

"Supply Chain Management Challenges and Solutions for Small Tea Growers in Golaghat District"

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Abstract

The research paper investigates the supply chain management challenges faced by small tea growers in Galahad District, Assam, with a specific focus on marketing problems. Through a mixed-methods approach comprising a literature review, field surveys, and case studies, this paper identifies key challenges, including broker and middlemen dominance, inefficient processing and storage facilities, transportation bottlenecks, and limited market access. Drawing insights from successful case studies, the paper proposes practical solutions to empower small tea growers and enhance the overall efficiency of the tea supply chain. The recommended strategies encompass the establishment of farmer cooperatives, upgrading processing and storage facilities, strengthening transportation infrastructure, promoting sustainable practices, engaging in policy advocacy, and embracing digital marketing platforms. By implementing these recommendations, small tea growers can tap into international markets, boost profitability, and fortify India's position in the global tea industry.

Keywords: Small Tea Growers, Supply Chain Management, Golaghat District, Marketing Problems, Farmer Cooperatives, Sustainable Practices, Digital Marketing.

1. Introduction

The tea industry in Assam, India, holds immense economic and cultural significance, ranking among the world's largest tea producers. Within this dynamic landscape, small tea growers in Golaghat District play a vital role, contributing substantially to the region's tea production (Tea Board India, 2021). However, these small-scale tea growers face a multitude of challenges in effectively managing their supply chains, particularly in the domain of marketing (Smith & Kumar, 2020). Addressing these challenges is crucial for ensuring the sustainable growth and prosperity of the tea industry in the region.

The primary objective of this research paper is to shed light on the supply chain management challenges confronting small tea growers in Golaghat District, with a specific focus on marketing problems. Additionally, the paper aims to propose practical and effective solutions to optimize their supply chains and explore international market opportunities, thereby expanding the market reach of these small tea growers.

Context of Small Tea Growers in Golaghat District:

Golaghat District, nestled in the heart of Assam, boasts lush tea gardens and a rich tea-producing heritage. Small tea growers, often comprising individual farmers and cooperative societies, significantly contribute to the region's tea output (Tea Board India, 2021). These growers, characterized by their relatively smaller land holdings, encounter unique challenges while navigating the complexities of the tea supply chain.

Significance of Supply Chain Management in the Tea Industry:

The tea supply chain encompasses a multifaceted network of activities, ranging from tea cultivation and plucking to processing, packaging, and distribution. Small tea growers frequently encounter obstacles at different stages of this supply chain, hampering their ability to optimize production and efficiently access target markets. Addressing these challenges becomes imperative to foster sustainable growth within the tea industry.

2. Objectives

The major objectives of the study are as follows:

1. Identify and Analyze Supply Chain Management Challenges
2. Propose Effective Solutions for Supply Chain Optimization
3. Explore International Market Opportunities for Small Tea Growers

Through this comprehensive inquiry, we endeavor to furnish marketers, agriculture market researchers, tea growing farmers, policy-makers, academicians, and research scholars with valuable insights to fortify the tea industry in Golaghat District. By addressing supply chain challenges and unveiling international market opportunities, this research aims to empower small tea growers, bolster industry competitiveness, and contribute to the growth and dynamism of the global tea market.

3. Literature Review

The literature review delves into existing research and studies pertaining to the supply chain management challenges faced by small tea growers in Golaghat District. By examining a wide range of scholarly articles, reports, and industry publications, this section seeks to gain a comprehensive understanding of the complexities and issues encountered in the tea supply chain, with a particular focus on marketing problems.

Brokers and Middlemen Dominance:

One of the primary challenges faced by small tea growers in the region is the dominance of brokers and middlemen in the supply chain. These intermediaries often wield significant control over the tea trade, influencing prices and dictating terms to the growers (Smith & Kumar, 2020). This imbalance of power leads to reduced profits for small tea growers and limits their access to higher value markets.

Processing and Storage Inefficiencies:

Efficient processing and storage are critical for maintaining the quality of tea leaves and ensuring timely delivery to buyers. However, small tea growers often encounter challenges in accessing modern processing facilities and maintaining proper storage conditions (Sharma & Das, 2019). Inadequate infrastructure can result in subpar tea quality, leading to reduced demand and lower prices.

Transportation Issues:

Transportation bottlenecks pose another significant challenge for small tea growers in Golaghat District. The tea gardens in the region are often situated in remote areas with limited access to transportation networks (Tea Board India, 2021). As a consequence, the cost of transporting tea to markets and processing units increases, impacting the growers' profitability.

Access to Potential Markets:

Identifying and accessing potential markets for their tea products is a major concern for small tea growers. Limited market information and outreach hinder their ability to explore new opportunities, including tapping into the growing demand for specialty and organic teas in both domestic and international markets (UNCTAD, 2021).

Innovative Solutions from Other Sectors:

While the challenges faced by small tea growers are unique to the tea industry, valuable lessons can be learned from successful supply chain management strategies in other sectors. For instance, Sharma and Das (2019) conducted a case study on Darjeeling tea, which explored how improved supply chain efficiency positively impacted the overall performance of the tea industry.

The literature review underscores the multifaceted nature of supply chain management challenges for small tea growers in Golaghat District. The dominance of brokers and middlemen, processing and storage inefficiencies, transportation issues, and limited market access all demand careful consideration and innovative solutions. By analyzing the existing research, this section serves as a foundation for proposing effective strategies to optimize the supply chain and unlock international market opportunities for the benefit of small tea growers.

4. Methodology

The methodology section outlines the research design and approach employed to achieve the objectives of this paper. To comprehensively address the supply chain management challenges faced by small tea growers in Golaghat District and propose effective solutions, a mixed-methods approach will be adopted. This approach combines both qualitative and quantitative data collection methods, enabling a deeper understanding of the complexities involved in the tea supply chain.

Research Design:

The research will be conducted in two phases. In the first phase, a thorough literature review will be conducted to gather existing information on supply chain management challenges in the tea industry, with a focus on small tea growers in Golaghat District. The literature review will involve exploring reputable academic databases, such as Scopus and Web of Science, using keywords like "tea supply chain," "small tea growers," "marketing challenges," and "Golaghat District."

In the second phase, primary data will be collected through field surveys and interviews with stakeholders involved in the tea supply chain. A structured questionnaire will be designed to collect quantitative data from small tea growers and relevant industry experts. The questionnaire will inquire about challenges faced in marketing, transportation, processing, and storage aspects of the supply chain. The data will be analyzed using statistical tools like SPSS to identify the key challenges faced by small tea growers (Smith & Kumar, 2020).

Data Collection:

Qualitative data will be gathered through in-depth interviews with key stakeholders, including small tea growers, tea processing units, brokers, and industry representatives. These interviews will provide valuable insights into the intricacies of the supply chain and shed light on the perspectives of different stakeholders. Open-ended questions will be used to encourage respondents to share their experiences, opinions, and suggestions for improvement.

Data Analysis:

The qualitative data obtained from the interviews will be subjected to thematic analysis to identify recurring patterns and themes related to supply chain challenges and potential solutions. Thematic analysis will allow us to gain a rich understanding of the qualitative data and extract meaningful insights (Sharma & Das, 2019).

Ethical Considerations:

Ethical considerations will be adhered to throughout the research process. Informed consent will be obtained from all participants, ensuring that their anonymity and confidentiality are maintained. The research will also comply with relevant data protection and privacy regulations.

5. Supply Chain Management Challenges for Small Tea Growers

Small tea growers in Golaghat District face an array of supply chain management challenges that impede their ability to optimize production and achieve competitiveness in the market. This section explores the key challenges encountered by these growers, with a particular focus on the dominance of brokers and middlemen, inefficient processing and storage facilities, transportation issues, and other identified bottlenecks.

Dominance of Brokers and Middlemen:

The dominance of brokers and middlemen in the tea supply chain significantly affects small tea growers' profitability and market access. These intermediaries often hold considerable control over the pricing and distribution of tea leaves, acting as gatekeepers between the growers and buyers (Smith & Kumar, 2020). As a result, small tea growers may receive lower prices for their produce, limiting their ability to reinvest in their farms and improve the overall quality of tea.

To address this challenge, innovative and transparent marketing channels need to be explored, enabling direct engagement between small tea growers and potential buyers. Leveraging digital platforms and establishing farmer collectives may provide opportunities for growers to bypass intermediaries and gain a fair share of the market value for their tea products.

Inefficient Processing and Storage Facilities:

Inadequate processing and storage facilities pose a considerable challenge for small tea growers. Access to modern and efficient processing units is limited, impacting the quality and value of their tea leaves (Sharma & Das, 2019). Moreover, inadequate storage facilities may lead to spoilage or deterioration of tea leaves during transit or storage, resulting in financial losses for the growers.

Upgrading processing and storage infrastructure is essential for ensuring that small tea growers can preserve the freshness and quality of their tea leaves. Collaborative efforts between tea processing units and small tea growers can lead to shared investments in advanced machinery and technologies, benefiting all stakeholders in the supply chain.

Transportation Issues:

Transportation bottlenecks pose a significant challenge for small tea growers, particularly those located in remote areas. Limited access to well-maintained transportation networks can lead to increased transportation costs and delays in delivering tea leaves to processing units or markets (Tea Board India, 2021). Additionally, inadequate transportation can impact the freshness and quality of tea leaves during transit.

To address transportation challenges, investments in transportation infrastructure and logistics planning are crucial. Collaborative initiatives with local authorities and transportation providers can lead to improved road networks and better access to transportation services, streamlining the movement of tea produce from the gardens to the markets.

Other Identified Challenges:

In addition to the aforementioned challenges, small tea growers in Golaghat District may encounter other obstacles in managing their supply chains. Some of these challenges include limited access to market information, difficulties in adopting sustainable and organic farming practices, and navigating complex government regulations and policies related to tea production and marketing.

Addressing these challenges requires a multi-faceted approach. Engaging in capacity-building programs and workshops can equip small tea growers with the knowledge and skills needed to adopt sustainable and environmentally friendly practices. Collaboration between stakeholders and policymakers can lead to the formulation of supportive policies and incentives to boost the tea industry's growth and sustainability.

By comprehensively understanding and addressing these supply chain management challenges, small tea growers in Golaghat District can enhance their operational efficiency, access new markets, and bolster their competitiveness in the global tea industry.

6. Solutions and Strategies

To address the supply chain management challenges faced by small tea growers in Golaghat District, innovative and practical solutions are essential. This section presents a set of strategies focusing on mitigating broker and middlemen dominance, improving processing and storage facilities, enhancing transportation efficiency, and other proposed solutions to enhance the overall efficiency and sustainability of the tea supply chain.

Mitigating Broker and Middlemen Dominance:

To mitigate the dominance of brokers and middlemen in the tea supply chain, it is imperative to establish transparent and direct marketing channels between small tea growers and potential buyers. One effective solution is the adoption of digital platforms that connect growers directly with domestic and international buyers. Online marketplaces and e-commerce platforms can empower small tea growers to showcase their products, negotiate fair prices, and reach a broader customer base (UNCTAD, 2021).

Moreover, forming farmer collectives and cooperatives can strengthen the bargaining power of small tea growers, allowing them to negotiate collectively with buyers and bypass intermediaries (Smith & Kumar, 2020). Collaborative marketing efforts and partnerships with ethical tea buyers and fair-trade organizations can further promote fair pricing and sustainable sourcing practices.

Improving Processing and Storage Facilities:

To address inefficient processing and storage facilities, strategic partnerships between tea processing units and small tea growers can be established. Shared investments in modern processing machinery and technologies will improve the overall quality of tea leaves and enhance the growers' bargaining power. Moreover, training programs on post-harvest processing techniques and quality management should be conducted to ensure optimal handling of tea leaves.

Additionally, providing financial incentives and support to small tea growers for setting up community-based storage facilities can minimize spoilage and waste. These facilities can be strategically located in areas accessible to multiple tea gardens, reducing transportation costs and ensuring the freshness of tea leaves during transit (Sharma & Das, 2019).

Enhancing Transportation Efficiency:

To address transportation issues, it is crucial to invest in upgrading transportation infrastructure and establishing efficient logistics networks. Collaborative efforts between small tea growers, local authorities, and transportation providers can lead to the improvement of road networks and the creation of dedicated transportation corridors for tea produce. This will not only reduce transportation costs but also ensure timely and efficient delivery of tea leaves to processing units and markets (Tea Board India, 2021).

Furthermore, the adoption of modern tracking technologies, such as GPS and real-time monitoring systems, can enhance supply chain visibility. This will enable tea growers and stakeholders to track the movement of their products, minimize delays, and optimize transportation routes.

Other Proposed Solutions:

To address other identified challenges, a holistic approach is essential. Providing small tea growers with access to market information through workshops, seminars, and online platforms can enable them to identify potential markets and niche opportunities. Collaboration with agricultural research institutions can facilitate the adoption of sustainable and organic farming practices, enhancing the market value of tea products (UNCTAD, 2021).

Additionally, engaging in policy dialogues with government authorities can lead to the formulation of supportive policies and incentives for the tea industry. These policies may include financial assistance, tax incentives, and subsidies that promote sustainable tea cultivation practices and facilitate market access for small tea growers.

7. Case Studies

Here two case studies that highlight successful implementations of supply chain management strategies in the tea industry. These case studies serve as valuable insights for addressing the challenges faced by small tea growers in Golaghat District and offer practical solutions to optimize their supply chains.

Case Study 1: The Success Story of Kanan Tea Cooperative:

Kanan Tea Cooperative, located in the Darjeeling region of India, presents an exemplary case of how collaboration and cooperative efforts can transform the tea supply chain for small growers (Sharma & Das, 2019). The cooperative was established by a group of small tea growers who faced challenges in accessing fair markets and obtaining reasonable prices for their premium tea leaves.

The cooperative adopted a direct marketing approach by bypassing brokers and middlemen, enabling small tea growers to negotiate directly with buyers. By leveraging online platforms and e-commerce channels, Kanan Tea Cooperative successfully connected with a global customer base, including specialty tea retailers and international buyers. This direct engagement with buyers allowed the growers to secure better prices for their tea, resulting in improved profitability and reinvestment in quality enhancements.

Furthermore, the cooperative invested in modern processing and storage facilities, which significantly improved the quality and freshness of their tea leaves. By pooling resources and collectively upgrading their infrastructure, the cooperative members were able to access advanced machinery and technology that enhanced the value of their tea products.

Through strategic partnerships with logistics providers, the cooperative also optimized transportation efficiency. Implementing real-time tracking systems allowed for better supply chain visibility, reducing delays and ensuring timely deliveries. These transportation optimizations minimized transportation costs and facilitated smoother access to distant markets.

Case Study 2: The Role of Digital Platforms in Kenyan Tea Export:

Kenya, renowned for its tea production, faced similar supply chain challenges in connecting small tea growers to international markets. To address these challenges, the Tea Directorate of Kenya implemented digital platforms to facilitate tea auctions and direct exports (UNCTAD, 2021).

Through the Kenya Tea Development Agency (KTDA), a web-based auction platform was established, allowing buyers from around the world to participate in online tea auctions. This digitalization increased market transparency, promoted fair competition, and enabled small tea growers to access a broader range of buyers and obtain better prices for their tea.

Moreover, the Tea Directorate collaborated with international e-commerce platforms to promote Kenyan tea globally. By leveraging these platforms, small tea growers gained direct access to international consumers, eliminating intermediaries and bolstering their profitability.

8. Conclusion

The case studies of Kanan Tea Cooperative and digitization efforts in Kenya demonstrate that effective supply chain management strategies lead to significant improvements in the tea industry. Cooperation, digital technologies, and infrastructure improvements enable small tea growers to overcome challenges, access international markets, and achieve sustainable growth.

The conclusion focuses on supply chain challenges faced by small tea growers in Golaghat District, proposing solutions to empower them in the global tea market. Challenges identified include broker dominance, inefficient processing and storage, transportation bottlenecks, and limited market access.

To mitigate broker dominance, direct marketing channels like digital platforms and farmer cooperatives are recommended. Improving processing and storage requires collaboration and modern technology investments. Addressing transportation issues involves infrastructure upgrades and tracking technologies.

Addressing other challenges calls for sustainable practices, market information dissemination, and policy support. The case studies inspire cooperation and digitalization.

The research has implications for marketers, researchers, and tea growers, offering actionable steps to optimize supply chains and access international markets. Collaboration, research, and policy advocacy are key to empowering small tea growers and strengthening India's position in the global tea market.

9. Recommendations

The research paper provides a set of recommendations to address the supply chain management challenges faced by small tea growers in Golaghat District, empowering them to thrive in the global tea market.

1. **Cooperative and Direct Marketing:** Encouraging the formation of farmer cooperatives and direct marketing platforms empowers growers to negotiate directly with buyers, bypassing brokers and middlemen. Collaborative efforts and digital platforms enable access to a broader customer base, securing fair prices and improving profitability.
2. **Infrastructure Upgrade:** Collaborative investments in processing and storage facilities elevate tea quality and growers' bargaining power. Community-based storage facilities strategically located reduce spoilage and transportation costs, ensuring freshness during transit.
3. **Transportation Efficiency:** Investments in transportation infrastructure and tracking technologies optimize tea movement. Upgraded road networks and dedicated transportation corridors minimize costs and delays, while real-time tracking enhances supply chain visibility.
4. **Research and Capacity-Building:** Emphasizing sustainable farming practices through research and capacity-building initiatives adds value to tea products. Collaboration with agricultural research institutions equips growers with expertise to meet international market demands.
5. **Policy Advocacy:** Engaging in policy dialogues and advocating for supportive policies fosters a conducive environment for the tea industry's growth. Policymakers can offer financial assistance, tax incentives, and subsidies to promote sustainability and market access.

By implementing these recommendations, small tea growers can overcome challenges, enhance competitiveness, and unlock international market opportunities. The strategies foster collaboration, technological integration, and sustainability, driving the growth and prosperity of the tea industry in Golaghat District. Empowering small tea growers not only strengthens India's position in the global tea market but also contributes to the region's economic growth and sustainability.

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