

## **AN ANALYSIS OF TRENDS IN EXPORT OF TEA FROM INDIA**

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### **Abstract:**

**Tea is one of the most popular drink across the world. It is the second most consumed drink after water globally. Now a day tea is grown in almost all parts of the world some of the major producers of the tea are China, India, Kenya, Sri Lanka, Vietnam, Turkey, Iran, Indonesia, Argentina, Japan, Thailand, Bangladesh, Malawi, Uganda and Burundi. China is the first and India is the second largest producer and India is the largest consumer of the tea in the world. India produces 1.2 million tons of tea per year and about half of it is consumed by its own citizens and half of it exported to other nations. Tea has been one of the earliest and most principal items of agriculture exports. Main objectives of this study is to find out about the trends in the export and price of the tea over a period of time in India and to do the analysis of major countries in which tea has been exported in the period under reference.**

**Key words:** Tea, consumed, export, producer, trends

### **Introduction:**

India is exporting varieties of agriculture products since ages. Agriculture and allied sectors provides employment to almost 55% population of the country. Tea is one of the most important agriculture produce, after water tea is the second largest beverage consumed in the world. Presently tea is grown in almost all parts of the world some of the major producers of the tea are China, India, Kenya, Sri Lanka, Vietnam, Turkey, Iran, Indonesia, Argentina, Japan, Thailand, Bangladesh, Malawi, Uganda and Burundi. China is the first and India is the second largest producer of the tea in the world and India is considered as the largest consumer of the tea globally. India produce 1.2 million tons tea per year and about 50% of it consumed by its own citizens and half of it is exported in other countries. Major importers of the tea from India are Russia, Iran, UAE (United Arab Emirates), Pakistan, USA, Egypt, Kazakhstan, Germany, Saudi Arabia and Japan. Production of tea is creating jobs for Indian people directly and indirectly from many years. Out of the total population of India, more than two million people are engaged in

plantation sector directly and another six million peoples are indirectly engaged in plantation sector (Gholam Abbas Darvishi and Indira, 2013).<sup>3</sup>

Different varieties of tea produced in India are oolong tea, white tea, green tea and black tea, all comes from the same plant which can be cultivated in different parts of India. Tea is mainly cultivated in northeast and Southern part of India which includes Darjeeling, Assam, Dooars and terai, Kangra, Neel Giri, annamalai, Wayanad, Karnataka, Munnar and Travancori. Assam is the single largest tea growing state accounting half of the total production of the country.

### **Review of the Literature:**

- 1. Chaudhary S. (2019)** Confirms that Indian tea has prominent competitive positions in the global tea trade in comparison to agriculture trade after application of various competitive models in her study. The analysis shows that India has maintained its position as a major tea producer, exporter in the world and maintained its position in the top four tea producing nations. India can gain and retain competitiveness in the world tea market by providing various flavors and qualities of tea to the global market.
- 2. Navitha B. & Sethurajan S. (2018)** in their study “the problems and prospects of Indian tea export Industries” said that India tea exports are facing uncertainty from two of its major Iran and UK. Kenya is spoiling Indians chances there by flooding the UK market with cheaper grade tea. And India is facing problem in the payment mechanism with Iran as the country want to trade in dollars instead of rupees. Major factors responsible for poor performance in tea exports are slow increase in yield, rising domestic demand, slow expansion of area under tea cultivation and unable to compete with major tea exporting countries.
- 3. Kumareswaran T., Singh HP & et al (2018)** has done an analytical study on “dynamics of tea export in India” and said that plantation sector plays an very important role to meet the domestic requirement, employment generation and poverty reduction mainly in rural areas. Due to increasing domestic consumption the export value of tea is decreasing every year. Indian tea is slowly losing ground in international market.
- 4. Sivanesan R. (2013)** in his study “Tea industry in India- Analysis of import and export of tea” finds that average price, average domestic consumption and average per capita consumption of Indian tea is increasing every year. Government of India can take necessary steps to regulate the price of tea.

### **Objectives of the study:**

1. To find out the trends in export of quantity and value of tea from India.
2. To analyze the unit price per kg of tea over the period of time.
3. To analyze the export performance of tea to top ten countries from India.

### **Research Methodology:**

The present study is analytical and empirical in nature. The data has been collected from secondary sources Indiastat.com and tea board of India are the major sources of data other Sources like various publications, books, newspapers published reports, journal articles and relevant websites have also been used for this study.

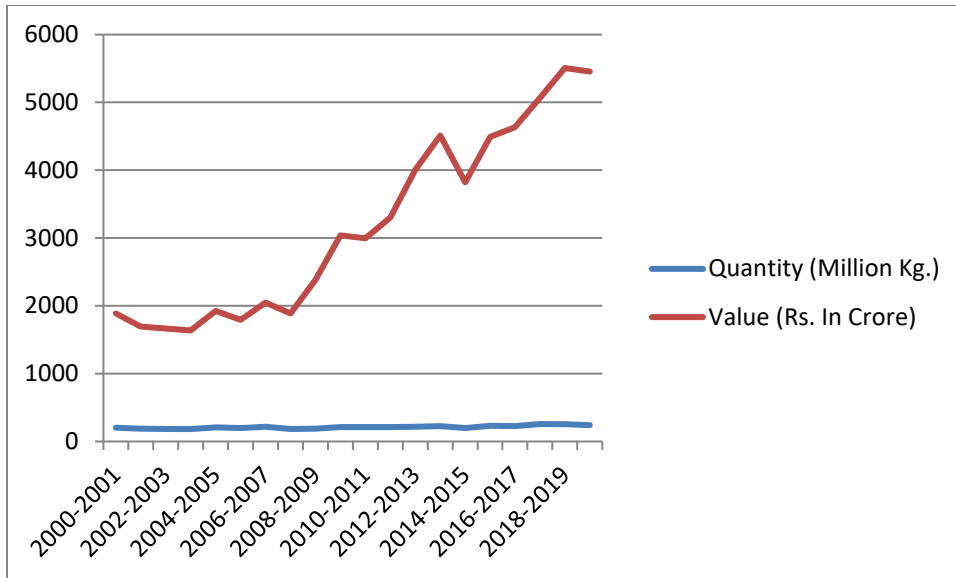
**Table1: Quantity exported, value and unit price (Rs./kg) of tea over the period of time**

Year	Quantity (Million Kg.)	Value (Rs. In Crore)	Unit Price (Rs./kg)
2000-2001	203.55	1889.79	92.84
2001-2002	190	1695.79	89.25
2002-2003	184.4	1665.04	90.29
2003-2004	183.07	1636.99	89.42
2004-2005	205.81	1924.71	95.28
2005-2006	196.67	1793.58	90.84
2006-2007	218.15	2045.72	93.35
2007-2008	185.32	1888.68	104.61
2008-2009	190.64	2381.79	124.94
2009-2010	213.43	3038.69	142.37
2010-2011	213.79	2995.79	140.13
2011-2012	214.35	3304.82	154.18
2012-2013	216.23	4005.93	185.26
2013-2014	225.76	4509.09	199.73
2014-2015	199.08	3823.64	192.07
2015-2016	232.92	4493.1	192.9
2016-2017	227.63	4632.5	203.51
2017-2018	256.57	5064.88	197.41
2018-2019	254.5	5506.84	216.38
2019-2020	241.34	5457.1	226.11

**Source:** [www.indiastat.com](http://www.indiastat.com)

There is a contrast in the volume of tea exports and the value realized during the last two decade from 2000-2001 to 2019-2020. The volume of exports of tea has indicated a trend of fluctuations from year to year between 2001-02 to 2005-06 while export value has indicated a continuous rise except in 2003-04. There is a similarity in the trend between the volume and value of tea exports from 2005-06, when there is a rising trend in both the parameters. Export volumes rose from 196.67 million kg in 2005-06 to 218.15million kg in 2007-08 and maintained the rising tempo to reach the maximum level of 256.57 million kg in 2017-18. The value of exports of tea from India rose from Rs. 1793.58 crore in 2005-06 to Rs. 2381.79 crore in 2008-09 and further to Rs. 3038.69 crore in 2009-10. Tea exports reached the highest level of export earnings of Rs. 5506.84 crore in 2018-19. The recessionary conditions in the west have badly affected the agricultural exports from India.

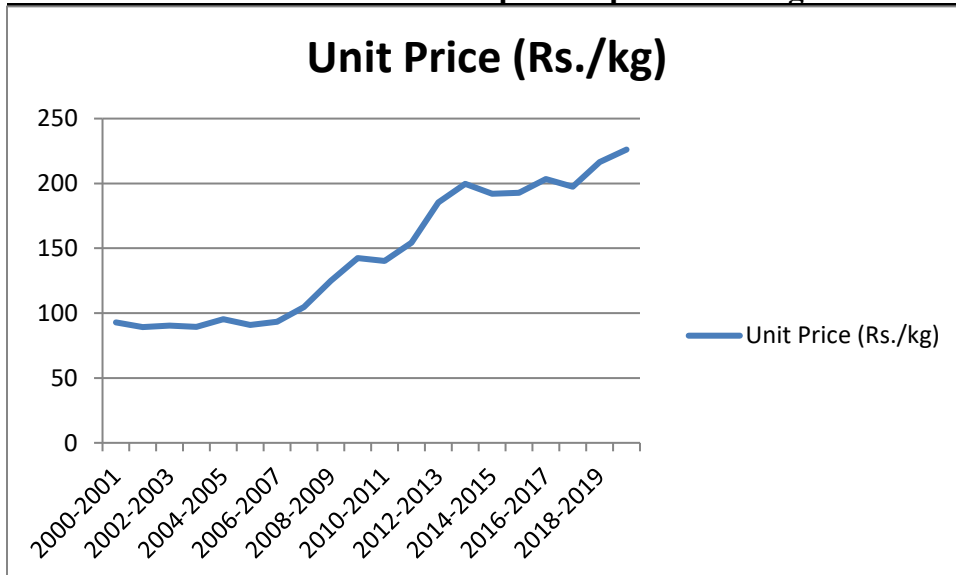
**Chart 1: Quantity (million kg) and value (Rs. In crore)**



Source: [www.indiastat.com](http://www.indiastat.com)

In the above chart it is evident that the quantity in million kilo gram of tea is not facing many fluctuations but the value of tea is continuously facing an upward direction. In the year 2000-2001 the quantity of the tea exported was 203.55 million kg and after two decades in 2019-2020 the export quantity of tea from India is 241.34 kg. While the value of the tea is continuously rising in 2000-2001 the value of the tea exported from Indi was rupees 1889.79 cores and in 2018-2019 the export value of the tea was rupees 5506.84.

**Chart 2: Trends in unit price per kilo gram in last two decades**



Source: [www.indiastat.com](http://www.indiastat.com)

From the above chart it is apparent that regardless of quantity produced and exported in the period under reference the unit price per kilo gram of tea is continuously increasing. In 2000-

2001 the unit price of tea per kg was rupees 92.84 and with the passage of time after 20 years in 2019-2020 the price of tea recorded as 226.11 rupees per kg.

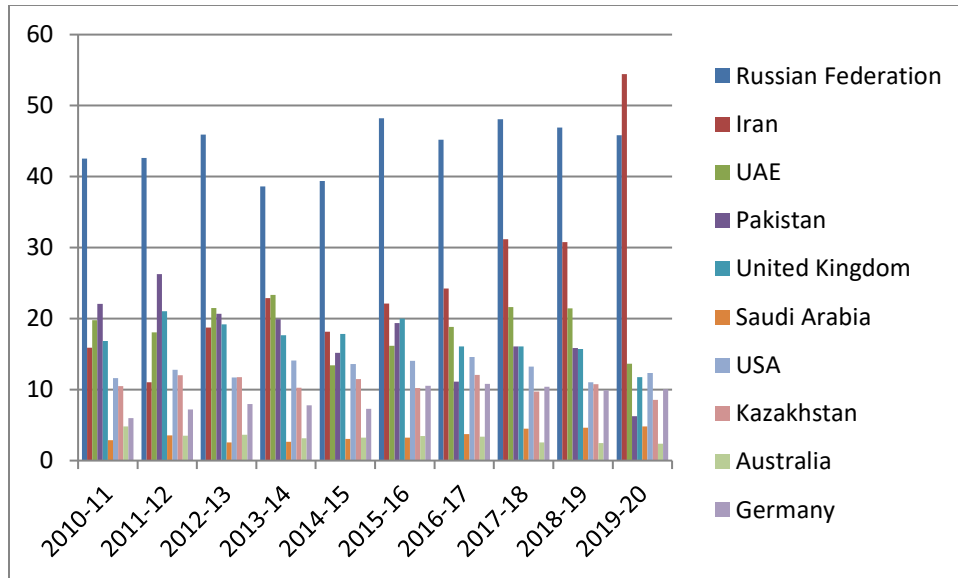
**Table 2: Top ten country wise export of tea from India (Quantity in Million kg)**

Countries	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Russian Federation	42.55	42.61	45.91	38.62	39.4	48.23	45.21	48.1	46.91	45.83
Iran	15.89	11.05	18.73	22.9	18.14	22.13	24.24	31.19	30.78	54.45
UAE	19.76	18.05	21.51	23.33	13.41	16.15	18.84	21.63	21.45	13.65
Pakistan	22.08	26.27	20.69	19.92	15.2	19.37	11.13	16.09	15.84	6.24
United Kingdom	16.85	21.02	19.21	17.64	17.83	20.02	16.06	16.07	15.71	11.73
Saudi Arabia	2.88	3.57	2.57	2.63	3.04	3.23	3.72	4.5	4.63	4.83
USA	11.63	12.77	11.71	14.09	13.6	14.03	14.61	13.23	11.03	12.33
Kazakhstan	10.49	12	11.73	10.26	11.48	10.2	12.09	9.74	10.77	8.53
Australia	4.81	3.52	3.66	3.16	3.23	3.47	3.39	2.55	2.48	2.36
Germany	5.98	7.18	7.97	7.77	7.28	10.53	10.79	10.42	9.9	10.05

**Source:** [www.indiastat.com](http://www.indiastat.com)

Table 2 represents top ten countries where has been exporting tea in the period under reference. In 2010-11 the export of tea from India to Russian federation was 42.55 million kg and increased to 45.91 million kg in 2013-14. But in the next three years i.e. from 2013 to 2015 the quantity exported reduced. And from 2015 the export of tea started rising again. In 2015-16 the export of tea has been recorded 48.23 million kg, in 2016-17 again reduced to 45.21 million kg and in 2018-19 it was 46.91 and in 2019-20 export of tea from India to Russian federation remained 45.38 million kg. Russia imports a major portion of tea exported from India followed by Iran.

**Chart 3: Top ten country wise export of tea from India (Quantity in Million kg)**



Source: [www.indiastat.com](http://www.indiastat.com)

Chart 3 is representing the export quantity of tea to the top ten countries from India. From this chart it is evident that Russian federation is the biggest market for India's tea export followed by Iran, United Arab Emirates (UAE), Pakistan, United Kingdom (UK), Saudi Arabia, United State of America (USA), Kazakhstan, Australia and Germany.

### Conclusion:

From India tea is exported in almost every corner of the world from ages. Indian tea is considered as the best in the world because of geographical indications and heavy investment in tea processing units. In recent years Indian tea industry faced many high and lows due to the proportional reduction in cultivation area, slow increase in yield and increase in domestic consumption. But still India managed to retain its position in the export market of tea globally. Moreover India can gain and retain its position by providing various qualities and flavors to the global market.

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