Smallholder Tea Farming in West Bengal, India: An Exploratory Insight

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Chapter 6
Smallholder Tea Farming in West Bengal, India: An Exploratory Insight

Chinmoyee Mallik

Abstract India, like most of the developing countries, is dominated by smallholder farmers. While these small farms were typically of subsistence type, recently a considerable proportion of them have massively shifted in favour of cash crops in many parts of the country. This is very intriguing because escalating economic vulnerability of the small farmers due to erosion of state support from the farm sector in the neo-liberal policy context and concomitant monetization of smallholder economy are self-contradictory. Although South-East Asian countries have already experienced such a phenomenon few decades back with respect to the rubber production, the Indian tea production, particularly in Assam and West Bengal, is following a similar trajectory. This paper is mainly based on Agricultural Census of India, National Sample Survey unit level data and an exploratory field work in the tea producing district of Jalpaiguri in West Bengal undertaken in 2019. The fieldwork consists of an exploratory quantitative survey as well as in-depth interviews of few small tea growers to understand the recent trends and patterns of restructuring of the pre-existing agricultural system in the region. This paper seeks to draw insights from cropping pattern shift away from food crop towards cash crops and the socio-political and economic environment associated with this recent phenomenon. It emerges that the small farmers have shifted cropping away from food crops to cash crops and that the small farmers who have adopted tea farming have mostly replaced paddy cultivation.

Keywords Commercial agriculture · Food security · Cropping pattern shift · Small tea growers

6.1 Introduction

The recent Agricultural Census of India 2015–16 reveals that 86% of all farm holdings are of marginal category although area under these holdings is 47% of all operated

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area. Traditionally smallholder farming has been looked upon as subsistence production units who are non-responsive to innovation and market. The Chayanovian thesis, while harps upon self-exploitation as means of survival in the context of adversities of the market economy, the Marxian constructions profess 'death of the peasantry' as a route to capitalist transition. Contrary to the traditional theoretical positions taken, the recent studies have indicated that smallholder agriculture in India is not only predominating but also gaining ground all the more (Mahendra Dev 2012). Their contribution to food security, poverty reduction as well as agricultural diversification through high-value crop production and cash cropping has been steadily gaining ground (Mahendra Dev 2012). Although the emergence of supermarkets and retail trade in the farm products offer opportunities to the small farmers in general, in the Asian context, the cultural inhibitions and policy drawbacks dampen the prospects considerably (Reardon et al. 2012). Notwithstanding the challenges, smallholder farming has gained strong foothold not only in the high-value cash crop production, but also in some of the plantation crops like tea, coffee, rubber, oil palm in different parts of the Global South (Bissonnette and Koninck 2017). Most of tropical Asia and particularly Southeast Asia a transition from plantations to smallholdings for an important number of cash crops is well under way by organized smallholder often under contract farming agreement.

The origin of the small growers draws its lease of life from the crisis of production and management of the large plantations. China, Kenya, Indonesia and Sri Lanka are forerunners in this aspect as more than seventy percent of the plantation crop output of the respective countries originates from the small grower farms. It was in fact a well-strategized scheme to encourage the growth of small farms in and around the peripheries of the nucleus plantation and attach the former with the latter functionally. Commonly the smallholder would depend upon the nucleus plantation for technical and marketing support while labour management would be negotiable (Hannan 2006). Several countries have institutions like the Rubber Industry Smallholders Development Authority (RISDA) in Malaysia and the Kenya Tea Development Authority (KTDA) in Kenya to organize the process. However, there are several instances where contradictory outcomes have been noted. In Indonesia, Li (2011) notes that smallholder contract schemes associated with the attached large plantations have drawn the land out of the subsistence economy and within the capitalist circuit while the labour that was attached to that land is rendered redundant. It also underlines how, in the long run, attaching a small farm with the enclave-like (Hall et al. 2017) plantation, loses the labour perspective and risks the independence and autonomy of the smallholders. A contradictory scenario is observed in Africa by Hall et al. (2017) where commercial farming areas and contract farming produced considerable local economic linkages and the plantations/estates created more jobs, although of low quality and mostly casual. Hence, the coexistence of the small farms alongside large plantations deliver diverse landscapes depending upon the local and pre-existing linkages as well as the national policies that govern the relative importance of the two sectors (Bissonnette and Koninck 2017).

Following the serious crises in the tea plantations in India and their reluctance to increase the area under tea, the small plantations and the small tea growers have

been promoted to address the demands of the market (Bhowmik 1991; Kumar et al. 2008). The Tea Board has recognized the small tea growers as a vital component of the Indian tea industry during the 8th Plan Period. It is as recent as the 12th Plan that the small tea growers in India are incorporated in the policies to address the vulnerabilities of tea producers. It consists of the land holdings up to 10.12-ha land. The 59th Annual Report (2012–13) further brings forth some of the initiatives pledged for the small tea growers in general and the North Bengal region in particular (Roy 2011). Two types of small tea grower models are prevailing: (a) a small grower located along the periphery of a large estate and functionally linked with the nuclear plantation, (b) independent small grower who sells his green leaf independently to the middle men that subsequently is sold to the bought leaf factories (BLFs).

A recent study shows that more than 8000 small and marginal farmers have shifted in favour of tea cultivation since 2005–06 (Mallik 2016). It is commonly seen as a means of self-employment (Hazarika and Borah 2013). The unemployed youth of Assam started participating in the small-scale tea cultivation as a means to engage with meaningful economic activity (Roy 2011). Although the small growers are believed to have tremendous potential to 'prop-up' tea production (Bhowmik 1991), this emerging sector has several bottlenecks (Hannan, 2013; 2016; Hazarika and Borah 2013) related to the price of green leaf, land ownership problem, paucity of capital for investment and marketing. Borah and Das (2015) notes how most of the tea growing countries like China, Kenya and Sri Lanka presently depend upon the small growers for more than 70% of the output, whereas India offers the opposite scenario. Within India, Tamil Nadu and Assam have progressed considerably in promoting the small growers while in North Bengal it is still depressed.

This paper seeks to undertake a cursory look into the emergence of the small tea growers in India with special focus on the Bengal scenario. This paper attempts to contribute to the emerging questions of agricultural transformation in favour of cash cropping systems among the smaller land size categories that raise critical questions about food security and vulnerability on one hand and also seeks to deconstruct the contradiction of withdrawal of state support from the agricultural sector and recent policies to encourage cash cropping among the smaller peasants. This phenomenon seems to be very critical because given the pre-existing vulnerabilities of the smaller peasants in terms of the rising costs of cultivation along with systematic roll-back of public investment and support, indebtedness and marketing channel challenges the inclination towards commercialization clearly may make the households more insecure. This paper seeks to explore the broad issues of such cropping pattern change using mainly secondary data and a very brief fieldwork to explore the issues.

6.2 Database and Methodology

This paper uses two secondary data sources, namely unit level NSS 70th Round Situation Assessment of Farmers and Agricultural Census and a very brief field visit undertaken in 2019. Data on the small tea growers (STGs) is not readily available.

Using the crop code for tea (1501), visit 1 and visit 2 have been combined to arrive at the estimates from the NSS 70th Round. Appropriate weights have been applied to obtain the state-level aggregates. Farm size-wise cropping data, available with Agricultural Census, is used to understand the land size-wise dynamics. As the Tea Board considers less than 10.12-ha land size as STG, the Agricultural census data has been aggregated for marginal (less than 1 ha), small (1.0–2.0 ha), semi-medium (2.0–4.0 ha) and medium (4.0–10.0 ha) size classes to arrive at the STG size class. North Bengal is considered by aggregating data for the four tea producing districts of Coochbehar, Darjeeling, Dinajpur North and Jalpaiguri.

A very brief exploratory field visit was undertaken in 2019 in Jalpaiguri District around the Lataguri region in Jharmatiali Mouza located in the Mal Sub-division to gain exploratory insights in response to the issues raised by the secondary data insights. The region has seen a remarkable rise in the number of small tea growers in the recent times. The fieldwork consisted of household survey of about 33 small tea growers and a self-help group run tea factory. The samples were selected using snow balling method.

6.3 Analysis

6.3.1 All India Estimates from National Sample Survey 70th Round (2013)

Estimated from the NSS 70th Round Situation Assessment of Farm Households the total number of small tea growers figure 187,866 with Assam accounting for more than 80% followed by Tamil Nadu (17%) and West Bengal (2%) (Fig. 6.1). The small tea growers account for about 46% of total tea produced in India in 2017–18. While monthly per capita consumption expenditure (MPCE) of the STGs is the highest in Assam and lowest in West Bengal (Fig. 6.2), the productivity is highest in

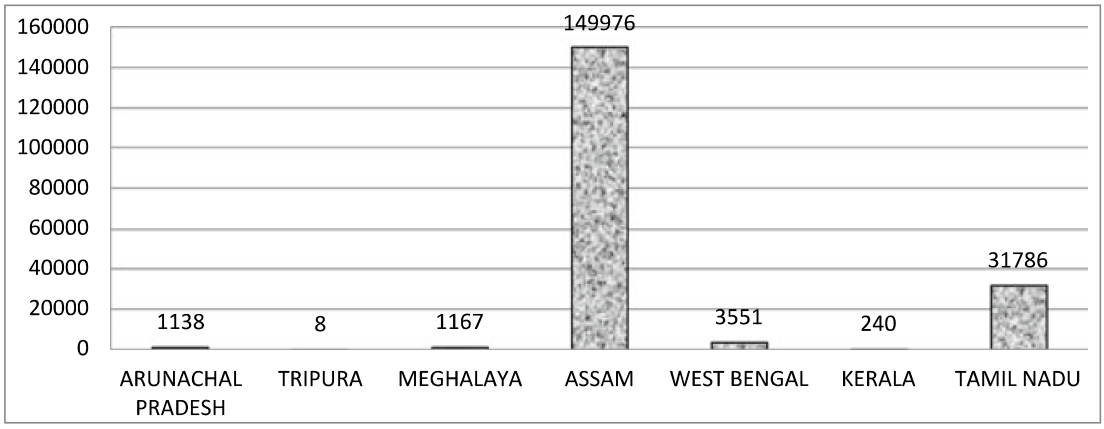

Fig. 6.1 Number of small tea growers, 2013

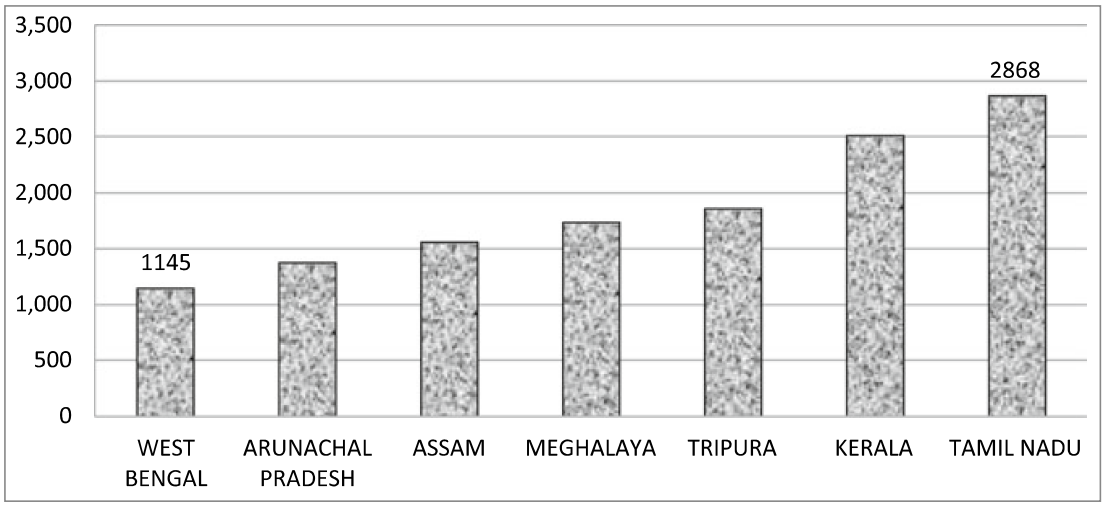

Fig. 6.2 Monthly per capita consumption expenditure of the small tea growers (Rs.)

Table 6.1 Productivity (kg/ha)

State	*N*	Mean
Assam	150,574	3520
West Bengal	3551	3322
Tamil Nadu	31,785	2326
Tripura	8	2227
Arunachal Pradesh	1138	1481
Kerala	240	892
Meghalaya	1168	757

Assam followed by West Bengal (Table 6.1). It is interesting to note that the small growers in West Bengal, inspite of registering lowest MPCE, have the second-highest productivity of tea.

Further, farm size disaggregation shows that tea acreage as well as productivity is highest among the marginal farmers within the STGs (Tables 6.2 and 6.3). It is indicative of intensified commercialization of the smallest land holdings. Given the current orientation of the agricultural policies that are adverse for the tiny land holdings, raising cash crops instead of subsistence agriculture is implicative and calls for deeper probe.

Table 6.2 ANOVA: productivity

Size class	*N*	Mean	Homogeneous subset for alpha = 0.05
Semi-medium	3827	1114	1
Small	95,791	2967	2
Marginal	88,246	3709	3

Table 6.3 Tea acreage

Size class	*N*	Mean	Homogeneous subset for alpha = 0.05
Marginal	88,247	74.7	3
Small	95,792	61.7	2
Semi-medium	3828	53.6	1
Total	187,867	67.6	

6.3.2 Estimates from Agricultural Census: West Bengal (1995–96 to 2010–11)

This section focuses upon the growth of tea farming in the small and marginal farms in West Bengal region based on Agricultural Census. Figure 6.3 shows that the number of small tea growers has increased steadily since 2000–01 clearly highlighting that cultivation of the plantation crop has emerged lucrative for the farm size less than 2 ha primarily. Excluding the tea plantations, area under tea in the STG size class has increased from zero hectares in 1995–96 Census to 15,315 ha in 2010–11 Census, this phenomenon being most prominent in the less than 2 ha category of farms (Fig. 6.4). This phenomenon raises two basic questions: (a) what has been the reason for this sudden spurt in the tea cultivation among the smaller land size classes, and (b) what is the broad implication of such cropping pattern transformation.

From Fig. 6.5, it is evident that area under food crops has declined considerably for the STG size classes taken together (see also Appendix). With decline in the acreage of paddy, which is the principal food crop, a nearly matching increase in acreage of tea may be noted. It may be indicative of reallocation of land from different food crop cultivation, specifically paddy, to tea acreage in the North Bengal region as a whole. However, within this region itself, a closer look reveals that Coochbehar does not conform to the regional trend where the smaller peasants have registered

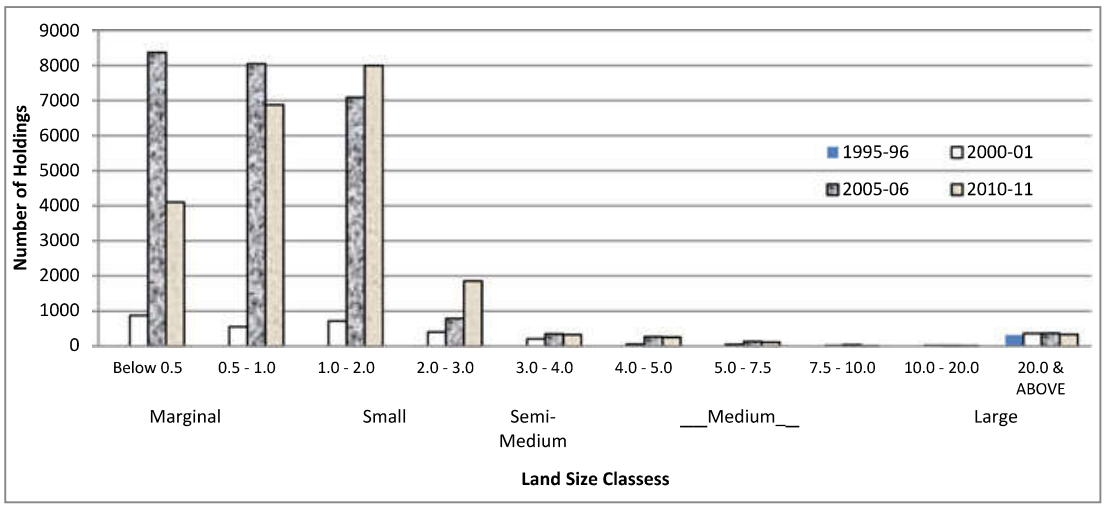

Fig. 6.3 Number of tea growers, West Bengal 1995–96 to 2010–11

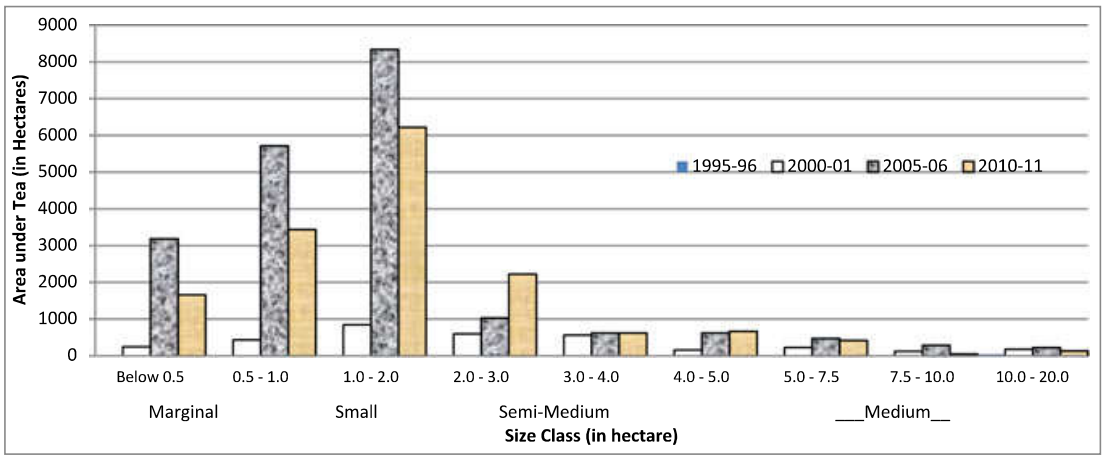

Fig. 6.4 Area Under Tea, West Bengal 1995–96 to 2010–11. *Note* The area under the largest size class, i.e., above 20 ha is not displayed in the figure to highlight the lower size classes. The corresponding areas are 177,126, 121,986, 118,812 and 126,270 ha respectively across the different years

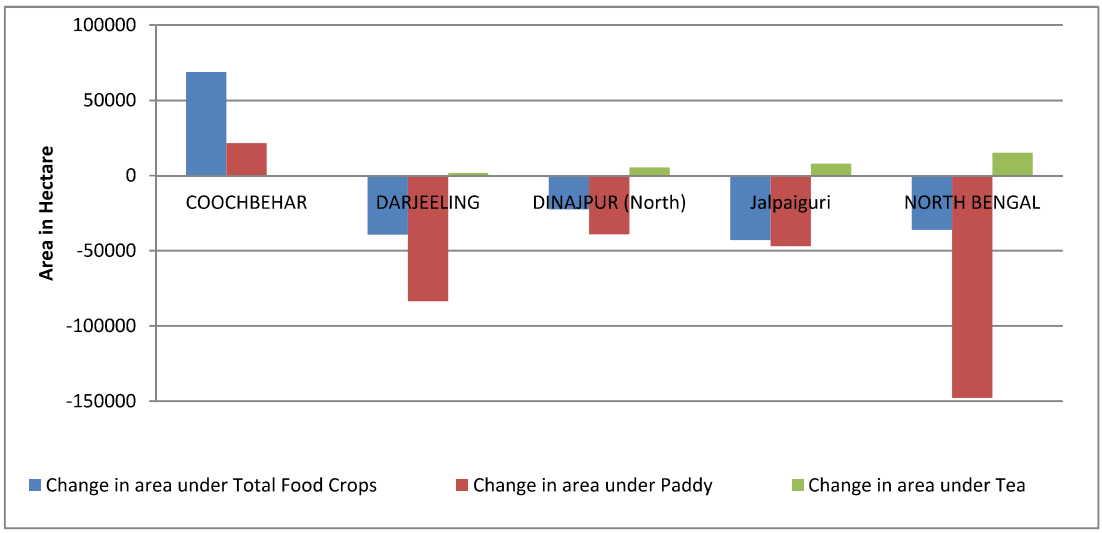

Fig. 6.5 Change in area 1995–96 to 2010–11: STG size class. *Source* Tables 6.7, 6.8 and 6.9 in Appendix

increased acreage of both total food crop and paddy along with some increase in tea acreage. This district being located in the geomorphologically plain segment of the North Bengal Districts, tea has not emerged outwitting food crops and that it has simply been another cash crop. But, the hilly districts of Darjeeling, rolling foothills of Jalpaiguri and Dinajpur (North), seminal decline in both food crop and paddy acreage and gains in tea acreage is notable.

The larger land size categories reveal a slightly different scenario (Fig. 6.6). For all the North Bengal Districts taken together, there is a net increase in the area under total food crop although acreage of paddy has reduced sharply by 200,855 hectare between 1995–96 and 2010–11 in the land holding above 10.0 ha size class. More

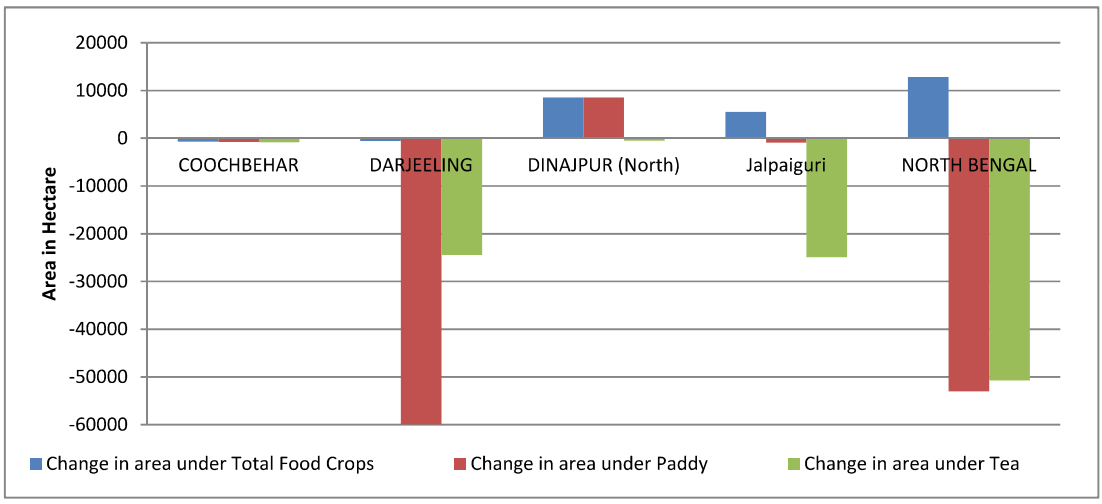

Fig. 6.6 Change in area 1995–96 to 2010–11: large size class. *Source* Tables 6.7, 6.8 and 6.9 in Appendix

Table 6.4 Acreage of tea

	N	% of households
Less than 50% of operational holding	8	24.2
50–99% of operational holding	12	36.4
100% of operational holding	13	39.4
Total	33	100.0

Source Field Work (2019)

critical is the reduction in tea acreage in this category of land holding which typically includes the tea estates that are so very vital to the national and global tea industry. Except for North Dinajpur where there is gain in food crop as well as paddy acreage, the rest of the three North Bengal districts have seen outflow from food cropping in addition to loss of tea acreage in the larger land sizes.

At the national scale where there are clear indications of outflows from net sown area, it is possible that North Bengal may also be experiencing a similar situation. Critical is the fact that outflows are being taking place from food crop production acreage (Tables 6.7, 6.8 and 6.9). This is all the more crucial for the smaller land size classes, specifically the less than 10 ha category (STG size class) as this phenomenon is taking place along with parallel trend of increasing cash cropping (Table 6.4).

6.3.3 Insights from Fieldwork: Jalpaiguri in West Bengal (2019)

The exploratory fieldwork in Jalpaiguri confirmed the trend that was observed at the secondary data analysis level. Among the 33 STGs interviewed, two-third of

Table 6.5 Crops that have been replaced by Tea

	N	% of households
Brinjal	1	3.0
Jute	1	3.0
Paddy	31	93.9
Total	33	100.0

Source Field Work (2019)

Table 6.6 Reason for cropping pattern shift in favour Tea cultivation

	N	% of households
Irrigation related issues	17	51.5
Low profitability of previous cropping system	10	30.3
Influenced by others	2	6.1
Elephant invasion	3	9.1
Labour problem	1	3.0
Total	33	100.0

Source Field Work (2019)

them had allocated nearly 100% of land to tea in their farms during the last decade. They further clarified that out of the surveyed farmers, 32 of them had replaced food crop chiefly paddy with tea (Table 6.5). Of the reasons cited by them (Table 6.6), most seminal was concerning problems with the paddy-based subsistence cropping system. That the foothills with porous soils raise the cost of paddy farming by increased irrigation costs and low profitability of the traditional crops which was incapable of sustaining livelihoods and the relatively assured and regular income streams from tea have been encouraging the cropping pattern shift. The respondents reported that in spite of problems of low green tea leaf prices received from the local agents and ill-developed marketing channels that are heavily dependent upon private agents, the exploitative tea leave prices received are still more remunerative and assured compared to the pre-existing paddy-based cropping systems. The informal discussions have also underlined the man-nature conflict in the ecologically distinctive region. Elephant invasion, especially during the paddy ripening seasons, is also a persistent threat to the paddy crop.

6.4 Conclusion

This paper brings forth the rapid emergence of the small tea growers within a span of about fifteen years in the North Bengal tracts although Assam had been a forerunner. The Tea Board has offered several schemes to encourage the small farmers to adopt tea farming as a strategy to maintain tea production levels because the larger estates

are suffering from several management issues and labour unrests that has resulted in a dip in tea production. But, what remains a concern is the phenomenal shifting out from food crop by the peasantry whose bedrock of survival in the sector traditionally has been their near self-sufficiency atleast in terms of food grain production. But, the cropping pattern shift in favour of cash crops, given the agricultural policy environment and the agrarian crisis evident in the western and central Indian states, raises valid questions about the sustainability of the emerging commercial farming system centering smallholder tea farming.

Appendix

See Tables 6.7, 6.8 and 6.9.

Table 6.7 Change in area under total food crops (1995–96 to 2010–11)

Size class (HA)	Coochbehar	Darjeeling	Dinajpur (North)	Jalpaiguri	North Bengal
Marginal (<1)	80,416	−2615	31,476	5913	115,190
Small (1.0–2.0)	22,617	−14,793	3667	99	11,590
Semi-medium (2.0–4.0)	−6363	−17,566	−35,039	−31,249	−90,217
Medium (4.0–10.0)	−28,011	−4309	−22,585	−17,707	−72,612
STG size class	**68,659**	**−39,283**	**−22,481**	**−42,944**	**−36,049**
Large (>10)	−716	−532	8542	5526	12,820
All classes	67,940	−39,815	−13,942	−37,420	−23,237

Source Agricultural Census

Table 6.8 Change in area under Paddy (1995–96 to 2010–11)

Size class (ha)	Coochbehar	Darjeeling	Dinajpur (North)	Jalpaiguri	North Bengal
Marginal (<1)	46,862	−25,536	11,935	−1865	31,396
Small (1.0–2.0)	8591	−27,906	−5462	−5966	−30,743
Semi-medium (2.0–3.0)	−11,190	−24,278	−29,440	−24,829	−89,737
Medium (4.0–10.0)	−22,561	−5834	−16,054	−14,262	−58,711
STG size class	**21,702**	**−83,554**	**−39,021**	**−46,922**	**−147,795**
Large (>10)	−745	−59,945	8560	−922	−53,052
All classes	20,956	−143,499	−30,468	−47,844	−200,855

Source Agricultural Census

Table 6.9 Change in area under Tea (1995–96 to 2010–11)

Size class (ha)	Coochbehar	Darjeeling	Dinajpur (North)	Jalpaiguri	North Bengal
Marginal (<1)	42	408	1587	3065	5102
Small (1.0–2.0)	0	416	2549	3257	6222
Semi-medium (2.0–3.0)	0	552	1081	1216	2849
Medium (4.0–10.0)	0	483	234	425	1142
STG size class	**42**	**1859**	**5451**	**7963**	**15,315**
Large (>10)	−843	−24,461	−511	−24,906	−50,721
All classes	−801	−22,601	4940	−16,944	−35,406

Source Agricultural Census

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