



RESEARCH ARTICLE

ANALYSIS OF COST ORIENTED PROBLEM FACED BY THE TEA FARMERS
IN NILGIRI DISTRICT

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ABSTRACT

The Nilgiris district resides inside the Indian state of Tamil Nadu and a part of a larger mountain chain known as the Western Ghats. The Nilgiris district is mainly an agriculture district and its economy mainly depends upon the success or failure of crops especially the plantation crops like tea and coffee. The climatic environments and troposphere of the area make the Nilgiris District the appropriate place in South India for cultivation of tea as a result the zones under tea cultivation in Nilgiris are massive and spread. The cultivation of tea is mainly based on the tea plantation farmers and the study is to analyze about the problems of tea plantation farmers in Nilgiris District. The miserable living conditions and the wages of the tea plantation farmers are identified. The importance of considering these factors is analyzed and suggested as per the results inferred from several tea estates and unions resides in Nilgiris District.

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INTRODUCTION

“Nilgiris” the name is Sanskrit means BLUE MOUNTAINS and in Tamil *Neelamalai*. The Nilgiris District is situated in the Western Ghats. It is surrounded by the Coimbatore District, Kerala State and Karnataka State on the eastern, western and northern side respectively. The Nilgiris District is a celebrated summer resort for the tourists from all of India. Udhagamandalam popularly called, as Ooty is the Queen of Hill Stations in India. Udhagamandalam the capital of the Nilgiris District has one been the revenue of Tamil Nadu Legislative Assembly. The economic activities of this district is accelerated by the visit of tourists to a considerable extent which increase the income capacity of the people engaged many fields.

Nature of Crops

The Gross area under cultivation is 77,520 Hectares. Tea, Coffee, Potato and various Vegetable crops including Cabbage, Cauliflower are raised in this District. Cardamom, Pepper and Ginger are the major spices. Due to increase in the cost of cultivation of Potato and other root growers in the District have switched over to planting Tea in the recent years. In this District, Tea is the main plantation crop. There are more than 200 Tea Manufacturing Industries under both Private and Government undertakings. The TANTEA in Gudalur block and

UPASI in Coonoor block are the main Government undertakings.

Tea plantations in Nilgiri District (as in other growing districts of India) typically own and operate their own processing factories. Small growers sell their tea as green leaf to "bought leaf factories", which are independently owned. (Although in recent years, some plantation factories have started buying green leaf from small growers.

Nilgiri tea is one of the most loved tea across India due to its dark color, aroma and authentic flavor etc., Grown in the southern portion of the Western Ghats mountains of Southern India. It is grown in the hills of the Nilgiris district of Tamil Nadu.

Total area under tea 66175 acre one year production was 135 million kg. Rain fall will be 1000-1500 mm. in south India, this picturesque range of undulating hills has tea growing at elevation ranging from 1000 meters to 2500 meters.

Nilgiris tea now accounts for about 92 million kg per year which is about 10% of the total tea production of India. A full Hedged training Centre set up with support from the tea board of India has been conducting regular training courses for planters with large gardens as well as small growers, on the modern aspects of crop husbandry and tea manufacture.

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Objectives

1. To know about investment made by the farmer for growing tea leaf.
2. To know the reasons for decline in cost of tea.
3. To study about current rate of tea and its negative effects on farmers.
4. To know subsidy provided to the small land holders by the government.

Scope of The Study

Nilgiri tea plantations are represented by the Nilgiri Planters' Association, which is an organizational member of the United Planters Association of South India (UPASI), headquartered in Coonoor. UPASI is the peak body representing plantation owners in South India.

However, plantations only account for around 30% of tea production in Nilgiri District. The vast majority of production is undertaken by small growers, who typically own less than one hectare each. The majority of Nilgiri tea small growers are the Badagas, a local community of agriculturists. Small growers sell their tea as green leaf to "bought leaf factories", which are independently owned.

Investment Made By The Farmer For Growing Tea Leaf

Spent of Money (in rupees)

sl.no	Particulars	Items	Expenses in rupees
1	Cost of crops	Single crop -	6
2	Labour charges	Tea plucking	216
3	Cleaning charges		650
4	Fertilizers	Urea	750
		Potassium	550
5	Medicines	400ml	250

For example

500 kg of tea can take the following labour charges approximately in the year 2016.

Labour charges

Farmers 216*20 = 4320
 Cleaning 2 times per month = 648

Fertilizers (2 or 3 times per year)

Urea 1bag = 750
 Potassium 1 bag = 550

Medicines

(June to November fist time and Dec to Feb. 2 time)

400ml = 250

Total expenses **6518**

Reasons For Decline In Cost of Tea

Although in recent years, some plantation factories have started buying green leaf from small growers after processing which converts the green leaf into made tea. More than 50% of Nilgiri tea is exported, and usually finds its way into blends used for tea bags.

Data is unreliable on the precise proportion of Nilgiri tea that is actually exported. The strong flavors of Nilgiri tea make it useful for blending purposes. At the same time, Nilgiri tea has suffered from poor reputation associated with its erstwhile reliance on sales to the former. Soviet buyers had little regard for quality. In the 1990s the collapse of this trading partner triggered a substantial economic downslide in the Nilgiris district. South India occupies 22.32 per cent of tea area. Indian tea has virtually lost all global markets because it continues to be traded as a commodity. The much talked about value addition is limited and rather late. Only the markets that have consumers with shallow pockets buy tea as a commodity and that share is fast depleting. The industry needs to be competitive in production, marketing, logistics and product forms. India, despite being a large producer of tea, lacks properly organized production systems in which small tea producers find a respectable place. The industry must have access to capital at globally competitive rates. The subsidies in any form are undesirable. The tea industry must face the market realities; redefine its business strategies and reposition its products. The first step in that direction is a complete restructuring of the tea industry, redefining the roles of various agencies like the Tea Board and Producers' organizations, and developing a healthy partnership with the labour. There are the problems of market access and discriminatory treatments through non-tariff trade barriers such as maximum residual limits (MRL). Maximum residual limits (MRL) are a hot topic among the producers. MRL operates on every single agricultural product and not specifically for tea. The Indian tea industry is by and large quite sensitive to these limits area under cultivation in North India.

Statement of The Problem

Tea plantation industry is an important industry in Tamilnadu. It plays crucial roles in income generation, foreign exchange earnings and employment generation both directly and indirectly.

However, the overall performance of this industry is found to have been unimpressive. Since the market for tea is of an international one, trade liberalization is expected to have a substantial impact on this industry. Trade liberalization, privatization and free import of tea, import of inferior quality of tea and re-export of it mixing with the traditional product have caused problems both in the domestic and international markets. As a result of opening up of the market for tea, there exists competition among producers at the international level. Competitiveness has become the key to success. Those units who are having the cost of production above the average international price will find difficult to continue to operate. In the case of Tamilnadu most of the units are in this category. The employees are facing the major problem of insufficient wage rate compared to the living expenditure and they are found to be dissatisfied with poor working conditions. In sum the tea plantation industry is facing a crisis. The export performance over the last three decades shows that the percentage share of India's tea export in total world tea exports has declined drastically. During 1981-90, there was 21.91%, which declined to 13.3%.

To Study About Current Rate of Tea And Its Negative Effects on Farmers

In 1998 the rate per kg was 20-25 and now the current position shows that (i.e.) 1 kg is 12.50 rupees. After four months of crisis, the prices of Nilgiris tea leaves are on an upswing again. In June this year, prices of Nilgiris raw tea leaves plunged to an abysmal Rs 4 per kilo. However, it has shot up to Rs 10 a kg now. The tender two-leaf green tea variety fetches between Rs 15 and Rs 18 per kg. Three months ago, the prices of raw tea leaves fell sharply to Rs 4 per kg of green leaf tea from Rs 18, affecting nearly 70,000 small tea growers in the hills. In the past four months, tea farmers suffered a loss of over Rs 3 per kg as the production costs had gone up to about Rs 9 per, kg including wages. The Nilgiris Small and Tiny Tea Growers Association had demanded a subsidy of Rs 5 per kg from both center and state governments and fixation of a minimum support price for green leaf tea.

The Nilgiri tea leaves, famous for its strong flavor and deep brown brew, is being grown in 1 lakh acres on the hill slopes by the small farmers apart from big estates. According to Manohar, "The tea market is looking up but the small farmers have not yet completely regained their lost ground." The low quality grade processed tea is being quoted between Rs 45 and Rs 50 per kg, while the medium grade goes for Rs 60 to Rs 65 at the tea auction center. The superior quality processed or made-tea fetches between Rs 100 and Rs 120 a kg.

To know subsidy provided to the small land holders by the government

Tamil Nadu Government has introduced a Small Tea Growers Protection Scheme under which it will pay a subsidy of Rs 2 per kg of green leaf tea produced by small growers in the Nilgiris district.

The subsidy, to be paid for a period of six months from July, will be reckoned on a per acre basis to about 60,000 small tea growers owning or operating up to 25 acres of tea garden each in the district.

Announcing the scheme government said this was being done to protect and insulate small tea growers from the current steep fall in tea prices and to ensure their well-being.

Taking the average production at 1,400 kg of green leaf tea an acre for a period of six months, a total subsidy of Rs 2,800 an acre will be paid to every small tea grower. The subsidy amount will be paid directly to the tea grower and is expected to cost the exchequer Rs 28 crore.

In view of the urgent need to intervene on behalf of small tea growers, it said that it had ordered the subsidy amount to be disbursed immediately to all eligible tea growers.

The government, said that the Centre's Price Stabilization Fund Scheme was unlikely to provide any "tangible benefit or protection" to the small tea growers as the scheme had stringent conditions.

"The amount of relief available to small tea growers under this scheme is also only Rs 1,000 per grower, which is totally inadequate in the current situation. A much more liberal approach is necessary and the scheme has to be completely redesigned.

Limitations

1. No proper guidance to the land owners
2. Training and development, maintenance very low
3. Fertilizers, pesticides are not provided through proper channel.
4. Marketing process is not high in the time of particular period.
5. No proper communication are given to land owners.
6. Private tea factory occupation in high level.
7. Co-operative and Government are not directly and controlled.

Suggestions

1. Government should increase the tea rate for Rs.15 per kgs.
2. Government should fix the rate for fertilizers as subsidies
3. Government should focus micro level land owners.
4. Government should make some awareness about UPASI to the plant owners.
5. They should provide some training and development programme to land owners.

CONCLUSION

From this study the researchers conclude that tea farmers are facing many problems and inconvenience. Subsidies provide to the farmers to increase the productivity and live hood. The government must take few steps to uplift the farmers. It must conduct training and development programmes. Quality should be improved to international standard. Marketing should be done to attract foreign buyers and implementation of different types of teas should be encouraged By following the above mentioned ideas the cost of tea can be increased and farmers can be benefited.

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