

PRODUCTION AND CONSUMPTION OF INDIAN TEA: A STUDY

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ABSTRACT

Among the beverages in India, tea (Camillia Sinensis) is a popular one amidst myriads population verities in India. Caffeine being the popular stimulant, tea is considered as crucial drink, much amalgamated in to the popular culture of India. The concept of 'tea time' has been merged in to the Indian culture right from time of British Raj who had used larger vistas of their colonial land for tea cultivation. Also, there exists a reference from ancient Indian History regarding the consumption of tea where it is used by King Harshavadhanan to keep himself vigilant in the course. There are several reasons in India for tea industry becoming one of the stale agro-based industries. In India, around one billion of its population have been estimated as tea devouring people so that the nation hardly get a chance to be an exporter as 70 percent of the total production are consumed within the state itself. No wonder India has been positioned first among the tea manufacturing countries in the world. Indian tea factories are at the verge of my pitfalls. Early mellowing of the herbs, a hike in the production cost, unsteadiness market price etc. can be considered as some of the reasons. Earlier times, there were two successive periods in price variations one can be marked by a sudden uplifting which is comparatively shorter than the next period which is longer where just the upside down thing happens that is a depression in the price. So the futurists in this area have opinioned that the tea industry will sum up into a fluctuating trend. It is mainly because the above mentioned reasons (along with their mode of operation that is agrarian in nature, long dormancy period, unsteadiness in price value and various other minor reasons) are not showing any signs of change even to a slight degree. In this article, the researcher is indented to conduct a review of the plight of tea industries and plantations within the area of study. The study also extends into different kinds of developments, either long term or short term, in the tea manufacturing area, its consumption, and also the issues related to its export. Moreover it also deals with various studies market strategies, how a market has organized and various other factors that can be adopted for the promotion of tea.

KEYWORDS: Tea Production, Consumption, Gap, Market Strategies, Dormancy Period.

Introduction

India has been the major tea producer in the world but at the same time there are a couple of factors that weakens the export of tea. An increase in the domestic demand, deceleration in yielding, regression in the use of land utilized for its production and a decline in the competency with major tea exporting countries. Almost 85% of the total household chores could consume about 81% of the estimated item produced. Daily denouement of the drink has been however increased due to a proportionate increase in the popularity of this low cost beverage among increasing masses, increased affinity to the urban culture, increase in job opportunities resulting in an increase high standard of living and means for consumption. However, tea being income elastic, and high elasticity for developing countries, India's share of exports to these developing countries is also increasing.

Statement of the Problem

The concerned sample of tea plantations has been drawn from the Indian districts at Kerala, Assam, Karnataka and Tamil Nadu. It was interesting to see that due to the suitable climatic conditions

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and favorable soil type, lion share of the tea production are contributed by the Indian districts of Idukki and Wayanad. Thus it is double sided bliss: on the one hand the job opportunity of the locale increases and on the other hand the state government is benefited out with a huge amount of revenue tax. Even though we are benefited from both the domestic as well as foreign markets, there are several problems associated with the manufacturing of the tea and its marketing trends. The plantation owners as well as associated workers fail to make optimum return as reasonable profit. When unfavorable change in monsoon and rainfall or even dry recent droughts have been seriously affected the tea manufacturing, ie., its production, devourment and consumption. Several other reasons that have made serious damage to the profit motto of our tea plantations are given below:

- A recent increase in the labour charge
- An increase in the cost of pesticides and other fertilizers or plant protection aids.
- Sudden hike in marketing margin
- Variations in the market value.
- Other unfavorable environmental conditions

Our authorities could have taken appropriate measures so as to overcome the above mentioned hurdles and thereby preventing the year by year declination of the tea trade in the international market and also to meet our stiff competitors in this field such as China, Kenya, Sree Lanka, Turkey and Vietnam. But unfortunately we cannot find any of such steps from the part of the authorities. We cannot trace many studies in the concerned area; no in-depth empirical analysis of the problem has been conducted. Our country is still capable of raising her own legacy in this market that is related with the production, devourment and consumption of the tea. But we need to devise adequate strategies, sort out its opportunities and also we have to wisely detect the impending threats and shortcomings in its marketing. Thus this area of study proves to have its own social significance and contemporary relevance.

Objectives of the Study

The primary objective of the article is to analyze the production and consumption of Indian Tea.

Scope and Period of the Study

The study relates to production, and consumption of Indian tea. The study covers production of Tea for the period of 10 years from 2009-10 to 2018. It is deemed that 10 year period is sufficiently long to make an analytical study. The survey was conducted to collect the primary data during May - June 2018.

Methodology of the Study

The exploration of data started with collecting primary data and secondary data on tea production, and consumption. The study is mainly based on survey method. It was possible to obtain large sets of data from the website of the Tea Board of India. The analysis has been conducted by taking the data like annual production and consumption of tea from 2009-2018 monthly production according to the region from 2017-18. Results were summarized in the form of tables. Here Compound Growth Rate analysis was applied for explaining variations in the consumption of tea based on production.

Results and Discussion

The data contains annual facts of production consumption and export of tea (in thousand kilograms) of any region of India. Table 1 show that there is a continuous increase in production with respect to the period from 2009 to 2018. However, a constant relationship was found for consumption and the time period.

Table 1: Tea Production in the Major Producing Countries during 2009 to 2018

(Qty. in mt. Tonne)

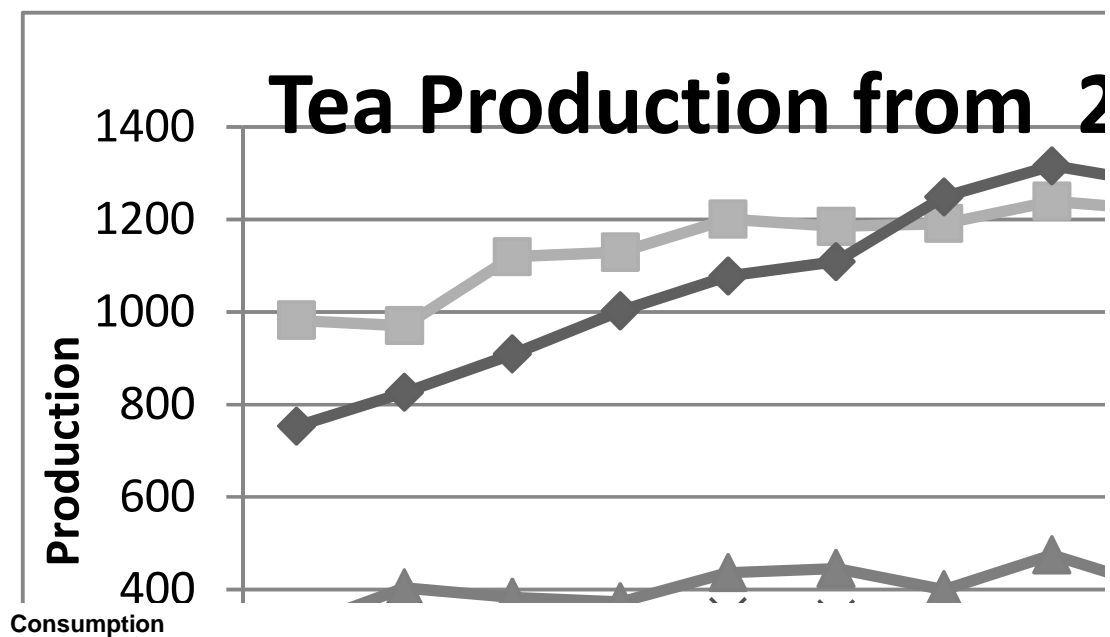
Year	Tea Producing Countries						Increase/ Decrease
	China	India	Kenya	Sri Lanka	Indonesia	Total Production	
2009	1344.4	982.1	318.3	291.2	110.2	3046.20	
2010	1475.1	970.3	403.3	331.4	115.5	3295.60	-249.40
2011	1623.2	1119.7	383.1	327.5	122.23	3575.73	-280.13
2012	1789.8	1129	373.1	328.4	130.5	3750.80	-175.07
2013	1924.5	1200.4	436.3	343.1	134	4038.30	-287.50

2014	1980	1184.8	445.1	338.03	132	4079.93	-41.63
2015	2230	1191	399.21	328.9	129.29	4278.40	-198.47
2016	2350	1239.19	474.8	292.36	125.5	4481.85	-203.45
2017	2280.45	1220.23	402.3	280.25	128.25	4311.48	170.37
2018**	2274.25	1215.2	395.2	285.56	126	4296.21	15.27
Total	16997.45	10236.72	3635.51	2861.14	1127.47	34858.29	-30562.08
Avg	1699.745	1023.672	363.551	286.114	112.747	3485.829	
% Share	48.76157	29.36667	10.4294	8.207918	3.234439		
Rank	I	II	III	IV	V		
CGR	6.4	2.5	2.0	1.2	1.3		

Source: Tea Statistics Tea Board of India, 14, BTM Sarani, Kolkata-700 001. CGR=Compound Growth Rate (Computed).

From the above table it is explicit that there was an increasing trend in the manufacturing and consumption of Tea throughout the study period. It was due to increased domestic and international demand. The country wise production data reveals that two Asian countries China and India, account for 78.13 % total production during 2009 to 2018. The compound growth rate revealed that China occupied the first place followed by India, Kenya, Sri Lanka, and Indonesia.

Among the countries which contributed minor shares to the total production, Indonesia ranked first which 1127.47 tonnes kilograms (3.23 percent) and recorded a compound growth rate 1.3 per cent. Though this growth rate was the highest among all the countries, the total production is ranged between 110.20 tonnes and 126.00 tonnes kilograms only. Similarly, for instance, in Sri Lanka, the growth rate which occupies the next higher position among the countries that contributed minor shares. Figure1 shows that Tea Production in the countries in the forefront for the tea manufacturing in between 2009 to 2018



Tea is considered as the life-blood of the world's tea producing industry. The major share in the manufactured product is being consumed within the home itself. Domestic consumption has been increasing by about 2.5 per cent every year, whereas production is growing at about only 1 per cent every year. But still, the per capita consumption of tea in the country seems to be the least and it offers immense scope to increase the domestic per capita consumption. Tea consumption has been very high within the England as well as in the Ireland. However, with the inroads made aerated soft drinks in these markets, consumption in these countries has tapered off. Tea is getting more popular in India, China, and USSR, Pakistan as well as the countries in the Middle East. In countries USA, Canada and Japan, the trend in tea consumption shows stagnation. India's is the biggest devourers of tea as per the statistics followed by China and Turkey.

The details regarding consumption of tea by different countries during 2009-2018 can be analysed from the Table 2.

Table 2: Consumption of Tea by Countries during 2009 to 2018

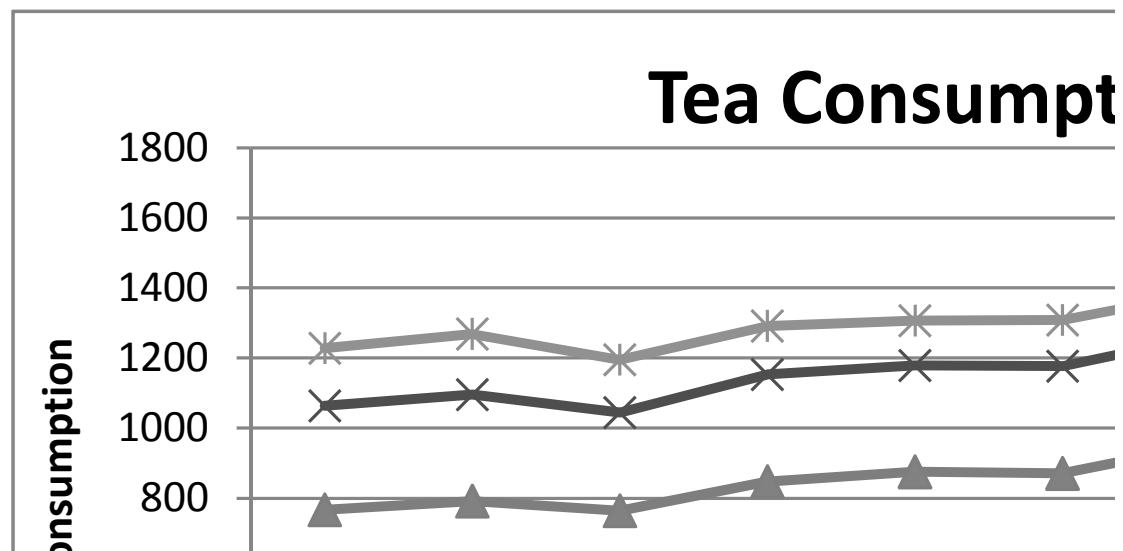
(Qty. in Mt. Tonne)

Year	Tea Consuming Countries						Increase/ Decrease
	China	India	Kenya	Sri Lanka	Turkey	Total production	
2009	303.00	180.50	281.10	279.90	151.30	1195.8	
2010	302.40	182.70	362.30	305.80	138.70	1291.9	96.1
2011	322.60	205.30	347.50	303.20	128.10	1306.7	14.8
2012	321.80	199.10	349.90	306.10	132.00	1308.9	2.2
2013	329.70	209.20	415.90	311.00	124.10	1389.9	81
2014	335.40	212.50	428.50	318.30	256.50	1551.2	161.3
2015	342.50	224.50	434.50	324.20	265.00	1590.7	39.5
2016	345.20	234.55	439.20	326.58	275.26	1620.79	30.09
2017	347.25	239.25	443.58	334.86	283.25	1648.19	27.4
2018**	349.56	244.26	448.58	339.25	296.45	1678.1	29.91
Total	2826.40	1809.60	3214.20	2748.60	1533.70		
Avg	314.04	201.07	357.13	305.40	170.41		
% Share	23.30	14.92	26.49	22.65	12.64		
Rank	II	IV	I	III	V		
CGR	1.7	5.00	8.60	4.60	6.80		

Source: Tea Statistics Tea Board of India, 14, BTM Sarani, Kolkata-700 001.

CGR=Compound Growth Rate(Computed).

It can be noted from the above given Table (2) that there has been an increasing trend in the consumption of tea throughout the study period. The consumption data regarding the Asian countries reveal that India, China, Sri Lanka account for 60.87 % of total consumption during 2007 to 2015. The Chinese, no wonder, has boated down India in the biggest numbers of tea consuming people in 2007-08 owing to rapid industrialization programme implemented in the country. Consumption of instant tea, tea-bags, ready-to-drink tea and flavoured tea etc., in the developed countries like USA and Japan. The antioxidants, namely 'flavonoids', in both black and green teas, help neutralize 'free radicals' produced in the body as part of normal functioning and, thereby, decrease the likelihood of paralysis or cardiac arrest caused by blocked arteries. Moreover, the discovery of anti-carcinogenic properties along with the recent findings that has spotted out tea as an extraordinary rejuvenating beverage etc can be used to give an added advantage to the generic promotion programmes. Figure 2 shows that Tea consuming Countries during 2007 to 2015.



Any way Indian habit is strictly adhered to the age old way of pouring milk into the tea before its devourment blocks any other non -leaf herbal or fruit tea from getting into its traditional culinary matrix. India is the world's largest tea-drinking nation. Yet an individual is taking only 750 grams of the product every year as per capita consumption. This is because of the population explosion along with the increased rate of privation. Difference in tea varieties and terrains makes the method of harvest dissimilar even though India holds the prime position in the world in the area of tea technology. Fine-leaf tea is hand plucked, and hand shears are used on mountain slopes and in other areas where tractor-mounted machines cannot go. A skilled worker using hand shears can harvest between 60 to 100 kg of tea per day, whereas machines cut between 1,000 and 2,000 kg. The latter, however, are usually applied to low grade teas that often go into teabags. The tea "fluff" and waste from processing is used to produce caffeine for soft drinks and medicine.

Conclusion

Both in terms of average area of tea cultivation and production, India occupies the second place. But from the point of view of yield per hectare, India occupies the last position among the tea producing countries. The average tea yield among the major tea producing countries is 2235 Kg/ha, where as it is 1693 Kg/ha in India. India's exceptional geo-agro-climate situation has created unique conditions that are very suitable for growing a super fine quality of tea that cannot be replicated elsewhere. However, various constraints and weakness may jeopardize the future prospectus of the tea plantations unless due attention is paid and appropriate measures are taken in time.

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