TEA INDUSTRY IS THE BACKBONE OF INDIAN ECONOMY: IT’S PRESENT AND FUTURE

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ABSTRACT

In India, tea is an important commodity in terms of job creation and export earning. Millions of people in this country are dependent on tea industry, directly and indirectly. Being a labor intensive industry it provides jobs in remote rural areas. However, due to weak international and auction (national) prices over last few years, a worldwide tea sector crisis has been observed, which is felt at its worst in India. Indian growers are suffering this crisis in the form of low return. Big tea growers are struggling for development (in the form of re-plantation, infrastructure, new technology, proper marketing etc.) and small tea growers are struggling for survival (own processing unit, minimum support price, Government subsidy etc.). Contrarily to this, tea trading and distribution is dominated by few companies that are highly benefited from stable retail prices.

In this paper, an analysis is made on present conditions of the tea industry of India. The paper also looks into the price volatility which is the root cause of unsustainability of tea industry. Observing the past and present status of Indian tea industry, the study revealed that lack of effective marketing is the major loophole of Indian tea industry. Finally, recommendations are made to overcome the problems faced by Indian tea industry.

KEYWORDS: export, grower, industry, marketing, sustainable.