

# A Study on the Tea Industry of Assam

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## **Abstract:**

Assam is the largest tea-producing region in India and it contributes roughly 50% of the country's total tea production, producing robust and flavorful black tea. The tea industry in Assam is nearly 200 years old with the discovery of a tea plant in the state in 1823 by Robert Bruce, a Scottish explorer in the Upper Brahmaputra Valley. The tea industry of Assam plays a significant role in the state as well as the national economy, and provides employment to over a million people in Assam, including a significant number of women. The study attempts to know the performance, role, and challenges of the tea industry of Assam, descriptive in nature based on secondary data collected from Government Publications, websites, research articles, etc.

**Keywords:** Performance, challenges, small tea growers, etc.

## 1. Introduction:

Tea is one of the most popular and widely used beverages all around the world. It is the second most consumed drink after water in the world. Turkey is the largest tea-consuming country in the world with respect to per capita tea consumption, with a strong tea-drinking culture. Tea is commercially produced in more than 60 countries of the world with China, India, Kenya, and Sri Lanka are the major producers contributing a significant portion to global tea output. India is the second largest tea producer in the world, produces around 1350 million kilograms of tea annually, and contributes significantly to the domestic and export markets. The quality and unique flavors of Indian tea especially from Assam and Darjeeling are well known. The tea industry of India has given employment opportunities to millions of people directly or indirectly and has contributed to the livelihood of many people. Assam is the largest tea-producing region in India and it contributes roughly 50% of the country's total tea production, producing robust and flavorful black tea. The tea industry in Assam is nearly 200 years old with the discovery of a tea plant in the state in 1823 by Robert Bruce, a Scottish explorer in the Upper Brahmaputra Valley. Maniram Dewan was the first Indian to start planting tea in Assam. In 1835 the first tea garden was set up in Lakhimpur district. The tea industry of Assam plays a significant role in the state as well as the national economy, and provides employment to over a million people in Assam, including a significant number of women. The environment of Assam is conducive for tea cultivation due to its specific geographical and climatic conditions; tea is grown in the Brahmaputra and Barak Valley of the state. The Chief Minister of Assam, Tarun Gogoi declared tea as the "State Drink" of Assam at the World

Tea Science Congress held in Jorhat on the occasion of 100 year celebration of Tocklai Tea Research Institute.

## 2. Objectives:

The study is based on the following objectives:

1. To know the performance of the tea industry in Assam
2. To know the role of the tea industry in Assam
3. To identify the challenges faced by the tea industry of Assam
4. To know about small tea growers of Assam

## 3. Methodology:

The study is descriptive in nature using different official publications, websites, research articles, theses, etc. It is based on secondary data.

## 4. Discussion and Analysis:

### 4.1. Performance of the tea industry of Assam:

Assam is a land of tea production producing tea almost in all districts of the state including Kokrajhar, Dhuburi, Goalpara, Barpeta, Morigaon, Nagaon, Sonitpur, Lakhimpur, Dhemaji, Tinsukia, Dibrugarh, Sivasagar, Charaideu, Jorhat, Golaghat, Karbi Anglong, Dima Hasao, Cachar, Karimganj, Hailakandi, Bongaigaon, Chirang, Kamrup(R+M), Baksa, Darrang and Udalguri. In 2023(up to August) the area under tea cultivation in Assam was 343858.17 hectares and total tea production was 383.84 M. Kg. and average yield was 20849 Kg per hectare.

Table 1: Area, production & average yield of tea in Assam

Year	The area under tea cultivation(in Hectare)	Production (in M. Kg.)	Average Yield(Kg. per Hectare)
2020	347200.59	618.20	1780.53
2021	347201	667.73	1923.18
2022	341401.68	674.72	41527
2023	343858.17(up to August)	383.84	20849

Source: Statistical Handbook, Assam-2021,2022, 2023

Table 1 represents the Area, production & average yield of tea in Assam from 2020 to 2023. The figure of Table 1 states that there is a slight increase in the area under tea cultivation in Assam from 2019 to 2021. The area has increased from 347200.59 hectares in 2020 to 347201 hectares in 2021. In 2022 the area has slightly decreased but again the area under tea cultivation has increased to 343858.17 hectares in 2023. There is variation in tea production also, as tea production has increased from 818.20 M. Kg. in

2020 to 674.72 M. Kg. in 2022 but it has decreased to 383.84 M. Kg. in 2023. In the study period, the highest average yield was in 2022 while the lowest was in 2020.

Table 2: District-wise area, production & average yield of Tea in Assam

Plantation District	Area (in Hectare)		Production (in M. Kg.)		Average yield (Kg. per Hectare)	
	2022	2023 (Up to August)	2022	2023 (Up to August)	2022	2023 (Up to August)
Kokrajhar	2782.13	2782.13	4.39	2.17	1578	712
Dhuburi	1239.99	1239.99	2.68	1.48	2162	1194
Goalpara	639.26	639.26	1.87		2925	1220
Barpeta	5.53	5.53	0.00	0.00	0	0
Morigaon	431.45	431.45	0.96	0.42	2225	974
Nagaon	10991.92	10991.91	13.10	6.41	1192	553
Sonitpur	21698.42	21698.42	46.85	24.40	2159	1034
Lakhimpur	362.77	362.77	0	0	0	0
Dhemaji	1896.40	1964.69	0.00	0.71	0	356
Tinsukia	58141.42	59017.55	137.78	87.24	2370	1284
Dibrugarh	53592.42	54495.06	122.43	73.22	2284	1189
Sivasagar	14431.98	14442.07	77.22	45.23	5321	2795
Charaideu	24196.01	24790.33	1.57	2.79	65	111
Jorhat	26910.64	26910.64	61.52	32.91	2286	1118
Golaghat	33313.60	33313.60	71.55	35.33	2147	1060
Karbi Anglong	4939.27	4939.27	6.56	2.49	1328	494
Dima Hasao	232.80	232.80	0.02	0	86	0
Cachar	21384.62	21384.62	24.88	12.89	1163	584
Karimganj	7904.47	7904.47	5.51	2.90	697	355
Hailakandi	6912.44	6912.44	10.54	5.36	1525	746
Bongaigaon	876.58	876.58	1.62	0.97	1848	1061
Chirang	30.05	30.05	0.00	0.00	0	0
Kamrup(R+M)	975.40	975.40	3.48	1.78	1394	636
Baksa	2558.30	2563.34	3.51	1.84	1372	687
Darrang	1258.63	1258.63	2.49	1.29	1978	930
Udalguri	19510.96	19510.96	35.77	21.47	1833	1026
Biswanath	24184.22	24184.21	38.42	19.71	1589	730
Assam	341401.6	343858.1	674.72	383.84	41527	20849

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Source: Statistical Handbook, Assam- 2023

Table 2 reflects the area, production, and average yield for the years 2022 and 2023 in the tea-producing districts of Assam. The data of Table 2 states that in 2022 and 2023 tea cultivation of Tinsukia district covered the highest area having 58141.42 and 59017.55 hectares followed by Dibrugarh district holding 53592.42 hectares and 54495.06 hectares in 2022 and 2023 and Golaghat district covered 33313.60 hectares in both two years. In both two years area under tea cultivation is lowest in the Barpeta district, at 5.53 hectares only. In 2022 Tinsukia, Dibrugarh, and Sivasagar districts secured 1<sup>st</sup>, 2<sup>nd</sup> 3<sup>rd</sup> position in tea production, producing 137.78, 122.43, and 77.22 M. Kg. respectively. In 2023 also Tinsukia district produced the highest amount of tea followed by Dibrugarh and Sivasagar districts. Dima Hasao district produced the lowest amount of tea in the two years among the selected years. Regarding the average yield of tea, Sivasagar district has the highest yield 5321 and 2795 Kg per hectare in 2022 and 2023 respectively.

#### 4.2. Role of the tea Industry:

The tea industry plays an important role in the economy of Assam as well as in India. It has contributed a lot to the economic, social, and political life of the people of the region.

##### 1. Contribution towards the nation:

India is one of the largest tea exporters in the world contributing 10% of the total exports in the world. In 2021, India exported 687.5 million valued teas. India mostly exports its tea to Europe and Middle East countries and also to Pakistan, Egypt, Japan, and Israel. Assam plays an important role in tea export of India along with the nearby, contribution of Assam to tea export has increased.

##### 2. Contribution towards the state:

The tea industry has made a significant contribution to the development of the state. The state earns more than 5000 crore as agricultural income from the tea industry. Over and above it, the state receives a share of income tax and export duties from the center.

##### 3. Employment generation:

As the tea industry uses labor-intensive methods of production, it has generated employment opportunities in the state. Plywood industries associated with the tea industry also provide employment opportunities to the people. The Assam tea industry provides daily employment to 6 lakh persons in the state and it provides employment to female workers for plucking of tea leaves.

#### 4.3 Challenges faced by the tea industry of Assam:

The tea industry of Assam has been facing many problems as stated below:

a. Pathetic condition of tea labourers:

As the area under tea cultivation is increasing in Assam, it necessitates more tea labourers to operate the tea industries. The tea labourers play a very important role in the tea industry but still, they live a miserable life. They are deprived of basic necessities of life like proper education, health care facilities, nutrition, drinking water, proper sanitation, and proper hygiene.

b. Poorly paid:

The wages earned by the tea labourers are less than the average wage paid to agricultural workers. They are deprived of the social security system. As they belong to coolie live, they do not enjoy the BPL status and are deprived of BPL facilities.

c. High increase in the cost of production:

The input cost of production of the tea industry is increased with the increased cost of wages, fertilizer, electricity, gas/coal, transportation, packaging, etc. But the price of the manufactured tea is not increasing proportionately.

d. Withdrawal of tea production by large companies:

Recently most of the big companies like Tata Group, Hindustan Unilever, etc, have withdrawn their tea production unit and have concentrated on retail business. These big companies are reluctant to operate in the old system of production as the input cost of production increases. As tea industry is labour-intensive and labour cost covers most of the input cost of tea production. But big companies try to avoid the problems raised by labour unions relating to facilities and, the wage of tea garden workers.

e. Role of consumers:

Consumers play an important role in selling tea. Sometimes a particular brand of tea with quality may not preferred by consumers due to their strong preference for another brand of tea. So it is important to understand the social consciousness of consumers and, the class of consumers based on which the product is prepared.

f. Reduction of export:

In recent times, the export of tea from Assam has been declining due to tough competition from Kenya and Sri Lanka which is cheaper than the Assam tea as well as in terms of quality also.

g. Unfavorable weather Conditions:

The unfavorable weather conditions in Assam have affected both the quality and quantity of tea production. In the last few years ecosystems and weather conditions of Assam have changed which resulted in a decrease in rainfall and an increase in temperature that badly affected tea production.

#### h. Adulterating during manufacturing:

It is seen that most of the tea factories purchase green tea leaves from different tea gardens, mixed up during the manufacturing process of tea. However, the quality of green tea leaves in different gardens varies, hence there is the chance of adulteration in the manufacturing process.

#### i. Role of small tea growers:

Small tea growers contribute nearly 25% of the tea production in Assam. However these tea growers are small size, and they cannot go for manufacturing and have to sell their products to large estates at lower prices. Most of them are not registered and do not get subsidies, loans, financial assistance, etc, from the government.

#### j. Age-old tea gardens:

Most of the tea gardens of Assam are of very old age with sick conditions like old age tea plants, old factories, lack of technology, low-quality tea, improper management, etc. As a result production of these gardens is declining.

#### k. Lack of Knowledge:

Most tea planters lack adequate knowledge in certain areas like pest control, manuring, drainage systems, etc. which are very essential for the healthy growth of tea plants.

#### l. Pest attack and chemical composition:

As pest spray is used in tea gardens to protect tea leaves from pest attacks, it creates harmful endangers to the health of consumers. It is very difficult to export pesticide tea to European countries as they are highly health conscious. The application of chemicals may change the chemical composition of tea and may affect the actual test of such tea.

#### m. Role of MGNREGA:

It is seen that the wage under MGNREGA is more than the daily wage of gardens. Sometimes it creates a shortage of labourers in the tea gardens.

#### n. Lack of proper marketing:

It is observed that tea growers in Assam do not give importance to proper marketing of tea that helps in creating demand for the product as well as to make people aware of the benefits of tea. They are happy by just selling tea through the auction process or by direct selling.

#### o. Lack of Branding and packaging:

Because of improper branding, Assam tea loses a considerable section of consumers as most of the bulk tea buyers use their own branding and packaging without mentioning Assam tea.

#### 4.4 Small Tea Growers:

Small tea growers of Assam produce tea on a relatively modest scale, play a crucial role in the Assam tea industry, and contribute to the overall tea production of Assam. According to the Tea Board of India, a small tea grower is a person with tea cultivation of up to 25 acres. The small tea growers of Assam have tea gardens ranging from a few acres to several hectares. During the last 15 years, the number of small tea growers in Assam has increased. The small tea growers grow tea plants, pluck the tea leaves, and often process the leaves into black tea. The tea produced by them is often used in blends or sold as specialty teas. Small tea growers have helped in the diversification of tea in India and provided ample opportunities for many local communities.

District-wise small tea growers in Assam:

Table 3: District-wise Small Tea Growers of Assam Registered with Tea Board of India, 2022-23

Plantation district	For the year 2022-23		Upto August 2023	
	No of Small Tea Growers	Area in Hectare	No of Small Tea Growers	Area in Hectare
Kokrajhar	471	1275.48	471	1275.48
Dhubri	81	52.66	81	52.66
Goalpara	221	249.94	221	249.94
Barpeta	3	6	3	6
Morigaon	2	6.45	2	6.45
Nagaon	2234	3370.18	2234	3370.17
Sonitpur	3881	4294	3881	4294
Lakhimpur	3066	2295.58	3066	2295.58
Dhemaji	1744	1779.03	1855	1847.32
Tinsukia	23716	22266.84	24650	23143
Dibrugarh	27347	20572.52	28555	21475.16
Sivasagar	5023	4478.64	5037	4488.73
Charaideo	10198	9453.08	10997	10047.4
Jorhat	8629	6708.97	8629	6708.97
Golaghat	13578	13316.82	13578	13316.82
Karbi Anglong	2672	3740.77	2672	3740.77
Dima Hasao	4	10.47	4	10.47
Cachar	204	575.56	204	575.5
Karimganj	30	105.05	30	105.05
Hailakandi	9	28.68	9	28.68

Bongaigaon	594	492.8	594	492.8
Chirang	30	30.05	30	30.05
Kamrup(R+M)	5	17.53	5	17.53
Baksa	356	484.46	359	489.50
Darrang	34	40.92	34	40.92
Udalguri	7580	8612.40	7580	8612.40
Biswanath	10767	10914.84	10767	10914.83
Assam	122479	115179.27	125548	117635.76

Source: Statistical Handbook, Assam- 2023

Table 3 shows district-wise Small Tea Growers of Assam Registered with the Tea Board of India, 2022-23. It shows that in 2022-23, Dibrugarh district has the highest small tea growers (27347) followed by Tinsukia (23716) and Golaghat (13578) districts. Morigaon district has the lowest (2) small tea growers among the districts.

### 5. Conclusion:

Though the tea industry plays a vital role in the economy of Assam, the growth of the tea industry has not been satisfactory in the last decade. The tea of Assam is well known for its distinctive quality. A strong initiative should be taken to improve and sustain the tea cultivation of Assam.

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