

Marketing Pattern of Tea Enterprise in Meghalaya State: with Special Reference to White Tea Cultivation

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ABSTRACT

The present research work was carried out to analyze the marketing pattern and post harvest management of tea enterprise with the help of primary data pertained to the year 2018-20 of tea enterprise in both district viz; Ri-Bhoi and West Garo hill. As it is well known fact and universally accepted concept that the organic agriculture has triggered a controversial debate in the past two decades; which is most important because it shed light on the darker sides of chemical-intensive conventional farming by offering an alternative due to the dumping off huge quantity of fertilizer and chemical used for enhancing the production and productivity to maximize the profit too. The data were collected from both the selected districts purposively due to the highest production and productivity as compared to the other districts of the Meghalaya state and a multi-stage simple random sampling technique was adopted due to the rationality sample plan of the respondents. Even the statistical frame-work and tabulation was adopted to fulfill the specific objectives of the study.

Key word: Marketing pattern, Post-harvest, Management, Tea, Enterprise

Introduction

The popularity and best quality of India tea contributes to the demand in the international market. India is the leading producer in the world and was followed by China. In 2019, production of tea in India was estimated to be 1390.08 million kg from an area of 563.98 ha (Anon., 2020)c; out of which 254.50 m kg valued at ₹5506.84 crores were exported abroad and about 1,084 m kg was retained for domestic consumption which contributed of (12.00 per cent) to the share of GDP in the country (Anon., 2020)b. In the past two decades, there has been rapid expansion of the small sector in the tea industry in India (Anon., 2020)a. The suitability of land and

variability of agro-climatic condition in NEH region has boon the cultivation of tea in states such as Assam, Sikkim and Meghalaya, there were many famous manufacturing brand of tea such as Nalari, Anderson and Anrenge; which produce different type of tea including white tea, green tea, *etc.* Some of the list of private, society and government factory of tea *viz.* Ah tea, Drener, lakysiew, Saron, Arsla, Urlong and Meg tea (Anon., 2018).

Research Methodology

The study was conducted in Ri-Bhoi district and West Garo Hills districts of Meghalaya based on the highest area and production of tea in the state. Total of (200) respondent farmers from the (30) villages

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have been drawn by using probability proportionate to size sampling method and at least 10 intermediaries at each stage of marketing and processing were also identified. As a part of the research finding, marketing of tea were classified as direct and indirect market. The farmers sold their green tea leaf produce to the processor and after fully processed; the tea was disposed to the consumers within the state and outside the state through wholesaler and retailer. Very few farmers processed the tea and were marketed as homemade tea such as mini factory. The data collected were tabulated and analysed for examining the marketing cost and marketing margin, price spread, producer's share in consumer's rupee and marketing efficiency (Imlibenla and Sharma, 2019) a&b.

Marketing cost

$$C = C_F + C_{m1} + C_{m2} + C_{m3} + \dots + C_{mi}$$

$$C = C_F + \sum C_{mi}$$

Whereas:

C = Total cost of marketing of the commodity

C_F = Cost paid by the producer at the time the producer leaves the farm till he sells it,

C_{mi} = Cost incurred by the ith middleman in the process of buying and selling the Product.

Marketing margin of the middlemen

$$A_{mi} = P_{ri} - (P_{pi} + C_{mi})$$

Whereas:

A_{mi} = Absolute marketing margin of ith middlemen

P_{ri} = Total value of receipts per unit (sale price)

P_{pi} = Purchased value per unit (purchased price)

C_{mi} = cost incurred on marketing per unit

Price spread

$$\text{Price spread} = P_c - P_f$$

Whereas:

P_c = Price paid by consumer

P_f = Price received by the producer.

Results and Discussion

Table 1 reveals the major producer of made tea in Meghalaya was found to be of CTC tea which contributed about 47.84 per cent from the total average production and was followed by Green tea (35.83 per cent), White tea (7.36 per cent), orthodox tea (7.06 per cent), whereas, Oolong which is a new type of tea products and contributed only 1.90 per cent of the total production of tea in the state. Similar study is carried out in the line by the Imlibenla and Sharma (2019)a.

Producer's surplus of tea

Table 2 reveals the production of tea at the household level was found to be with an estimated yield of 13585.02 kg. Out of the total production of tea, only a small quantity of tea was retained for home consumption (0.04 per cent) and gift as kind to relatives and friends (0.03 per cent). The marketed surplus was estimated of kg (99.82 per cent). Hence, the study found the tea producer was resourceful with better retention power and no distress sale of tea

Table 1. Production of tea in Meghalaya

S. N.	Type	White tea	Green tea	Orthodox	CTC	Oolong	Total
1.	Quantity	999.21 (7.36)	4867.82 (35.83)	959.08 (7.06)	6499.40 (47.84)	259.51 (1.91)	13585.02 (100)

(Figure in parentheses is percentage to the total)

Table 2. Producer's surplus of tea in Meghalaya

S. N.	Particulars	White tea	Green tea	Orthodox tea	CTC tea	Oolong tea	Overall
1.	Production (kg)	999.21	4867.82	959.08	6499.40	258.51	13585.02
2.	a. Own consumption	1.00	1.00	1.00	1.00	1.00	5.00 (0.04)
3.	b. Losses	3.00	3.00	3.00	2.00	3.00	14.00 (0.10)
4.	c. Gifts	0.50	0.50	2.50	0.50	0.50	4.50 (0.03)
5.	Total (a + b + c)	4.50	4.50	6.50	4.50	4.50	24.50 (0.18)
6.	Marketed surplus (% of total)	994.71	4863.32	952.58	6494.9	254.01	13559.52 (99.82)

(Figure in parentheses is percentage to the total)

produce across the states. Similar study is carried out in the line by the Imlibenla and Sharma (2019)b.

Tea from Meghalaya was mostly marketed through three major marketing channels. The majors actors involve were producer, processor, wholesaler and retailer. These channels were:

Channel-I (Producer-Processor-Wholesaler- Retailer-Consumer)

Channel-II (Producer-Processor-Retailer-Consumer)

Channel-III (Producer-Processor-Consumer / Guwahati Auction Centre)

Table 3 reveals that majority of the farmers disposed-off their produce through Channel-II (63.87 per cent) and was followed by Channel-III (23.08 per cent) and Channel-I (13.05 per cent), respectively. Similar study is carried out in the line by the Hannan (2007).

Table 4 reveals that Channel-I, tea leaves producer sold their raw produce to processor in their respective village at an estimated price of 45 per kg. The total marketing cost paid by the producer was worked out to be 38.62 per kg with a major cost was incurred on plucking (78.37 per cent) it was followed by transportation (11.76 per cent), losses during storage and processing (4.39 per cent) and gunny bag (5.49 per cent). Similar study is carried out in the line by the Sharma (2014).

The processor further processed the raw tea leaves into a branding tea called as white tea. The total cost incurred by processor was of 1014.14 per kg with a major cost was on deduction (98.59 per cent), losses (0.997 per cent) and electificity (0.13 per cent). The processor then sold the white tea to the wholesaler at a price of 11000 per kg and earned a margin of 9940.66 per kg. The wholesaler then sold the white tea to retailer at 11020 per kg earned a margin of 18.05 per kg with transportation (56.41 per cent), loading and unloading (25.64 per cent)

and packaging (17.95 per cent) as the cost incurred. The retailer on the other hand by selling the white tea to the consumer at a price of 11050 per kg earned a margin of 28.60 per kg with transportation (61.54 per cent) and packaging (10.26 per cent) were the main marketing cost incurred. Similar study is carried out in the line by the Sharma (2015).

Table 4 reveals that Channel-II, tea leaves producer sold their raw produce to processor in their respective village at an estimated price of 45 per kg. The total marketing cost paid by the producer was worked out to be 38.52 per kg with a major cost was incurred on plucking (77.16 per cent) it was followed by transportation (11.57 per cent), losses during storage and processing (5.86 per cent) and gunny bag (5.40 per cent). The processor further processed the tea leaves into a branding tea called as white tea. Similar study is carried out in the line by the Sharma (2013b).

The total cost incurred by processor was of 1031.14 per kg with a major cost was on deduction (96.98 per cent), labeling (0.97 per cent), losses (0.78 per cent) and electificity (1.13 per cent). The processor which acts as wholesaler then sold the white tea to the retailer at a price of 17060 per kg and earned a margin of 58.40 per kg. The retailer on the other hand sold the white tea to the consumer at a price of 17060 per kg earned a margin of 58.40 per kg with transportation (71.79 per cent) and packaging (10.26 per cent) were the main marketing cost incurred. Similar study is carried out in the line by the Sharma (2013a).

In Channel-III, the tea product was sold directly to consumer by processor either in auction centre Guwahati or outside the state. The tea leaves produced by farmers were sold to processor in their respective village at an estimated price of 45 per kg. The total marketing cost paid by the producer was worked out to be 38.52 per kg with a major cost was

Table 3. Disposal pattern of tea in Meghalaya

S. N.	Particulars	Quantity (kg)		
		Channel-I	Channel-II	Channel-III
1.	White tea	100.66(10.12)	669.64(67.32)	224.41(22.56)
2.	Green tea	608.89(12.52)	3171.37(65.21)	1083.06(22.27)
3.	Orthodox tea	126.31(13.26)	582.50(61.15)	243.77(25.59)
4.	CTC tea	924.22(14.23)	4103.48(63.18)	1467.20(22.59)
5.	Oolong tea	38.43(15.13)	158.71(62.48)	56.87(22.39)
	Total	1769.51(13.05)	8660.47(63.87)	3129.54(23.08)

(Figure in parentheses is percentage to the total)

incurred on plucking (77.16 per cent) it was followed by transportation (11.57 per cent), losses during storage and processing (5.86 per cent) and gunny bag (5.40 per cent). Similar study is carried out in the line by the Sharma (2012)a.

The processor further processed the tea leaves into a branding tea called as white tea. The total cost incurred by the processor was of 1031.14 per kg with a major cost was on deduction (96.98 per cent), labelling (0.91 per cent), losses (0.78 per cent) and

electricity (0.13 per cent). The processor then sold the white tea to the consumer at a price of 17000 per kg and earned a margin of 15923 per kg. Similar study is carried out in the line by the Sharma (2012)b.

Table 4 reveals that the price spread was marginally higher of 11961.38 per kg, 15961.48 per kg and 16961.48 per kg in Channel-I, Channel-II and Channel-III, respectively due to the fact that the farmers sold the produce at very small price (45/kg) and the

Table 4. Marketing cost and margin of CTC tea in Meghalaya (Rs/Kg)

Particulars	Channel-I	Channel-II	Channel-III
Selling Price of Producer	17.00	17.00	17.00
Cost incurred by the farmers			
i) Plucking	0.50 (19.01)	0.50 (17.60)	0.50 (17.36)
ii) Transportation	0.75 (28.52)	0.75 (26.41)	0.75 (26.04)
iii) Gunny bag	0.30 (11.41)	0.31 (10.92)	0.35 (12.15)
iv) Loss during Storage	1.08 (41.06)	1.28 (45.07)	1.28 (44.45)
Total (I to iv)	2.63 (100.00)	2.84 (100.00)	2.88 (100.00)
Net Price receive by the Producer	14.37	14.16	14.12
Cost incurred by processor			
i) Transportation	0.70 (0.59)	0.70 (0.52)	0.70 (0.52)
ii) Loading & Unloading	0.50 (0.42)	0.50 (0.37)	0.50 (0.37)
iii) Weighing	0.35 (0.30)	0.35 (0.26)	0.35 (0.26)
iv) Deduction	85.00 (72.14)	85.00 (63.43)	85.00 (63.43)
v) Electricity	1.35 (1.15)	1.35 (1.01)	1.35 (1.01)
vi) Weathering	0.85 (0.72)	0.85 (0.63)	0.85 (0.63)
vii) Processing	20.00 (16.97)	20.00 (14.93)	20.00 (14.93)
viii) Drying	0.75 (0.64)	0.75 (0.56)	0.75 (0.56)
ix) Labelling	-	10.00 (7.46)	10.00 (7.46)
x) Packaging	-	6.00 (4.48)	6.00 (4.48)
xi) Gunny bags / Pack	0.33 (0.28)	0.50 (0.37)	0.50 (0.37)
xii) Loss (Storage / Processing)	8.00 (6.79)	8.00 (5.97)	8.00 (5.97)
Total (i to xii)	117.83 (100.00)	134.00 (100.00)	134.00 (100.00)
Selling Price of Processor	300.00	320.00	330.00
Processor's Margin	165.17	169.00	178.95
Cost incurred by wholesaler			
i) Transportation	1.10 (56.41)	-	-
ii) Loading & Unloading	0.50 (25.64)	-	-
iii. Packaging Material	0.35 (17.95)	-	-
Total (i to iii)	1.95	-	-
Price paid by Retailer	320.00	-	-
Wholesaler's Margin	18.05	-	-
Cost incurred by retailer			
i. Transportation	1.20 (85.71)	1.10 (68.75)	-
ii. Packaging Material	0.20 (14.29)	0.50 (31.25)	-
Total (i to ii)	1.40 (100.00)	1.60 (100.00)	-
Selling price of Retailer	350.00	350.00	-
Retailer's Margin	28.60	28.40	-
Price Spread	335.63	335.84	315.88
Producer Share in Consumer Rupees	4.11	4.05	4.28

(Figure in parentheses is percentage to the total cost)

processed product of white tea were sold at higher price. Thus, it reduces the producer share of farmers in consumer's rupee with an estimated amount of 0.32 per cent, 0.28 per cent and 0.23 percent, respectively. The price spread was marginally higher of 1187.50 per kg, 1187.50 per kg and 1187.50 per kg in Channel-I, Channel-II and Channel-III, respectively due to the fact that the farmers sold the produce at very small price (17/kg) and the processed product of CTC tea were sold at higher price. Thus, it reduces the producer share of farmers in consumer's rupee with an estimated amount of 1.04 per cent, 1.04 per cent and 1.14 percent, respectively. Similar study is carried out in the line by the Baruah (2008).

Conclusion

Different brand of tea has been sold in Meghalaya at different prices and majority of farmers sold the produce in raw form and getting a minimal price. It was found that the share of producers was very low compared to the farmers which can produce and sell the product till the final stages. Lack of knowledge and technical skill on processing and value addition forced them to sell their produce to the village traders or processor. Thus there is a need for cluster base or community base processing unit of farmers at cluster level so that farmers can process the produce to increase their due share in consumer's rupee. Three channels have been identified and considered in the research area and mostly the raw produce goes to the processor. There were high demands of tea as it was an organic production both in the national and international market as well. The farmer's lacks of linkage and market information have sold their produce in raw form rather than process it. There is a need that the farmers in the region should work together through community base by strengthening their knowledge and skill through active participation in training for enhancing their capacity building and be more competitive.

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