

## Production Distribution and Export Value of Tea in India

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### Abstract

This article in depth analyses the tea production in the state of Assam and how much each area produces annually and the fiscal value of its export. This article also enlightens about the climatic requirements it variety and major types. It also gives us the statistical data of the tea produced, tea exported, which state has the highest export value and which type is exported in the global market. It also dwells on the problems faced in plantation and export.

### Introduction

Tea invariably has become an important part of our life, most people in India starts their morning with a cup of tea, it has almost become a morning ritual. Be it a meeting or a small gathering tea has become a must. It gives a boost of freshness and energy, but what makes tea so special? The main ingredient in a tea is its tea leaves, it has that aroma and taste that makes it different from any other beverages and thus the specialty about it.

Globally India is the 2<sup>nd</sup> highest producer of Tea right after China. The production of tea in India according to the recent data of 2017-18 was 1325.05 kg which was recorded as the highest in the history of tea production in India. If we look into the states of India with their yearly production, Assam holds the first position with almost 51% and in terms of area under cultivation around 53.2%. Factors such as strong geographical indications, latest innovations, enormous amount invested in the tea processing units, different marketing strategies and augmented mix of product has made the Indian Tea among the finest in the world. Major tea growing areas are the North eastern part of India such as Assam and the foothills of Darjeeling in West Bengal. A great amount of tea is also produced in the foothills of Nilgiri

hills. Therefore it tells us about amount of tea India produces what is its effect on the export value and on the farmers who grow it and its impact on the fiscal growth.

**Origin-** China.

**Climatic requirements** – For tea production , warm, humid climate along with an annual rain of 100 cm is required for proper growth and yield. A well drained and slightly acidic, deep soil is preferable. With this conditions being fulfilled tea's altitudes requirements can vary from sea level upto 2100 m above it.

There are two major variety :

1. *Camellia sinensis sinensis* .
2. *Camellia sinensis assamica*,

***Camellia sinensis sinensis*** – It is also called as the Chinese variety due to its origin being in China along the areas of northern Burma, Yunnan and the province of Sichuan. The height can reach upto a length of 2m having small leaf and it can also tolerate cold temperatures. The leaves are dark colored. And the buds have brownish hue. The tea tastes soft.



**Figure.1 *Camellia sinensis sinensis* , small leaf Chinese variety**

*Camellia sinensis assamica* - This variety is mostly grown in the region of Assam in India. The leaves are broader than the Chinese variety. It grows well in low altitude and in tropical areas. This tea is my mostly grown in Indian region.



**Figure 2** *Camellia sinensis* var. *assamica* large and broad leaf Assam variety.

#### **STATE WISE TEA PRODUCTION DATA.**

In the state wise tea production Assam leads the overall production and also has the most area under tea cultivation, followed by West Bengal :-

- Total production in North India – **1008.56 million kg**
- Total production in South India- **224.58 million kg**
- Overall grand total production in India– **1233.14 million kg**

#### **TOP FIVE TEA EXPORTING STATES IN INDIA**

In 2017, India has exported different types of tea from its 22 states. West Bengal is the largest tea exporter state of India and recorded 68.47% value total tea exports. Maharashtra is the second largest tea exporter state and recorded 11.74% of the total output. Let's check the tea export figures of top 5 Indian states during the year 2017.

States of India	Value (%)
West Bengal	68.47%
Maharashtra	11.74%
Tamil Nadu	8.33%
Kerala	4.55%
Delhi	2.84%

**Figure 3- Top Five Tea Exporting States In India**

#### **LIST OF TEA EXPORTERS IN INDIA**

According to tea export data of India, there are more than 1000 tea suppliers in India currently supplying different types of tea to the world. SSK exports limited is one of the largest tea exporting companies in India which did 5.61% of the total sales. Here is the list of main Indian tea exporters.

- SSK Exports Ltd.
- Girnar Food & Beverages Pvt Ltd
- Shah Brothers
- Swiss Singapore India Private Limited
- Asian Tea Company Private Limited

### DIFFERENT TYPES OF TEA EXPORTED BY INDIA

Amongst all the different types of tea, black tea has the largest share in the export of tea in the global market. Out of the total tea exported by India black tea accounts for 80.46%, and then 15.66% of value shared by regular tea. Other tea such as green, herbal, masala tea also contributes in the export. One major confusion is when people tend to think that green and herbal tea is same, on the contrary green tea is different from herbal tea by the presence of caffeine in green tea and herbal tea being free from it. Here are the graphical and tabular representation presenting share values of tea types exported from India in 2017.

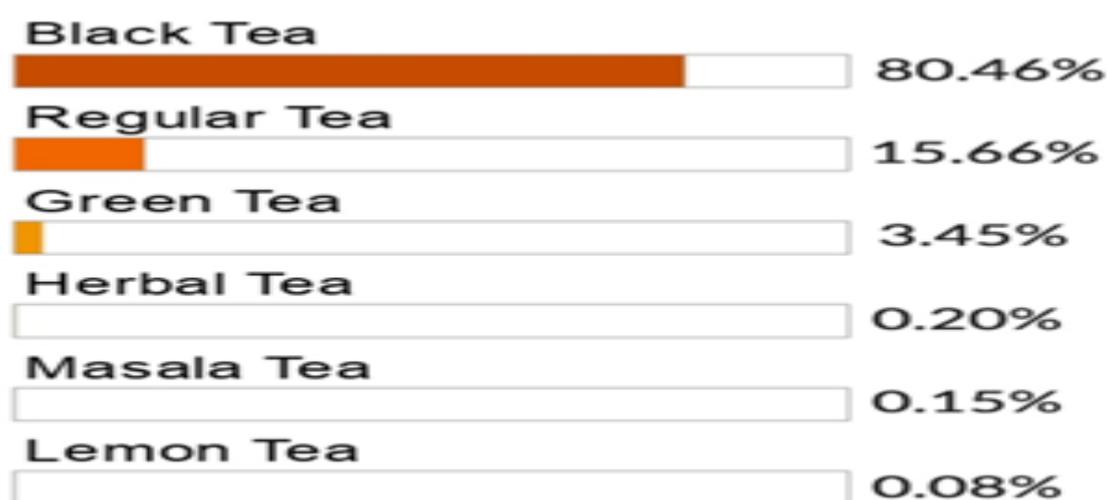


Figure 4- Different Types Of Tea Exported By India

### MAJOR PROBLEMS FACED IN TEA PLANTATION AND EXPORT

1. One of the major problem our Indian tea industry is currently facing is over production of tea. The international market as well as in our domestic circuit the current demand is not enough to deal with the overproduction in our country. More supply to the international market means decrease in the monetary value.
2. Unlike India where most of the black tea gets consumed in the country itself, China produces a huge amount of Black tea, yet they do not consume it hence the surplus of black tea is being forced to be sold in the international market causing threat to India's tea export.

3. Due to the system of Six digit codification of tea the produced tea doesn't remain as where it came from and hence the same tea exported by Indian tea industry re-enters with value addition posing threat to Indian export.
4. Also in India there are large number of small scale tea producer which are highly un-organized.

## CONCLUSION

The tea as a plantation crop has a huge scope in the international market as well as in the nation itself. It already generates a huge amount of revenue but with proper management in production level and in export level with the understanding of the world trade it can be a great source of income for many. The collaboration of the small scale producer under one umbrella could easily help in the procurement of the product as well as distribution and return the dedicated monetary value to the producers. Thus all in all it has a great opportunity to boom in the world trade with correct measurements.

The Indian Chamber Of Commerce has always played a very active role in the Indian tea industry and it keeps on promoting the different and new practices which is a great sign for the future of tea industry in India.