

Problems Faced in Marketing of Tea Production in Nilagiri Districts- A Micro Study

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ABSTRACT

India's tea exports data has showed 10% decline in May with a Volume of 9.77m kg owing to increase in the domestic consumption despite the higher prices for the commodity in the domestic market. The industry provides employment to about two million skilled and semi-skilled workers besides those who are employed in ancillary activities, mostly from rural areas. Though the industry contributes a lot to the socio-economic development of the nation, it is plagued with a number of problems such as cyclical fluctuations, high support prices payable to farmers, lack of adequate working capital, partial decontrol and the uncertain export outlook. Despite the problems, the industry has good growth potential due to steady increase in Tea consumption, retail boom and diversification into areas such as power generation and production of ethanol. The main aim of this study is to identify the problems and prospects associated with manufacturing and marketing of Tea in this study area and come out with certain workable solutions to safeguard the interest of the producer –cum seller of Tea.

1. INTRODUCTION

The tea industry is one of the most labour incentive industries. This industry is facing major problems and some of the factories are closing down. It is a major concern as the closure of the factory affects the economy of the society and the people as they lose their job. So this field deserves a deeper study and evaluation to find out the draw backs and suggest remedies.

The tea Industry provides direct employment to for more than a million workers, of which a sizeable number are women. Additional employment is provided during peak harvesting season for temporary workers who are usually drawn from the permanent workers' family and this increases the total annual family income and enhances the living standards in remote, rural areas, where outside employment opportunities is very limited. More than two million people derive their livelihood from ancillary activities associated with the tea industry while the Plantations situated in backward rural and remote parts of the country generate employment and social welfare. Most of the tea pluckers are female in the Wayanad tea

plantations. They make a reasonable salary and they are often the breadwinners of the family. In the age group of below 20, most of the plantation workers are female. Majority of the of them in this category terminate their studies at 8th or 9th level of schooling and follow their parents' occupation The general workers will often mulch the fields, apply compost, trim the tea bushes if needed and do other general field work. But no attempt has been made to impart training to them. The tea garden labourers have poor health status, low nutrition are crowded by unemployed relatives and domestic animals and being exposed to elements of weather are always wet with rain and sweat with humid and hot environment.

2. IMPORTANCE OF TEA PRODUCTION

The living condition in the tea plantation is entirely different from olden days. The plantations are always labour intensive contributing to not less than 65% of the total cost. It is clear that result of struggles between the planters and the

labours was the creation of a new labour system. In the recent scenario, the planters are looking for more efficient means to increase the production, reducing the cost at all levels, to equip their factory with automation. By this transition, the existing number of labour will be relatively reduced when they go in for fully automatic and modernized set up. Thus the pressure on the planters is multifold: to achieve cost effective installation.

3. PRODUCTION AND MARKETING OF TEA IN NILIGIRI DISTRICT

The Agricultural profile of Niligiri district clearly indicates the significance of agriculture in providing employment and enhancing the income of the rural population. The Western part of this district is endowed with fertile lands and perennial water supply. The availability of suitable types of soils will enable the farmers raise different types of crops. The prevailing, climatic conditions in the study region are conducive for cultivating various types of crops. The climate condition of this region also paved the way for establishing different kinds of agro based industries. Tea is one of the important cultivation among the agricultural commodities in this district. The development of structure such as roads, communication, and transportation facilities etc., will also render valuable services to the development of agriculture and agro based activities.

4. STATEMENT OF THE PROBLEM

The conduct and performance of any market depend on the structure which varies commodity to commodity. The availability of infrastructure affects the choice of technology, reduces transaction cost and stimulates market operation which produces inducement in production similarly maintenance of quality is also an important factor due to the growing consumer awareness in both domestic and in international markets. The magnitude of problems encountered by the farmers in the

marketing of their produce is very large comparing to the problems presented in the marketing of industrial products. From the time of procuring the raw materials till the products are transferred to the centres of consumption various types of problems have crop up. In the present study the researcher traced the following important problems confronted by the producer seller of Tea. The various problems pertaining to the Tea marketing of the study region can be categorized as follows. (i) Procurement and Market related problems and (ii) Production related problems. Hence the present study has been carried out to examine the above enquiries and offer solutions.

a) Scope of The Study : The main aim of this study is to identify the problems and prospects associated with manufacturing and marketing of Tea in this study area and come out with certain workable solutions to safeguard the interest of the producer – cum seller of Tea. This study also explores the possible scope for modernizing and rationalizing the Tea marketing units in this study region.

b) Methodology: Methodology is the key aspect which governs the outcomes of the study. It encompasses and directs the researcher to conduct the study in a systematic process which ensures and facilitates the accuracy of the outcomes. In order to arrive at conclusions with regard to the topic of study, it will be necessary to adopt a suitable mode of study.

c) Source of Data: The primary objective of the study is to analyze the problems faced in marketing of Tea production in Nilgiri districts. For this purpose, the study had to depend on the primary data for its analysis. However, to substantiate the views in course of the analysis and to provide the review, the secondary data were also collected and used. These data and information were collected from different sources like newspapers, magazines, journals, books, websites,

phamplerts, etc., for which the researcher has approached various institutions. the interview schedule is prepared for customers and in such a way that they are very simple and understandable so as to enable the respondents to express their views freely and frankly.

d) Sampling Design: The present study is empirical and field survey method and also personal interview technique were adopted. Multi-stage stratified random sampling has been adopted for the study with Niligiri as the universe, the taluk as the stratum, the village as the primary unit of sampling and the farmers as the ultimate unit who both the grower- seller and owner of Tea . The Tea grower-sellers of the study region are scattered in different areas. Which come under Ooty, Konnor, Kilkawathi and Kotagiri blocks. Majority of the Tea plantation cultivators who supplied their Tea leafs to the locally functioning Tea units are spread in the following agricultural divisions:- Ooty, Konnor, Kilkawathi and Kotagiri blocks. The sample for the study is purposively selected among those farmers who are both the grower-seller and the owner of Tea units.

e) Statistical Tools Used For Analysis: The primary data has been collected from the potential respondents from different areas and has been properly sorted, classified, edited, tabulated in a proper format and analyzed by deploying appropriate statistical tools. The researcher has used excel spreadsheet for recording and calculating about 100 samples. The following statistical tools are used.

- Descriptive Analysis.
- Weighted average score techniques.
- Garrett’s Ranking Techniques.

f) Limitation of The Study: The sample size has been restricted to 100 sample respondents due to time constraints and financial consideration. The study is limited only to Nilgiri district and hence the results are not being applicable for other than Nilgiri District. Despite all these limitations, it has

been ensured that the quality of the report has not deteriorated at any circumstances.

5. ANALYSIS AND INTERPRETATION

Table-1 Level of Education Among Grower of Tea

S.no	Level of Educaion	Percentage
1.	Illiterate	7.60
2.	Primary level	16.07
3.	Middle level	24.53
4.	Higher secondary	33.52
5.	Collegiate level	20.28
	Total	100.0

53.8% of the growers had above higher secondary and upto collegiate level of education. 40.6% of the sample respondents had their education between primary and middle school level and remaining 7.6 % of them are uneducated who are in the age group of 50 years.

Table-2 Experience In Tea Production

S.No	Level of Percentage	Experience
1	0-5 Years	34.5
2	6- 10 Years	36.4
3	Above 11 Years	29.1
	Total	100.0

The above table indicates the year of experience of the growers of cultivating Tea. Out of the sample of 100 owners of Tea cultivators contacted, 26 of them (29.1%) had longer years of experience (11 years and above), 34 Tea unit owners (34.5%) said that they are involved in Tea manufacturing business between 6 to 10 years. The remaining 13 owners (13%) had a mere five years of experience on this field.

Table No.3 shows the percentage of farmers who had contacted the officials of the agricultural department. 68 percent of the sample respondents have contacted the agricultural officers and updated their knowledge related to the new agricultural technologies with the weighted average score of 4.36 and remaining 32 percent of the

Table-3 Contact With of ficials of Agricultural Departments

S.No	Nature of Contact	(%)	Weighted Average Score
1.	Contact with agricultural departments	68	4.36
2	No Contact with agricultural departments	32	2.57
	Total	100	

Table-4 Supply of Tea

S. No	Place of Supply	(%)	Weighted Average Score
1.	Middle man	74	4.59
2.	Tea factory	22	2.27
3.	Other purpose	02	0.39
	Total	100	

Table-5 Mode of Transport

S.No	Nature of Transport	(%)
1	Tractor	87
2	Tyrecart	9
3	Lorry	4
	Total	100

Table-6 Nature of Ownership of Tea Unit

S.no	Nature of Units	(%)
1	Own	79
2	Lease	21
	Total	100

Table-7 Nature of Labourers Employed In Tea Manufacturing Unit

S.no	Nature of Units	(%)
1	Local	22.6
2	Outstation	72.4
	Total	100

Table-8 Marketing of Tea Product

S.no	Nature of Contact	(%)	Weighted Average Score
1.	Direct sale to	23	2.19
2.	Through middleman	16	2.06
3.	Sale through private market	61	4.28
	Total	100	

sample respondents have not contacted the agricultural departments with the weighted average score of 4.36.

From the above table explains the way in which the grower –cum-seller of Tea supplied to the Tea manufacturing concerns.

Almost all the 74 percent of the sample farmers interviewed prefer to supply Tea. Tea units with the weighted average score of 4.59. Among them 22 percent of the farmers sent the Tea to any one of the sugar factories situated in Kotagiri with the weighted average score 2.27 and Connoor with and remaining 2 percent of the farmers dispose their Tea leafs for other purposes with the weighted average score 0.39.

Majority of the grower-seller cum Tea unit owners owned tractors. 87 percent of the people investigated used their own tractors. 9 percent of the farmers engaged Tyrecart for carrying the sugarcane to the Tea manufacturing units. Only 4 percent of the farmers used lorries, which too on hire basis, in case if the Tea unit owner purchases Tea from far off places.

Out of the 100 owners of Tea units 79 percent engaged in Tea manufacturing has their own manufacturing units. 21% of owners of Tea units run their units for hire basis.

From the above table indicates that 72.4% of the labourers who are working in the units are outstation labourers and remaining 22.6% of the labour forces are drawn from the local area.

It indicates that Tea produced in the different channels of distribution 61percent of the different forms of Tea are marketed through the locally functioning Near Ooty private Tea markets with the weighted average score of 2.19, 16 percent of the Tea produced in the manufacturing unit are marketed through the middleman with the weighted average score of 2.06 and remaining 23percent of the products are sold directly to the traders with the weighted average score of 4.28.

6. PROBLEMS OF TEA MARKETING

The above table 4.5.1 reveals the problems faced due to procurement and

marketing related problems. “Insufficient supply of Tea during the off-season.” was ranked first by the selected sample respondents with the total score of 23451 and mean score of 23.45. “In ability to procure Tea in proper time” was ranked second with the total score of 19257 and mean score of 19.26.” Higher level of cutting charges and Procurement of immatured Tea “occupied third and fourth position with the total score of 18792 and 18324 and mean score of 18.79 and 18.32 respectively. “Higher Transport cost” was ranked fifth with the total score of 14607 and mean score of 14.61. “Low price fixed as a result of collusion of among commission agent and traders” occupied last position with the total score of 13933 and mean score of 13.93. It is evident that, Insufficient supply of Tea during the off-season.

The above table 4.5.1 reveals the problems faced due to production related problems. “Control of electricity during the summer season and the higher tariff collected by the electricity board” was ranked first by the selected sample respondents with the total score of 22065 and mean score of 22.07.

“Scarcity of labourers during busy season” was ranked second with the total score of 17574 and mean score of 17.57. “Lake of adequate warehousing facilities for storing the unsold Tea and Natural calamities like heavy rain and whirl wind” occupied third and fourth position with the total score of 15897 and 15753 and mean score of 15.9 and 15.75 respectively. “Repair of diesel oil engines used for crushing Tea” was ranked fifth with the total score of 13278 and mean score of 13.28. “Out break ok unexpected fire” occupied last position with the total score of 12099 and mean score of 12.10. It is evident that, Control of electricity during the summer season and the higher tariff collected by the electricity board is the most of the respondent’s prefer faced due to production related problems.

7. FINDINGS

- i) Majority (53.8%) of the owners of the Tea units had above higher secondary and upto collegiate level of education.
- ii) The study identified that majority of people engaged in Tea production (36.4%) have 6 to 10 years of

Table-9 Problems Faced Due to Procurement and Marketing Related Problems

S.no	Factors	Total Score	Mean Score	Rank
1	Insufficient supply of Tea during the off-season.	23451	23.45	I
2	Procurement of immatured Tea	18324	18.32	IV
3	In ability to procure Tea in proper time	19257	19.26	II
4	Higher Transport cost	14607	14.61	V
5	Higher level of Collecting charges	18792	18.79	III
6.	Low price fixed as a result of collusion of among commission agent and traders	13933	13.93	VI

Source : Primary Data

Table-10 Problems Faced Due to Production Related Problems

S.no	Factors	Total Score	Mean Score	Rank
1	Control of electricity during the summer season and the higher tariff collected by the electricity board.	22065	22.07	I
2	Scarcity of labourers during busy season	17574	17.57	II
3	Lake of adequate warehousing facilities for storing the unsold Tea	15897	15.90	III
4	Natural calamities like heavy rain and whirl wind	15753	15.73	IV
5	Repair of diesel oil engines used for crushing Tea	13278	13.28	V
6	Out break ok unexpected fire	12099	12.10	VI

Source : Primary Data

- experience, 29.1% of the producers engaged in this business have more than 11 years of experience and it enabled them to reap the maximum benefits from Tea manufacturing
- iii) It is clear that 68% of the farmers keep in touch with the local agricultural department in order to update their knowledge and adopt the latest techniques.
- iv) It is clear that the study also identifies the major reasons for supply of Tea to the Tea units. Easy and quick payment for Tea, fetching very good price for Tea, nearness of Tea market, short duration of harvesting period are some of the reasons for supplying sugarcane to the Tea manufacturing units.
- v) Majority of the grower-seller cum Tea unit owners owned tractors. 87 percent of the people investigated used their own tractors.
- vi) Majority (79 percent) of the owner engaged in Tea manufacturing has their own manufacturing units. It also prevents them from transport related problems. The use of manpower for carrying the harvested Tea to the manufacturing centre is very limited.
- vii) It indicates 72.4% of the labourers who are working in the units are outstation labourers. Because the owners of the units thought that they would extract more work from the unknown outstation labourers than that of local labourers.
- viii) The profitability of the market functionaries mostly depends upon the

method of sale followed by them. Various methods of sale have been adopted in the sale of different kinds of agro-based products. Some of them market their products through the co-operative institutions and some of sell directly.

8. CONCLUSION

To safe guarded the interest of the sugarcane cultivators in getting lesser profit by supplying the Tea to the Tea unit owners can make suitable alternative arrangements like establishing co-operative Tea manufacturing units. Awareness among the producer seller of Tea can be created about the malpractices in the auction shop. Weekly market trends about the demand and supply of different varieties of Tea such as ball Tea. Tea Leaf prices of the varieties in other products can be periodically exhibited in the market zone. Special training arrangements to update the latest technology in the production of Tea can be arranged to the respective labourers.

To conclude, India is the second largest producer of s Tea in the world. there is a greater need to improve the export competitiveness of Tea in the international market, as the Tea is found to competitive only in very few countries. Hence, selecting a suitable variety of seed, improving processing efficiency, reducing cost of cultivation of Tea, encouraging farm level grading, and storage facilities, improving transportation and market information network etc should be given more attention.

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