



Time for Tea - India's Tea Industry

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In India, the tea industry is quite lucrative. With over 2 million people employed in tea production and 13,000 tea gardens, India is one of the major tea producers in the world. Indian tea has an interesting history, growing from its humble beginnings as a culinary ingredient to a multimillion pound industry.



What is Tea?

About: Tea is a beverage made from the *Camellia sinensis* plant. It is the world's most consumed drink, after water.

Origin: It is believed that tea originated in northeast India, north Myanmar and southwest China, but the exact place where the plant first grew is not known. There is evidence that tea was consumed in China 5,000 years ago.

Growth Conditions:

- **Climate:** Tea is a tropical and sub-tropical plant and grows well in hot and humid climates.
- **Temperature:** The ideal temperature for its growth is 20°-30°C and temperatures above 35°C and below 10°C are harmful for the bush.
- **Rainfall:** It requires 150-300 cm annual rainfall which should be well distributed throughout the year.
- **Soil:** The most suitable soil for tea cultivation is slightly acidic soil (without calcium) with porous sub-soil which permits a free percolation of water.

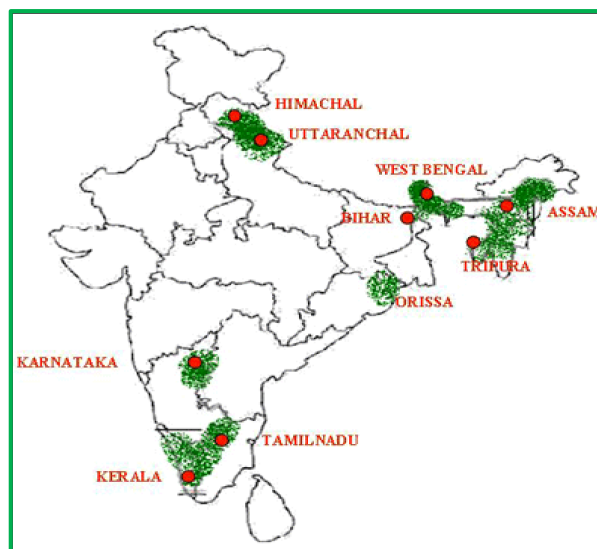
Significance: The tea industry being one of the most important cash crops is a main source of income and export revenues for some of the poorest countries and, as a labour-intensive sector, provides jobs, especially in remote and economically disadvantaged areas.

Tea production and processing contributes to the Sustainable Development Goals (SDGs) including reduction of extreme poverty (Goal 1), the fight against hunger (Goal 2), the empowerment of women (Goal 5) and the sustainable use of terrestrial ecosystems (Goal 15). It also has cultural significance in many societies.

Health benefits: Tea consumption can bring health benefits and wellness due to the beverage's anti-inflammatory, antioxidant and weight loss effects.

International Tea Day: It is observed on 21st May every year after it was designated by the United Nations General Assembly in December 2019.

Tea producing regions in India: India is the world's largest producer and consumer of black tea, with tea grown in 16 Indian states. About 95% of the world's tea is produced in Assam, West Bengal, Tamil Nadu, and Kerala. The principal tea producing states in India are West Bengal, Assam, Kerala, Tamil Nadu, Himachal Pradesh, Karnataka, and Arunachal Pradesh. **Darjeeling, West Bengal**, is the largest tea estate in India, with 84 tea estates in operation. **Assam**, located in the eastern Himalayas, is the greatest tea-producing state in India, with an annual tea production exceeding 400 million kg. The **Nilgiri Hills in Tamil Nadu** are known for their strong, fragrant teas, as well as exotic tea varieties like white, green, oolong, and orange teas. **Karnataka** is among India's top tea growers, with lush green tea plantations in **Chikmagalur, Dakshina Kannada, Hassan**, and other regions. **Kolukkumalai Tea Garden in Tamil Nadu** is a great height tea garden in India, and **Munnar Tea Plantation in Kerala** is a hill station in the western mountain ranges. **Himachal Pradesh's Kangra Valley** is the primary location for tea production, known as the "Valley of Gods" due to its unique tea flavors and perfume.



Geographical Indication (GI) Tag: Darjeeling Tea also known as "Champagne of teas," worldwide because of its flowery scent was the **1st GI tag** product. Other two variants of Darjeeling tea i.e., **Green and White tea** also hold GI tags.

Tea Export and Import: With a total of 6.37 lakh hectares of land under cultivation for tea production, **India** is the **second-largest producer** of tea in the world. 80% of the tea produced in the nation is consumed domestically, making it one of the top tea-consuming nations in the world. In both the calendar year 2020 and the financial year 2020–21, India produced a total of 1,283 million kg of tea. India produced 127.11 million kg of tea in May 2022, up from 91.77 million kg in April 2022. The output of tea in India during January through September 2022 was 984.67 million kg. Tea production was anticipated to reach 16.22 million kg in February 2023.

The northern part of India is the biggest producer at about 83% of the country's annual tea production in 2021-22 with the majority of the production coming from Assam followed by West Bengal. The Assam Valley and Cachar are the two tea-producing regions in Assam. In West Bengal, Dooars, Terai and Darjeeling are the three major tea producer regions. The southern part of India produces about 17% of the country's total production with the major producing states being Tamil Nadu, Kerala, and Karnataka.

With nearly 10% of global exports, India is among the top 5 tea exporters. India's total exports of tea were valued at US\$ 423.83 million from April through October 2021–22, and US\$ 474.22 million (provisional) from April through October 2022–23. The teas from Assam, Darjeeling, and Nilgiri in India are among the best in the world. About 96% of all tea exports from India are black tea, which accounts for the majority of the trade. The types of tea exported through India are black tea, regular tea, green tea, herbal tea, masala tea and lemon tea. Out of these, black tea, regular tea and green tea make up approximately 80%, 16% and 3.5% of the total tea exported from India.

India's total tea exports during 2021-22 in quantity were 201 million kg. The total exports during January-April 2022 were 65 million kg and were valued at US\$ 215 million, a 9% increase from the same period in 2021. The exports from India in terms of quantity for

the period January-December 2021 was 197 million kg with a total export value of US\$ 718 million (a 1.7% increase from 2020). During the financial year 2021-22 period (between April-November 2021), India exported tea worth US\$ 458.88 million. India's export price per kilogram has seen a steady increase over the years. During 2021-22, the unit price of tea was US\$ 3.62 per kg. This, in the previous year, was US\$ 3.52 per kg. From 2018-19, the price per unit of tea exported out of India has increased by 17% in 2021-22. This has allowed the country to have better profitability out of the exported goods.

From April 2022-June 2022, India's total tea exports stood at 65.19 million kgs, this was valued at US\$ 236.36 million, a rise of US\$ 19.77 million as compared to the same period the previous year.

India exports tea to more than 25 countries throughout the world. Russia, Iran, UAE, USA, the UK, Germany, and China are some of the major importers of tea from India. During 2021-22 Russia, Ukraine and Kazakhstan imported 32.5 million kg, 1.68 million kgs and 6.48 million kg of tea from India. The share of Indian exports to the CIS nations during that period was 21% (42.5 million kgs) of the total exports. Iran, UAE and the USA are among India's top tea export destinations. During 2021-22, the three countries imported 29.3 million kgs, 23.3 million kgs and 13.5 million kgs of tea from India. The value of total exports to these countries combined was US\$ 277.3 million during the same period.

During 2021-22, the exports to Germany, the USA, UAE and Ireland increased by 14%, 12%, 70% and 17% respectively over the previous year. Some of India's other tea export destinations are Poland, Canada, Saudi Arabia, Egypt, Afghanistan, Bangladesh, China, Singapore, Sri Lanka, Kenya, Japan, Pakistan and Australia, etc. All these countries combined accounted for US\$ 116 million of tea exports from India contributing to 16% of the tea export revenue for the year 2021-22.

In an effort to increase the output and calibre of tea production in India, the **Tea Board of India** introduced the **Tea Development and Promotion Scheme** in November 2021. The programme consists of seven parts: the establishment of small tea farmers, the development of sector-specific action plans for North East India, the assistance of tea producers and traders in market promotion activities, worker welfare, regulatory reforms, research and development initiatives, and establishment costs.

The **Tea Board of India**, established in **1953**, exerts control over producers, manufacturers, exporters, tea brokers, auction organizers, and warehouse keepers through various control orders notified under the Tea Act. Its responsibilities include increasing production and productivity, improving the quality of tea, market promotion, and supporting research and development.

How to Encourage the Growth of Indian Tea Industry?

The One District and One Product (ODOP) initiative may help the Indian tea sector expand. The "AROMA" has to be improved in order to make the tea industry lucrative, viable, and sustainable. This include assisting small producers to boost output and enhance quality, revitalising exports, modernising tea farmers, emphasising adaptation, and promoting organic and GI tea through brand marketing. The Indian tea sector can prosper and face the challenges of climate change by encouraging self-reliance, bolstering regional supply networks, and emphasising a risk-proof environment.