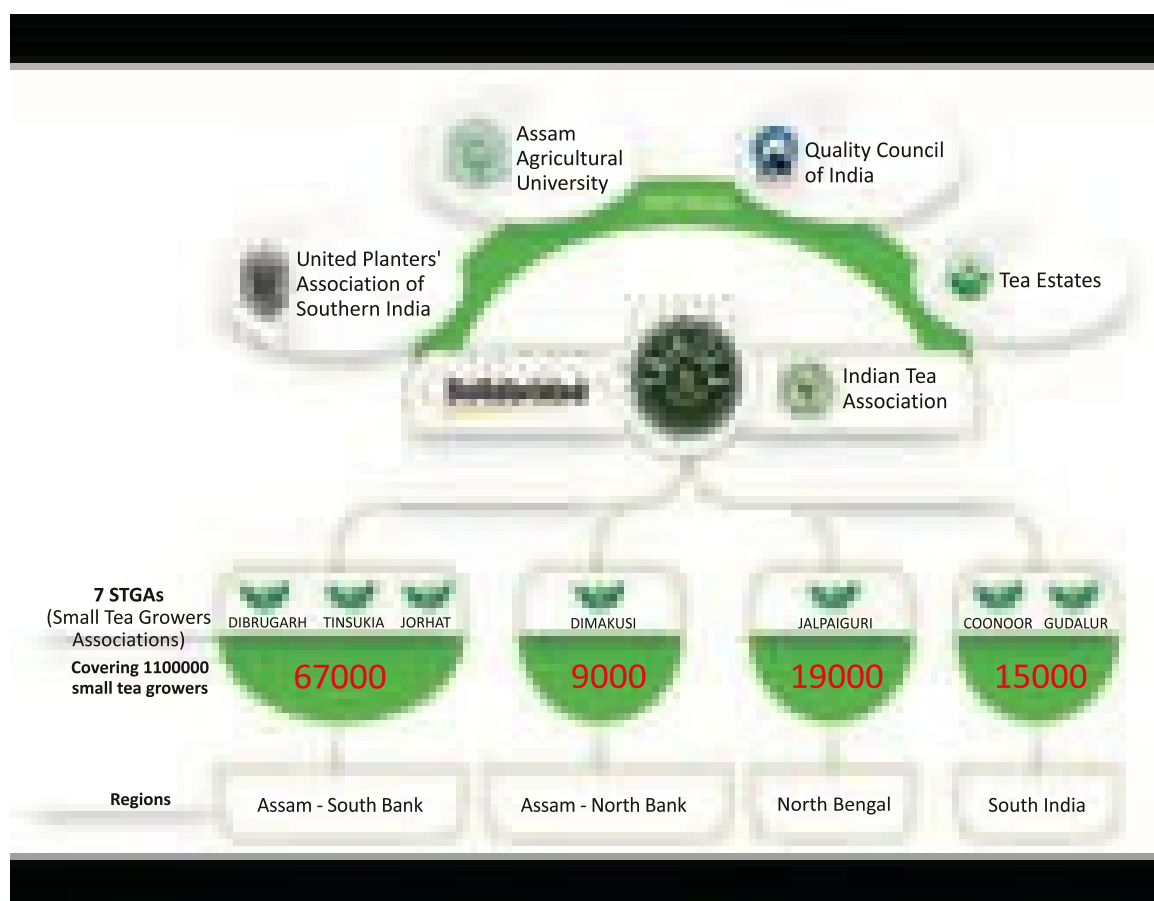
- Provide state-level support for sustainability initiatives, including organic manure development and soil carbon pools.
- Invest in R&D for improving drainage and water conservation practices, addressing waterlogging and drought issues affecting tea estates. Emphasize these areas in the state tea policy to enhance crop yield and resilience.

Chapter-6

JOINT INITIATIVES BY STGAS, INDIAN TEA ASSOCIATION, AND SOLIDARIDAD ASIA

In response to the challenges highlighted in the previous chapter, STG Associations have collaborated with the Indian Tea Association and Solidaridad Asia to address the issues faced by small tea growers. This partnership resulted in the development and launch of a sustainability framework, which was introduced by the Indian Tea Association and Solidaridad Asia in April 2019 under the Trinitea Tea Sustainability Programme. The following sections outline the goals and objectives of the Trinitea programme, the number of growers who have adopted it, and the benefits they have gained from implementing the recommended sustainability practices.

Figure : 14
Comparative Analysis of increase in Green Leaf Price and Cost of Production



The programme currently includes over 110,000 small tea farmers across Assam, North Bengal, and South India. Most of these growers live in villages close to tea factories. More information about the Trinitea vision and purpose can be found at <https://www.trinitea.org>.

The programme's goal is to transform the smallholder tea sector in India by addressing social and environmental challenges and promoting high-quality, safe tea for both domestic and international markets. Small growers often face difficulties meeting standards for pesticide safety and quality, and they lack access to the high-quality services and sustainability support needed to overcome challenges such as climate change impacts on production and quality. The Trinitea programme is specifically designed to tackle these issues.

The Trinitea programme aims to achieve the following objectives to encourage small growers to adopt sustainable Good Agricultural Practices (GAPs), ensuring a safe and reliable supply of tea to the factories.

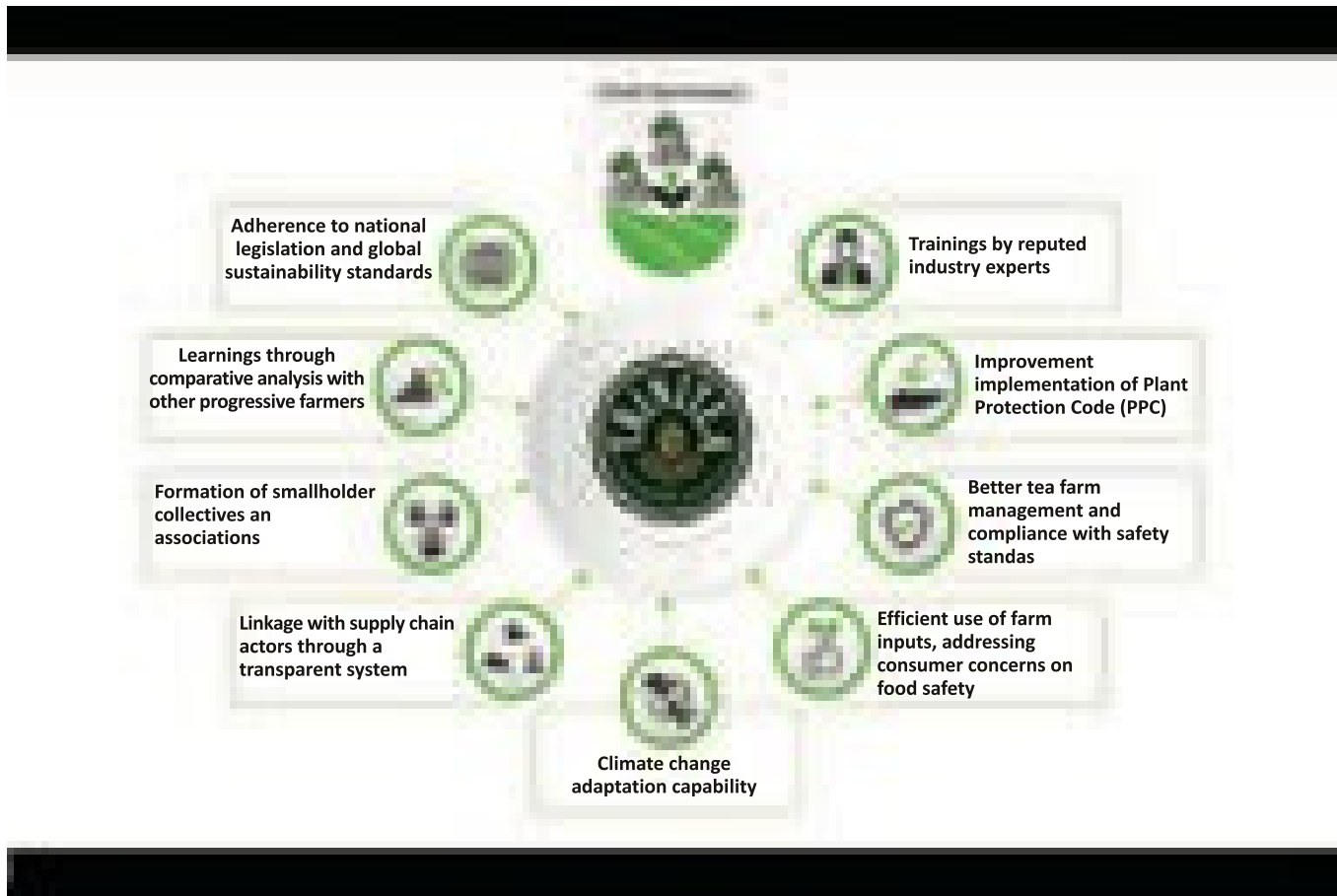


Figure: 15 Activities Supported under Trinitea Programme

The implementation of the Trinitea programme involves the following processes:

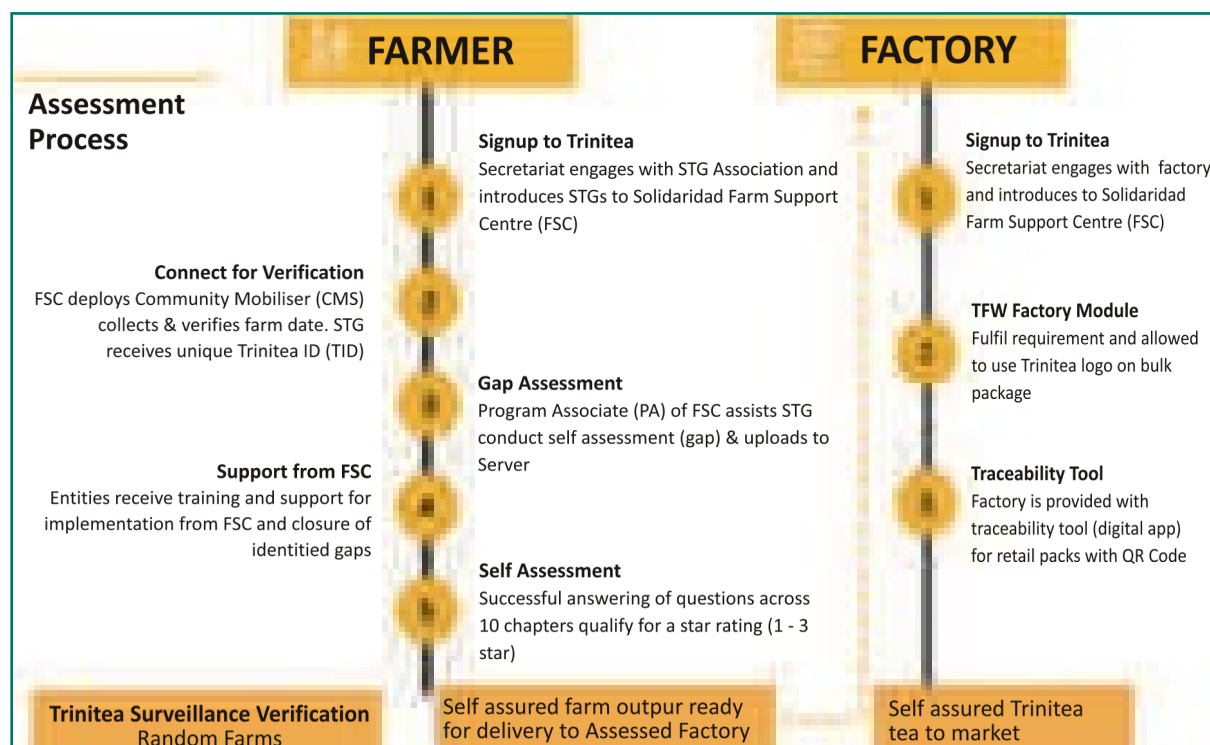
- I. Development of a Sustainability Frame work for guiding the growers in adopting the standard practices so as to move up in the value chain.

Figure:16 Trinitea Sustainability Framework



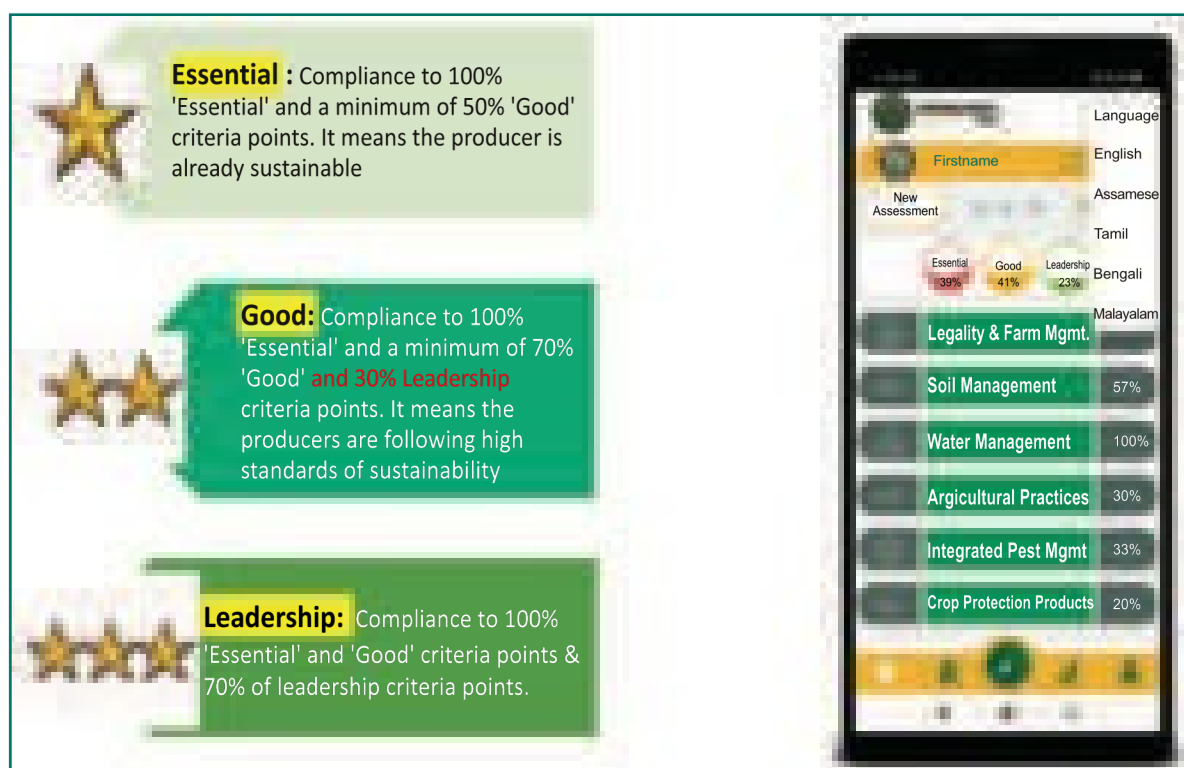
- A digital mobile app is used to assess and measure compliance with the Trinitea Framework’s sustainability standards.

Figure:17 Trinitea Assessment Process



- Compliance is categorized into three levels—Level 1, Level 2, and Level 3—with the app assigning a star rating for each level achieved.

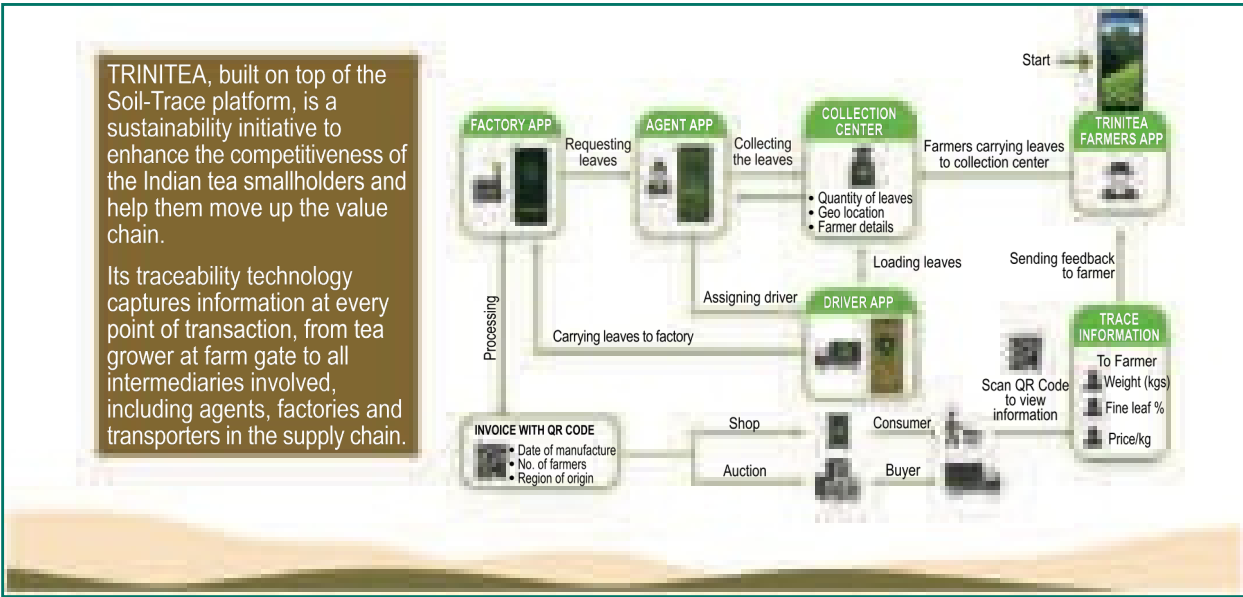
Figure:18 - Rating of the Growers based on their compliance to the Trinitea Framework



- The app identifies gaps in compliance, allowing the field support team to assist growers in addressing these gaps.

- Factories must also adhere to Trinitea Framework - II before they can receive green leaf from eligible small growers. This framework is managed via a user-friendly mobile app for factory managers.
- Factories are required to use the Traceability App to track the movement of green leaf from the field to the factory.

Figure: 19 - Traceability through Solitrace App



- For factories selling through auctions, the Trinitea logo on the auction catalog facilitates easy recognition by buyers.



- Factories that package and sell directly can use a QR code on retail packets, which is a feature of the Traceability App.

Figure:20 - Traceability through Solitrace App and Benefits



- Scanning the QR code allows consumers to trace the tea's origin, learn about the supplying farmers, and connect with the factory for future purchases.
- The QR code also provides video links featuring stories and testimonials from small growers about the benefits they've received from the Trinitea programme.

The benefits for tea factories sourcing green leaf from growers assessed under the Trinitea programme include:

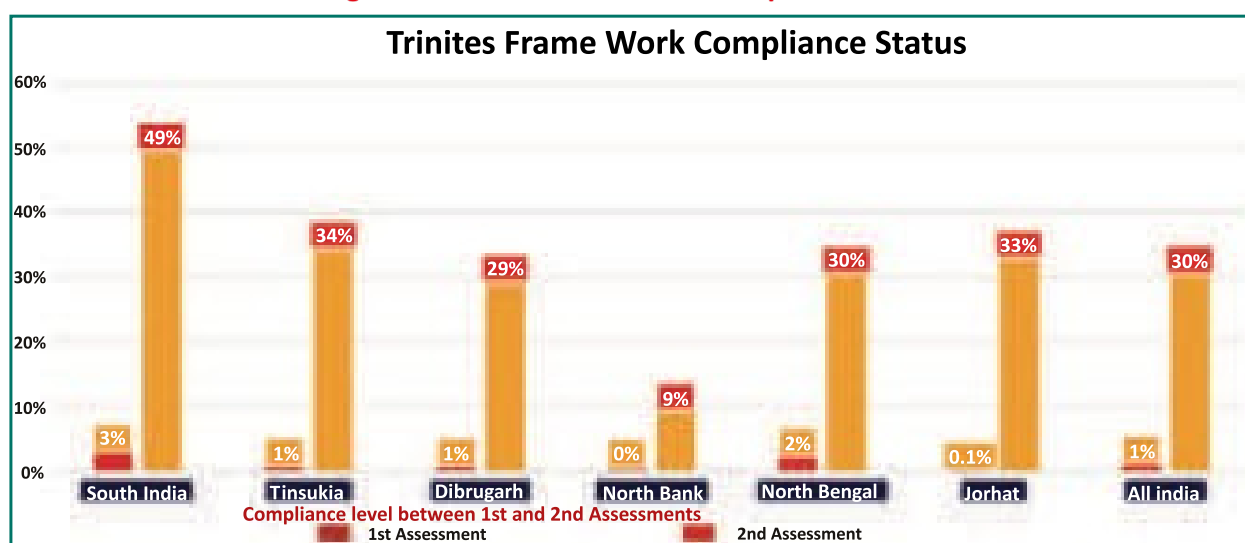
- Reduced transportation costs due to the close proximity of growers' villages to the factory.
- Decreased leaf damage from long-distance transport, resulting in fresher leaves arriving at the factory more quickly.
- Tailored training for factory staff on sustainable Good Manufacturing Practices (GMP).
- Enhanced traceability, as fewer villages are linked to each factory, making it easier to track leaf supplied by each grower and the tea produced and invoiced.
- The ability to treat the tea areas of connected villages as extensions of the factory's own operations, assisting growers with seasonal activities similar to those in the estate.
- Provision of field inputs (pesticides and fertilizers) at cost, along with a dedicated junior field officer for coordination.
- Trinitea member factories are exempt from hiring third-party auditors for verification.
- The Trinitea member factories can use TRINITEA logo on bulk packages and on Retail packets on fulfilling the Trinitea Framework requirements.
- Membership with Trinitea Programme: The membership is open to all tea factories in India that are sourcing green leaf from small growers either directly or through intermediaries. The membership entails each factory to avail all the advantages.

Table: 7

STATUS OF ASSESSMENTS CARRIED OUT SO FAR in ASSAM (FROM April 2019 to June 2023)

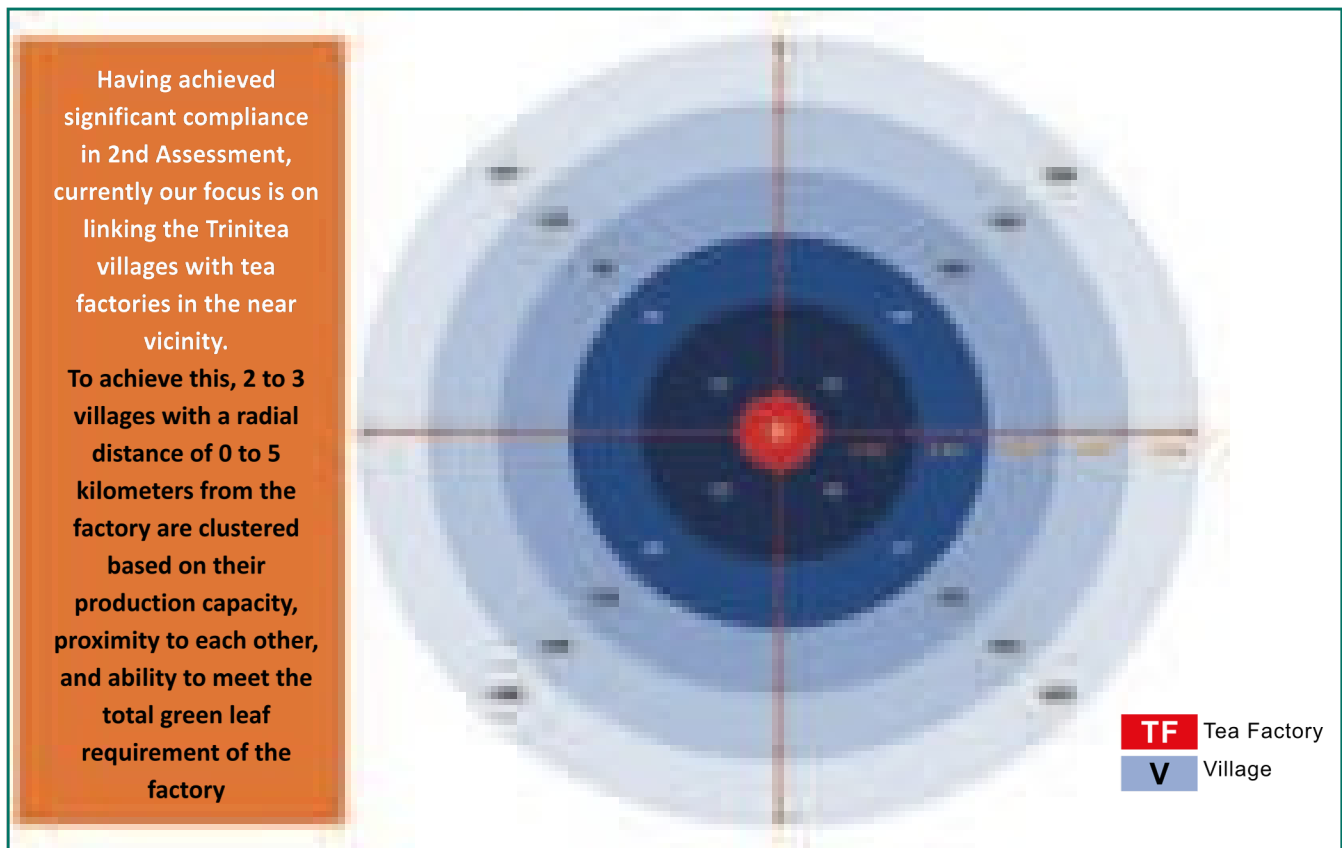
Number of ingrowers assessed	Total farm area (Ha)			Average holding size (Ha)			% share of Tea area in Total Farm area
	Tea	Other crops	Total	Tea	Other crops	Total	
71775	40942	29068	70010	0.58	0.40	0.98	59%

Figure-21 Trinitea Framework Compliance Status



The graph above shows that despite extensive efforts over the past five years to engage with growers at the grassroots level and train them in good agricultural and sustainability practices, their compliance with the sustainability framework remains unsatisfactory at only 30%. As shown in Table-3, about 92% of Small Tea Growers (STGs) hold less than one hectare of land. The fragmented and scattered nature of these small holdings makes them particularly vulnerable and contributes to their low compliance levels. Recognizing the challenges faced by these growers in adopting good practices, the second phase of the programme, launched in 2021 under the "Reclaim Sustainability" initiative, focused on the collectivization of growers. By uniting, STGs can harness collective strength to gain direct access to tea factories, suppliers of field inputs, and equipment, reducing their reliance on intermediaries. To establish a mutually beneficial link between growers and tea factories, the model depicted below was implemented, mapping villages with the potential to meet the full green leaf requirements of nearby tea factories located within a 0 to 5 km radius.

Figure-22 Linking the Grower’s collectives with Tea Factories in the near vicinity of the villages



Annexure-1

Press Release from IIT Guwahati dated 14 / 09 / 2023

Indian Institute of Technology Guwahati (IIT Guwahati) researchers have developed innovative technologies for sustainable and efficient utilization of tea waste from the tea industry. In line with the scope of waste to wealth mission (W2W) of Principal Scientific Adviser (PSA), Government of India, this research leverages a key regional resource to promote a more sustainable and diversified economy in the North Eastern states of India. The research will also fulfil the purpose of “Act East Policy” of Govt of India, “Advantages Assam” and “Biotechnology” policy of Govt of Assam.

As per a recent study, tea is one of the most widely consumed beverages worldwide with world tea consumption reaching 6.3 million tons and is expected to rise to 7.4 million tons by 2025. This huge increase in tea consumption leads to an increase in industrial tea waste generation which leads to non-utilization of valuable agricultural resources and deterioration of environment. Because of its high lignin and low inorganic content, efficient utilization of tea industry wastes demands scientifically advanced techniques. Addressing these waste utilization and management issues becomes paramount as it aligns with sustainable practices and innovative solutions, ensuring both the industrial growth and ecological preservation.

Addressing these issues, the research team led by Prof. Mihir Kumar Purkait, Department of Chemical Engineering, IIT Guwahati, has carried out cutting age research on the diversified application of tea factory waste to various pharmaceutical and foods products as an output of Abdul Kalam Technology Innovation National Fellowships of Indian National Academy of Engineering (INAE). These carbonaceous pharmaceutical materials form the basis for a broad spectrum of application-based commodities.

The range of innovative value-added products developed in their laboratory at IIT Guwahati include

1. Low-cost antioxidant-rich supplements which are designed to provide an affordable healthier lifestyle option by harnessing green tea's potential properties.
2. Organic preservatives developed from the green tea have redefined food preservation by extending the shelf life of vegetable and fruit juices for up to one year, effectively reducing waste and ensuring long-lasting freshness.
3. In the sustainability realm, pharmaceutical super-grade activated carbon is setting new standards with its exceptional surface area, making it an incredibly versatile product in pharmaceutical as well as in Fast-moving consumer goods (FMGC).
4. Biochar produced from the waste contributes significantly to waste reduction and environmental restoration including carbon sequestration in various contexts.
5. For pharmaceutical applications, the liquefiable carbon source promises innovative solutions that embrace the future of medicine
6. Micro and nano-crystalline cellulose tailored for intelligent packaging brings intelligence to product packaging, satisfying the evolving demands of modern consumers and industries.
7. The developed carbon quantum dots are currently being explored for their sensing potential in detecting harmful contaminants in water bodies.

8. The research team has filed multiple patents on the basis of these developments. These include technologies related to:
- 1) Catechins from green tea leaves are used to create organic preservatives, extending the shelf life of fresh fruit juices.
 - 2) Spent tea leaves are processed into pharmaceutical-grade super-activated carbon.
 - 3) Catechin powder is formulated for capsule preparation, with lightweight carbonaceous material added for catechin stabilization.

The findings of these studies have also been published in various international journals including International Journal of Biological Macromolecules, Chemosphere, Critical Reviews in Biotechnology etc. This research has been carried out by Somnath Chanda, Prangan Duarah, and Banhisikha Debnath as a part of their PhD thesis work in the Centre for The Environment of IIT Guwahati.

Elaborating on one such technology to harness the potential of tea waste, Prof. Mihir Kumar Purkait, Department of Chemical Engineering, IIT Guwahati, said, “The convenience and health benefits of catechin-based capsules open a promising avenue, offering users access to the advantages of catechins without the necessity of multiple cups of green tea. This caters to the increasing demand for antioxidant-rich supplements in our daily routines.”

Prof. Purkait further added, “The lignin-rich spent tea leaves are transformed into activated carbon through a specialized reactor. This involves a dual-step procedure: first, carbonization, which converts lingo-cellulosic biomass into a carbon-rich matrix; then, activation, which creates a porous structure, enhancing adsorption properties for wide range of applications that includes,

- i) Food grade activated carbon as an alternative to synthetic food colorant to impart blackish, hues
- ii) natural based mild abrasive material in toiletries such as tooth paste and body washes,
- iii) low density and light weight pharma-grade and chemically inert carbon as a pharmaceutical ingredient in solid-dosage forms as diluents,
- iv) non-selective adsorptive properties of microporous carbon used in anti-pollution masks and as a deodorant in socks,
- v) used in packaging to prevent moisture assisted degradation or spoilages etc.”

The commercial potential of these products is substantial. For instance, the demand for catechin based health supplements and organic preservatives are on the rise among health-conscious consumers and food processing companies.

The immediate future plans for the project involve advancing towards advanced Pilot stage (TRL-7) leading to the imminent Transfer of Technology (ToT) phase to potential industry partners. These value-added products not only enhance the economic viability of tea cultivation but also encourages sustainable practices by reducing waste and promoting resource efficiency.

Annexure-2

Suggestions for Reviewing the Tea Cess Utilization Policy 2022

The Tea Cess Utilization Policy 2022 outlines several key objectives aimed at supporting the tea industry in Assam, particularly small tea growers. Among the most important objectives is the support and encouragement of small tea growers, including the use of advanced scientific technologies to meet their advisory needs. Other significant objectives include the promotion of tea exports, enhancing tea quality, promoting e-commerce sales, and encouraging branding, product diversification, value addition, and packaging. Additionally, the policy should address the removal of substandard teas, ban unethical manufacturing practices, ensure compliance with international Maximum Residue Levels (MRLs) for Assam tea, and identify restrictive trade practices within the tea value chain. The policy is also expected to remove bottlenecks that have hindered the competitiveness of small tea growers.

With nearly 50% of Assam's tea production coming from small tea growers, their integration into the market is crucial. However, their inclusion in a loosely coordinated value chain has created challenges, trapping them in a tightly coordinated system. Despite the increase in tea production by small growers, the adoption of good agricultural practices remains unsatisfactory. This underscores the need for extension services to guide farmers in adopting best practices in both agriculture and manufacturing.

To address this, the State Government could consider establishing a dedicated Directorate for Tea Smallholders and Bought Leaf Factories (BLFs). This directorate would coordinate support services and foster the development of smallholder entrepreneurship, helping small tea growers transition into business-oriented farmer organizations. Given that there are over 121,000 small tea growers and 330 BLFs in Assam, it is essential to staff this directorate with adequately trained personnel—such as one technical officer for every 2,000 growers and one Factory Advisory Officer for every 20 BLFs. These officers could receive induction training at the Tea Science Department of Assam Agricultural University (AAU).

Moreover, treating tea as an agricultural crop is vital, given that the average holding size of small growers is less than one hectare. Currently, 58% of land owned by small growers is used for tea cultivation, with the remaining 42% used for other crops. Therefore, there is no justification for differentiating tea farmers from other agricultural farmers. Recognizing tea farmers as agricultural farmers would enable them to access the same benefits available to other agricultural sectors.

In addition, the 25 Krishi Vigyan Kendras (KVKs) in Assam, which provide training on good agricultural practices, do not currently cover tea. As a state university, AAU should be mandated to include tea in the KVK training programs and appoint a tea science training associate for each KVK.

The policy's major thrust is on improving tea quality and sustainability. To achieve this, the Government could encourage the participation of expert organizations on sustainability issues. This could be a significant step in sustaining the small tea sector in Assam.

Policy Options for Sustaining the Small Tea Sector in Assam:

Design Appropriate Public Policies: The Government should design policies that enhance the skills and bargaining power of small tea growers (STGs). These policies should create an environment where smallholders can compete in efficient markets for both domestic and export consumption. Capacity building should include technical advice, small enterprise management, finance, and the establishment of self-help groups and producer organizations.

Land Use Policies: Ensure sustainable economies of scale in production and farming systems.

Credit Policies: Support the achievement of good agricultural practices.

Support Institutions: Establish and strengthen producer organizations/cooperatives/self-help groups to improve bargaining power and economies of scale.

Strengthen extension services.

Strengthen Green Leaf Pricing Regulations: Enhance regulations to address market distortions caused by the perishable nature of green leaf and the influence of intermediaries.

Promote ICT Tools: Encourage the use of information and communication technology (ICT), particularly mobile technology, for market information dissemination. Policies should empower smallholders rather than foster dependency on government or NGOs. Smallholders should have representation in all relevant institutions.

Support for R&D and Extension Services: Provide direct government support for research, development, and extension services until private advisory services are sufficiently developed. The Government could incentivize private advisory services and infrastructure for green leaf storage and transportation.

Training in Field Practices: The policy should clearly outline how training on field practices like pruning, fine plucking, pest and disease control, and optimal fertilizer use will be achieved. The Government could collaborate with expert agencies, similar to the sustainability programs by the Indian Tea Association and Solidaridad Asia.

Industry-wide Traceability: The policy emphasizes achieving traceability for small tea growers through mobile apps, but a detailed roadmap is missing. The Government could involve stakeholders in this initiative and recognize existing efforts in this domain. **Improving mobile connectivity** and providing subsidized smartphones for STGs could be essential steps.

Modern Marketing Approaches: The policy should go beyond traditional marketing methods. Recommendations include:

Budget for small-scale pesticide residue monitoring labs.

Implement barcode-based traceability for promoting regional Assam tea.

Subsidize e-commerce in tea.

Support research promoting black tea's health benefits.

Mandate monthly returns from tea factories to the tea directorate, detailing green leaf sourcing, manufacturing, and sales.

Regular inspection of green leaf pricing and regulation of leaf agents and aggregators.

Fiscal Incentives: The fiscal incentives in the draft policy replicate those offered by the Tea Board of India and the North East Industrial Development Scheme (NEIDS). It is advisable to avoid duplication and instead allocate funds for creating a well-staffed Tea Directorate and infrastructure for digitization and traceability.

Additional Suggestions:

Product-Linked Incentive (PLI): Encourage value addition by offering PLIs for in-garden packaging and branding. Incentives could be based on incremental sales volume achieved year-on-year.

Efficiency Improvements: Actively incentivize the adoption of technology and digitization in tea manufacturing. Support precision farming, smart factories, and e-commerce portals for small growers.

Sustainable Development: Promote solar energy in the tea industry to reduce reliance on fossil fuels. Provide fiscal incentives for investments in solar power and renewable energy, and encourage energy efficiency to align with the Government's Green Energy vision for 2030.

By implementing these suggestions, the Tea Cess Utilization Policy 2022 can better support Assam's tea industry, particularly small tea growers, ensuring sustainable development and improved market competitiveness.

Annexure-3

Feedback received from the small tea growers who participated in the consultative meetings held in the Districts of Tinsukia, Dibrugarh, Jorhat and Udalguri.

TINSUKIA

(during the consultation meeting with AASTGA executive committee held on 21.8.2023)

1. Intrusion of inferior quality of leaf from the state of Arunachal has disturbed the tea business of Small Tea Growers .
2. Inferior quality leaf from Arunachal has been patronised by BLFs as well as some Registered Tea Estates thereby neglecting green leaf produced by farmers in Tinsukia
3. The STGs demand proper calculation machine for 40 % Fine leaf as they are of the opinion as purchasing units use discriminatory policy by rejecting even standard quality leaf.
4. Minimum support price of Rs 20/ kg announced by District Administration on 30th. June 23 should be followed .
5. Cost of production , including all components of inputs , has been recorded on an average of Rs 24.35 whereas the payment by factories ranges between Rs13 to Rs 18 This is unacceptable .
6. The Small Tea Growers allege that various Central and State Govt . Schemes for agriculture are not applicable to Tea and hence they feel deprived and neglected.

DIBRUGARH

(during the consultation meeting with AASTGA executive committee held on 18.10.2023)

1. Due to low cost realisations the Green leaf farmers are distressed and hence need help
2. No factory should be allowed to purchase Green leaf below a standard decided price.
3. Minimum support price (MSP) for Small Tea Grower leaf needs to be expeditiously determined.
4. The Govt. must substantially (75 %) support Ploughing initiatives of Small Tea Growers
5. PGR and VGR Patta to be allotted to Small Tea Growers at a premium of Rs 1000. Additionally denuded forest area land must be allotted to Small Tea Growers
6. Irrigation facility must be extended to Small Tea Growers by the State Govt. to combat weather uncertainties.
7. Supply of fertilizers to small tea growers should be at discounted rates
8. Green leaf inflow from neighboring State/s into Assam must stop as it of inferior quality and gives rise to inferior teas .
9. All Districts must enhance their value of Green leaf supply to factories to offset high cost of production.
10. Rs 200 Crs. must be kept for Small Tea Grower development.
11. The State Govt. Agriculture schemes should include the Small Tea Growers as it would immensely benefit them.
12. For STG development, special legal provisions need to be enacted for betterment of small tea growers.
13. The meeting, in conclusion resolved that to achieve these above mentioned objectives close coordination should be maintained with the stakeholders of the TRINITEA program. The members also stated that they wish to work closely with the State Govt.

JORHAT

(during the consultation meeting with AASTGA executive committee held on 19.09.2023)

1. **Rationale for Determining Green leaf prices.**

The STG Association univocally suggested that the Price realization should be remunerative taking into

account the Cost of production. It is clarified that should cost of production be more than price realization no Small tea producer would be in business. They suggested that the present system of Minimum Bench Mark price would not be a fair judgement to determine the price of Green leaf at the 65: 35 formula.

Hence it is suggested that those estates factories / BLFs whose final sale price for made tea is higher should distribute better value for green leaf to the supplier compared to those who receive lesser prices for their manufactured tea .

It is recommended that Minimum Bench mark price should be done away with and a new formula be adopted to secure the interests of Small Tea farmers .

2. Extension of govt. Agricultural schemes to small tea growers

Presently, the small tea farmers do not get benefit from agricultural schemes of State Govt , Such as Kisan Credit card, Irrigation subsidy etc compared to other Agricultural operations. This discrimination should be eliminated and STGs should also reap the benefits of agricultural schemes as applicable to Non – tea sector.

RECOMMENDATIONS OF CENTRAL COMMITTEE OF AASTGA- JORHAT

1. Extension of KVK services such as training of farmers , guidance for other agro – crops, other family income generation schemes and employment opportunities to support small farms to acquire knowledge and enhance family incomes.
2. Assistance to TRINTEA should be given to organise grassroot level training to promote good agricultural practices , skill development, total quality management and input use optimization. Presently ITA and Solidaridad are assisting us but we need more funds for continuous training to improve quality.
3. The State Govt should take cognizance of adverse climate change issues for the Small Tea sector and extend their services to mitigate the problems. Special emphasis is needed to combat drought and flood related issues.
4. A central monitoring cell to address the Micro and macro problems of the Small Tea Sector needs to be constituted by State Govt. to monitor the problems as well as organise interactions with the STG Associations.
5. The STG associations demand to promote linkages with financial institutions for working capital soft loans to enable investment and development of their small tea farms . Without developmental assistance the future of the Industry is dark and unsustainable.
6. Special Cell should monitor availability of essential inputs such as Urea , other fertilizers for speedy and seamless availability of the same to the Small tea farmer.
7. The Association demands assistance to set up Micro Mini tea factories who would source best leaf to produce best tea and expect better prices . The TRINTEA model should be adopted.
8. Like e – NAM, hand crafted tea(Green Tea, Orthodox, CTC) produced by small farms should be formed for e marketing through a special platform fo better prices and recognition of Assam Brand of tea
9. Protection of green leaf produced in to promote Assam Brand Small Tea Growers' tea

SUGGESTIONS TABLED BY ALL BODOLAND SMALL TEA GROWERS ASSOCIATION (ABSTGA)

1. Need for a tea policy

The ABSTGA endorsed the need to have a comprehensive tea policy considering that a large number of Small Tea growers in the region are gainfully engaged for almost 3 decades. The tea Policy for the State needs to be guided by the following broad objectives covering the interests of all Stakeholders /elements in the Value Chain i.e. investors, workers, ancillary industry and trade, service providers and Small Tea Growers:

2. Key areas of intervention

To promote and protect the sustainability of Assam tea sector. quality upgradation, modernization and, most importantly, climate change mitigation are most necessary. To achieve this vision the suggested critical areas of intervention required are:

- 2.1 Capacity building of the Small Tea Growers towards Quality upgradation and improved marketability. Increased awareness of modern cultivation practices among STGs, development of post-harvest logistics infrastructure.
- 2.2 Establishment of Micro level units and laboratories for research and development can lead to innovations in tea production, processing, and marketing.
- 2.3 Regularization of land holdings– To regulate the growth and administration of the STG segment with conferment of a formal land holding rights to such STGs. Without this security, this segment is unable to access and leverage institutional finance and other facilities.
- 2.4 Focus on improving quality of tea and meeting the international standards in terms of application of pesticides with approved MRLs.
- 2.5 Adopting and ensuring best practices in Soil and Agricultural Management.
- 2.6 Develop & promote linkages with financial institutions for working capital loans under various schemes of Central and State government.
- 2.7 IT/ telecom infrastructural support needs to be extended to the STGs providing them important information like weather forecasts, high yielding crop varieties available in the market, best farming practices, Government of Agriculture schemes/ subsidies targeted towards them, pest/ water/ soil management guidelines etc.
- 2.8. Technical, financial & administrative support to be extended to STGs who show an entrepreneurial streak by delving into factory installation and other forward integration ventures.
- 2.9. Strict legislative measures to be implemented to eliminate use and sale of harmful chemical fertilizers, pesticides etc. in tea plantations.
- 2.10. Support from Agri-inputs company will be highly appreciated in order to get easy access to latest and genuine products.
- 2.11. Exotic/Special teas in both Hand made and Machine made categories directly from STGs should be supported and promoted extensively in order to strengthen their expectation from the market.
- 2.12. In order to learn and understand the present successful tea supply chain systems prevailing in other STG associations abroad like KTDA etc. some idea exchange tours should be organized.
- 2.13 to bring smile amongst the small tea grower's face, efforts should focus on securing a fair price for supply of tea leaves to factories
- 2.14 Climate Change Mitigation :Critical areas of intervention may cover the following:
 - Incentives for promoting Drip Irrigation in Small Tea gardens to conserve water and help Tea Growers get better yield.
 - Irrigation and farm development Schemes and facilities under Agriculture department should also be provided to Small Tea Growers section.
 - Reduce the tariff for power used for irrigation purposes.
 - Improved interface between Agricultural Institutes and Tea Industry
 - Greater focus on providing Bio-diversity conducive to micro climate of Tea plantation for greater sustainability
 - Incentivize the use of renewable/non-conventional energy source for irrigation especially solar energy.

Annexure-4

Photographs and video links highlighting various ongoing sustainability programme activities since 2019 on wards:

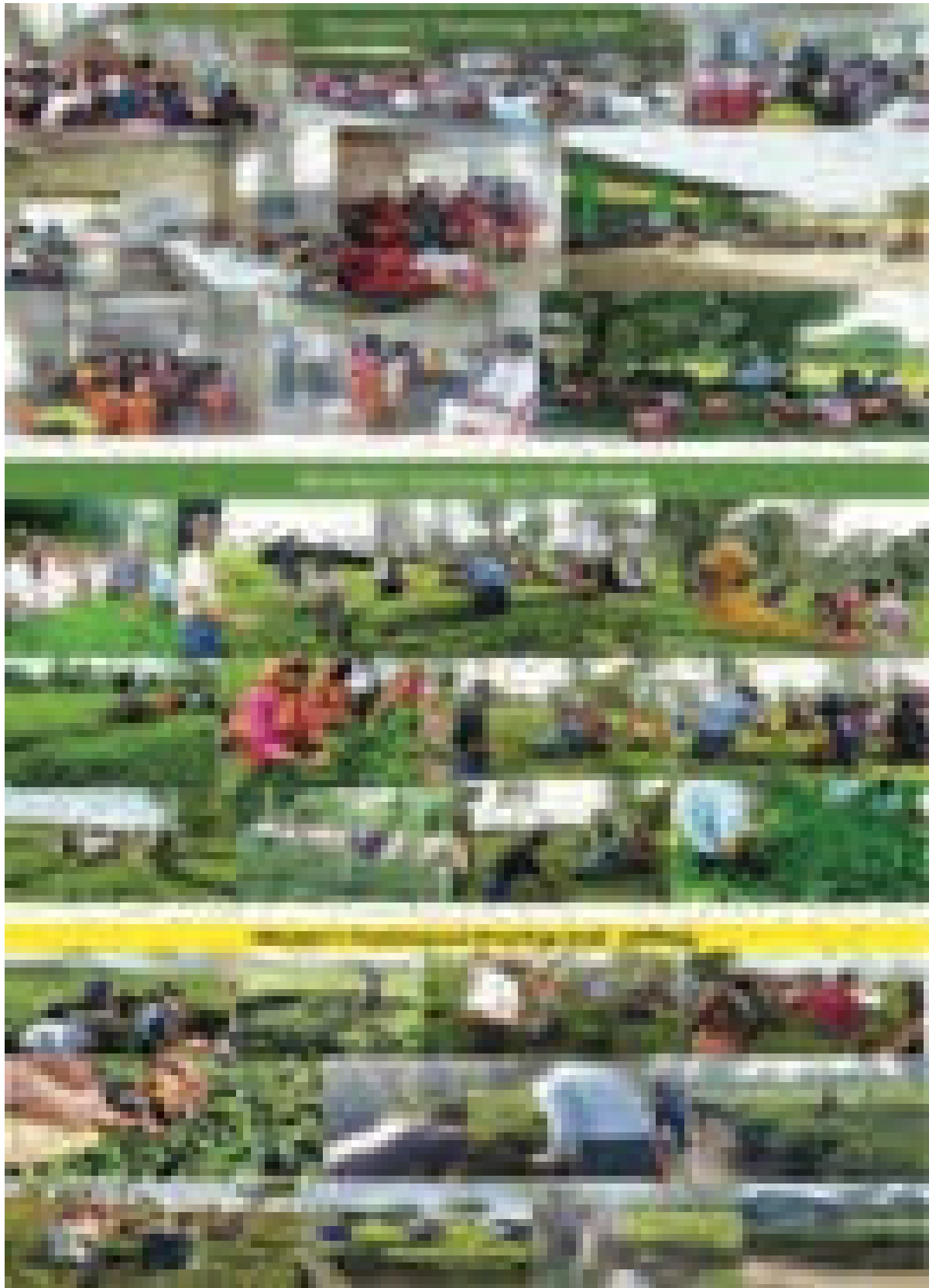
1. Mr. Mokshadev Das, Programme Manager of Solidaridad, Tinsukia, conducting a Training programme for Small Tea Growers



2. Women small tea growers attending the Farmers Training program



3. Growers Training on Good Agricultural Practices (GAP)



Video Links

<https://www.youtube.com/watch?v=m0ZSZNrhnLw>

https://youtu.be/gAGyGViwS08?si=tANw_Pd_Pgyktz-g

Annexure-5

ALL ASSAM SMALL TEA GROWERS ASSOCIATION (AASTGA)



Shri Gangadhar Saikia is credited with founding the All-Assam Small Tea Growers' Association (AASTGA) in 1987. In 1989, under the initiative of Shri Soneswar Bora, then Minister for Agriculture, the Government of Assam enacted a Land Policy Act. This Act facilitated the distribution of 30 bighas of government land to each of small farmers interested in tea cultivation, encouraging many to take up tea farming across various parts of Assam.

Before the formation of AASTGA, several other associations represented small tea growers, such as the 'All Assam Green (Tea) Leaf Producers' Association' of Tinsukia and Dibrugarh districts, the 'Charaipooong Self-employed Tea Growers' Association,' and the 'Rural Tea Growers' Association, Bhawani Bill, Borhat.' However, in 1987, these associations were unified under the umbrella of AASTGA. The first meeting of this unified body saw the participation of 32 small tea growers, who worked to popularize small tea cultivation across various districts. To improve coordination, District and Regional Committees of AASTGA were established in all tea-growing areas.

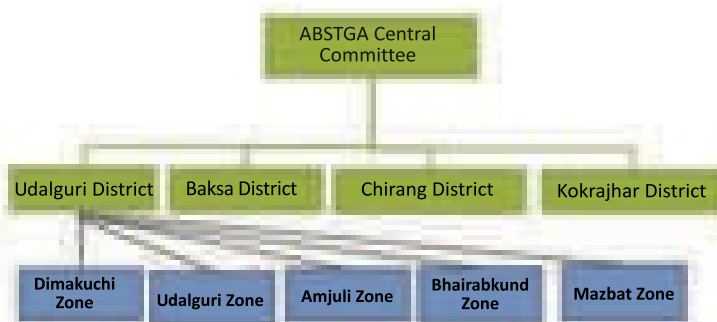
Today, AASTGA represents 90% of Assam's small tea growers and has established a robust network with 26 District Committees and 106 Regional Committees. Shri Rajan Bora currently serves as the President of the Central Committee of AASTGA.

ALL BODOLAND SMALL TEA GROWERS ASSOCIATION (ABSTGA)



History of All Bodoland Small Tea Growers Association

- Small Tea Growers of BTR started their plantation in 1992 under the guidance and help from Planters of Prominent Tea companies, especially from Mcleod Russ



In 2017, the ABSTGA signed an MOU with the Indian Tea Association and a Tripartite Agreement with ITA & Solidaridad Asia in 2019, pledging support for the Trinitea program and covering 9000 STGs in five BTR districts. Shri Rabiram Boro currently serves as the President of ABSTGA



