



# TEAM UP INDIA

Challenges, opportunities, and ways forward for the Indian tea industry



## Executive Summary

On 9th April, the Indian Tea Association (ITA), the Tea Research Association (TRA) Tocklai, the Ethical Tea Partnership (ETP), and the Sustainable Trade Initiative (IDH) hosted the largest gathering of organisations interested in the future of the Indian tea sector. TEAM UP India brought together the whole of the tea supply chain, with 165 delegates from over 50 organisations in attendance. Delegates included producer companies, Indian and international packers, UN organisations, specialist implementation agencies, international funders, certification bodies, tea associations from both India and abroad, smallholder and bought leaf sector representatives, and development partners.

The objective of the event was to determine how to develop and scale-up approaches to deal with the sustainability challenges facing the Indian tea industry and communities, so that producers thrive, workers lives' and the environment are improved, and buying companies can be assured that they are sourcing sustainably produced teas.

All those present at TEAM UP India welcomed the opportunity to have an open discussion about the current state of the Indian tea sector and what needs to change for Indian tea to remain a viable and sustainable option for both the domestic and export markets. Everyone acknowledged that the Indian tea industry faces a number of challenges, and like many places around the world where tea is grown, there are some long standing problems that require a huge amount of change. Such problems are exacerbated by the fact that India's tea industry was largely established over one hundred years ago, leaving it with a set of circumstances and structures that are hard to adapt to twenty-first century requirements. These include changing labour patterns and the need to provide services such as housing and sanitation for continually growing estate communities. Tea prices remain a major concern for the industry, not having kept pace with increasing costs. The growth of the smallholder sector poses a number of challenges such as a lack of awareness of good agricultural practices and the safe use of agrochemicals.

The industry also faces new challenges, particularly relating to climate change. At the meeting, TRA Tocklai and ETP unveiled the results of climate change impact modelling for Assam, which predicted that, over the next 50 years, many areas of current production will become less suitable for tea due to changes in temperature and precipitation patterns, including increased rainfall during the monsoonal period, reduced rainfall early in the season, and increasing temperatures. These changes are also likely to trigger increased or new incidents of pests and disease, an issue which is already very challenging for tea producers.

There was also recognition that the challenges facing the industry will require a multi-stakeholder approach if they are to be addressed. Effective involvement of the Government is essential, along with the need for an industry strategic plan to address issues in the short, medium, and long term. With a shared understanding of the challenges facing it, the industry was keen to move forward with a collaborative and inclusive approach to identify the opportunities presented by these challenges.

It was agreed that following TEAM UP India, the industry would convene a strategic group bringing together expertise and leadership in the value chain to develop a roadmap that integrates the different approaches needed to achieve a thriving and sustainable Indian tea industry. A range of programmes and interventions, which will need to be developed and expanded, were highlighted by different stakeholders, including:

- Engaging government to modernise the regulatory framework (PLA, 1951), including the wages and benefits system, and an increase in the provision of government services and schemes to estate communities
- Product innovation and growing consumer demand
- Improving pricing mechanisms to reflect quality and sustainability performance
- Community development, including improving education, healthcare and access to welfare, facilitating access to government schemes, and ensuring safe migration
- Developing and implementing climate change adaptation plans, including development of appropriate clones, increased irrigation, and soil improvement measures
- Upgrading estate facilities
- Improving human and natural resource management
- Increasing research and adoption of alternative approaches to current agrochemical management practices
- Building the capacity of smallholders on good agricultural and pest management practices and improving integration with the rest of the industry
- Collaborating with successful programmes from other regions and sectors

A number of speakers highlighted that this roadmap should be linked to the UN Sustainable Development Goals (SDGs) that all governments are reporting on, and that it should enable the industry to demonstrate how it is contributing to their achievement in tea-growing regions. The first iteration of the roadmap, which is included at the end of this document, has been developed by the meeting organisers based on the discussions at the meeting and feedback received before and after the event.

## Introduction

On 9th April, the Indian Tea Association (ITA), the TRA Tocklai, the Ethical Tea Partnership (ETP), and the Sustainable Trade Initiative (IDH) hosted the largest gathering of organisations interested in the future of the Indian tea sector. TEAM UP India brought together the whole of the tea supply chain - tea producers, traders, buying companies and retailers - with organisations working on different aspects of the sustainability agenda (tea boards and associations, specialist implementing agencies, UN organisations, development partners and certification organisations).

The objective of the event, which was clearly set out at the start of the day by Mr Ashok Bhargava, Chairman, ITA, and by Ms Sarah Roberts, Executive Director, ETP was to determine how to develop and scale-up approaches to deal with the sustainability challenges facing the Indian tea industry and communities, so that producers thrive, workers' lives and the environment are improved, and buying companies can be assured that they are sourcing sustainably produced teas.

Mr Bhargava opened the meeting by welcoming all the participants and congratulated the Indian tea industry for supporting TEAM UP India by attending in such large numbers, a total of 165 delegates from over 50 organisations attended. Mr Bhargava noted the growing appetite for change from within the sector, outlined his vision of a shared understanding of the challenges, and explained how the organisers of the event would distil all the ideas coming out of the discussions into a roadmap for a sustainable future for the industry. He clearly and succinctly highlighted the sustainability challenges that lay before the industry and stressed the importance of collaboration and teamwork in order to overcome these challenges.

In her speech, Ms Roberts presented the global perspective on challenges facing the tea industry. She pointed out that many of the challenges facing the Indian tea industry are similar to those being faced in other countries and there are opportunities to share learning and adapt strategies that have been successful in other regions. Ms Roberts also pledged the support of ETP's global expertise in working with the Indian tea industry to develop its roadmap to sustainability.

## Challenges and Opportunities facing the Indian tea industry

In his keynote address to the gathering, Mr Sushant Dash, Regional President – India, Tata Global Beverages Limited (TGBL), while acknowledging the value and merits of tea as a beverage and an industry, emphasised the importance that consumers play in the supply chain. If consumers aren't convinced by a product, they will not buy it. He articulated the challenges on both the supply and demand side, highlighting the drop in tea consumption (see figures 1 & 2 next page) coupled with a lack of investment in technology, infrastructure, community development, research into new agricultural inputs, and climate change as the major barriers to sustainability of the overall sector. The difficulties of sustainable sourcing and food safety were also highlighted as key issues which impact TGBL, the second largest tea packer in the country, and its competitors.

In the first panel discussion of the day, the Chairman of ETP, Mr Ian Midgley, brought together producers and packers to discuss the challenges and opportunities facing the Indian tea industry.

First, representatives from producer companies, Mr Ashok Bhargava (Apeejay), Mr Azam Monem (MRIL), Mr CS Bedi (Rossell), Mr AN Singh (Goodricke), and Mr Jagjeet Kandal (APPL) highlighted the issues they see regarding the future of the industry. Whilst they highlighted some big challenges, all the panellists were keen to emphasise the unique opportunity presented by this meeting to work together to protect and preserve the tea industry, and the various mechanisms they saw to achieve a more sustainable and equitable industry.

The key challenges facing the industry identified by the producers were:

- Pricing not keeping pace with rising costs
- Climate change
- Community development
- Improving and integrating the rapidly expanding smallholder sector
- Outdated legislative frameworks

The discussion highlighted the need to modernise many aspects of the tea sector, including the way it is regulated if the industry, its workforce, and their communities are to have a sustainable future.

The Plantations Labour Act (PLA), 1951 was designed to protect the plantation workforce that had been created from indentured immigrant labour. The PLA requires plantation companies to provide

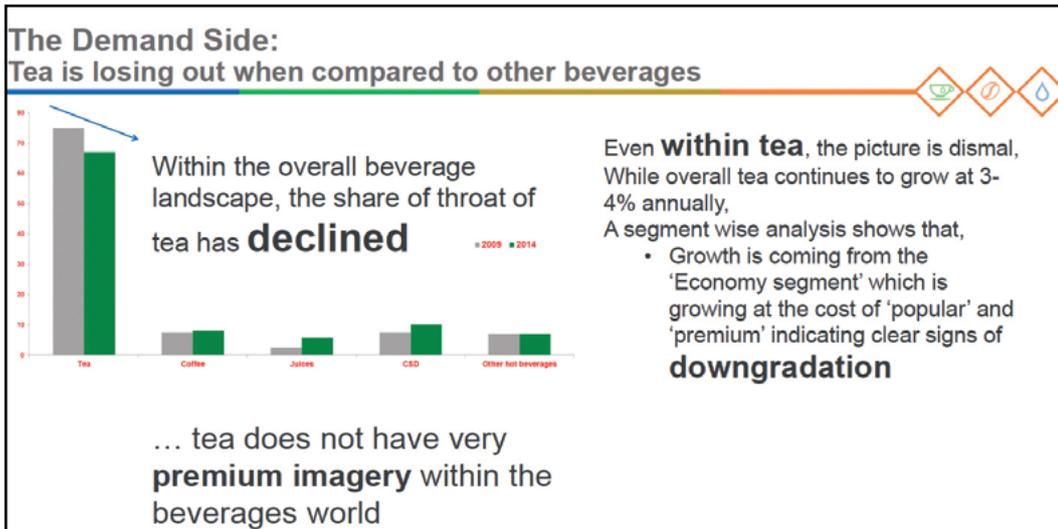


Figure 1. The Demand side - tea is losing out when compared to other beverages.

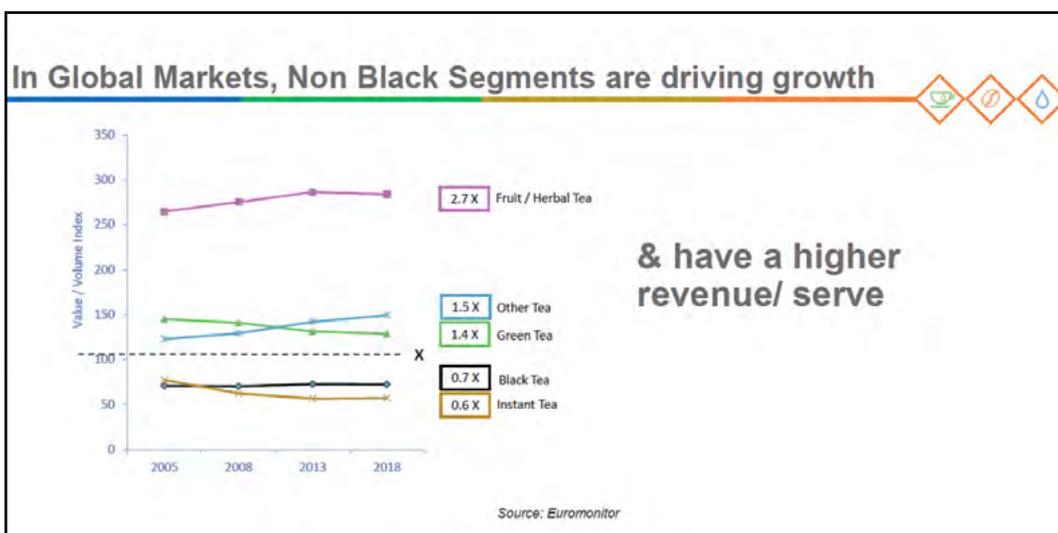


Figure 2. In Global markets, non black segments are driving growth.

housing and sanitation facilities, schools, food at subsidised costs, and health services to employees and their dependents. In addition, the PLA, rather than tea estates themselves, governs the number of people each estate should employ, which massively impacts an estate's ability to manage productivity and costs.

While well intentioned and appropriate in 1951, in 2016, the PLA is causing problems for the industry and for the people it was designed to protect. While workers and their families benefit from job security and the non-cash benefits such as housing, the system reduces the ability of producers to raise cash wages, while also incentivising people to remain dependent on estates, thereby reducing their choices and ability to own their own assets. With growing populations residing in plantations but choosing to work outside them, some tea estates have to maintain facilities for thousands of people who are not actually part of their productive workforce, impacting on the quality of the facilities.

Parts of the industry are facing the double bind of a growing estate population that they are responsible for, while at the same time experiencing labour shortages due to the working age population choosing to work outside the estate and/or migrate to urban areas. If migration is safe, and younger generations have good skills and education giving them increased options, then this can be a force for positive change, but this is not necessarily the case at the moment. Mechanisation, which is inevitable if labour shortages continue, could negatively impact quality, requiring more investment into research and technology in order to make a smooth transition.

All the panelists were unanimous in their belief that the PLA of 1951 is not fit for purpose in the 21st century and there is a need to engage in modernising the regulatory framework.

Linking pricing models to sustainability and plantation economics to worker productivity were identified as key for the industry to remain

competitive. Tea prices are a major concern and sustainability can only be achieved if everyone in the chain can make a decent return. In India, the cost of production has been rising faster than prices.

The panellists agreed that climate change was a significant threat to the industry, exacerbating existing challenges such as pests and disease that impact on yields and quality, with knock on effects on costs and price realisation.

The producer panelists also highlighted how fast the smallholder sector had grown and the far-reaching impact it is having on the whole sector. Bought leaf factories and smallholders are not subject to the same regulation as plantations, so can produce tea at a lower cost. Being new to the industry there are challenges with quality and agrochemical management, so it is essential that they are properly integrated into the sector and that there is good capacity building with smallholders.

The panel discussion also highlighted the need to increase consumption, a sentiment that was echoed by the packers who took to the stage next to share their views.

The packer's panel, which consisted of Mr Andy Brown (Taylors of Harrogate), Ms Katy Tubb (Tata Global Beverages), Mr Somnath Saha (Typhoo), Mr Paras Desai (Wagh Bakri), and Mr Abhijit Borthakur (Hindustan Unilever), reflected on the importance of increasing consumer demand while ensuring they could provide a safe and sustainably sourced product.

The packers highlighted that consumers have an inherent belief that the tea industry is an ethical and sustainable one, and if that perception is tarnished, it is very damaging for brands. As the CEO of one of the fastest growing tea brands in the UK, Mr Brown explained how damaging recent media coverage about the tea industry in India has been and how brands have to work hard to rebuild and maintain the trust that consumers have in their product.

The packers confirmed the market issues highlighted in Mr Dash's address that overall consumers are moving away from tea to other beverages and markets are becoming more competitive. In support of suggestions made by their producer colleagues in the previous session, the packers recognised that sustainability can only be achieved if the price paid for tea is right and confirmed that pricing structures need to reflect quality and sustainability performance.

Both international and Indian packers emphasised the importance of ensuring that tea always meets product safety regulations. Consumers won't buy tea if they don't consider it to be safe. While Assam in particular faces challenges with pests and diseases due to the climatic conditions, meeting product safety regulations is something that is under the industry's control – unlike some other issues - and the industry needs to ensure that agrochemical regulations are met. Packers do not want to continue to be in the position where they are rejecting teas because they don't conform to product safety standards.

While everyone recognised that product safety is extremely important, the panellists also emphasised the importance of making sure that regulations also work for the realities of the context they are applied in. They agreed that there are major challenges in working with a rapidly expanding smallholder sector to improve their management of agrochemicals and for the industry to speak with a single voice to lawmakers on statutory requirements.

They were also aware that the cost of agrochemicals to manage pests and disease, is one of the main factors in rising costs of productions, and this challenge is likely to be exacerbated by climate change. This reinforces the importance of having a holistic approach to sustainability, which should include improving plant health by working with key partners to change pest management practices, and move away from an agrochemicals based paradigm.

Speakers in this session were keen to remind the gathering that although the industry faces a lot of challenges, it is important not to get too down-hearted, and focus on what is already working and build on it. They pointed to initiatives like *truste* and the Plant Protection Code, which have been developed purely for an Indian context. While both initiatives will continue to develop and evolve, they are already leading to much positive change in the industry.

Questions from the audience further highlighted the need to increase consumption of tea – ideas included innovation in product development in areas of format, flavour, and functionality by creating premium options, and different distribution models. Looking at the way the market has developed for premium coffees, it was felt that there were some opportunities for realising higher prices for quality, sustainable products, but that it was important that mechanisms were found so that increased value was fairly distributed across the value chain.

All the packers on the panels expressed their commitment to meaningful collaboration with the Indian industry in its journey going forward. Brands have to be able to reassure their consumers that all the tea in their blends come from sustainable sources, so they will need to be able to point to change in the Indian industry to be able to continue to source confidently from India. They felt that the ITA Chairman's suggestion of developing a roadmap for the future of the Indian industry was an excellent way forward and something that they could lend their support to. All of them looked forward to the roadmap and contributing to its implementation process.

### Approaches to estate improvement and change

The plantation structure in Sri Lanka is in many ways similar to the Indian industry. Like India, the Sri Lankan industry was established in colonial times and utilised a migrant labour force who, generations later, have become an important political group whilst remaining isolated from other local communities. The Sri Lankan industry also faces high and rising costs of production, growing estate populations, labour shortages, climate change, and fluctuating price realisation that present challenges to sustainability all too familiar to the Indian sector.

Presenting an example of how some Sri Lankan companies are addressing these challenges through the reformation of estate management structures, Mr Binesh Pananwala, Chief Executive Officer, Watawala Plantations, shared accounts of his experience managing a Sri Lankan plantation company that has implemented a "Plantation Community Empowerment Project."

The main component of this project is the development of new forms of governance and decision-making. Community Development Forums



Sri Lankan female tea estate workers taking part in a Community Development Forum (CDF) as part of a Plantation Community Empowerment Project

are established where management, workers, unions, and members of the community conduct regular meetings to address issues and concerns. The model is unique because of the participation of management as an advisory group, and the decision-making capacity of the committee.

Originally piloted on a few of the company's estates with the support of CARE Sri Lanka, the programme brought a multitude of benefits to the company, and because of this Watawala has now rolled it out across all their tea estates. The model has been extremely successful in empowering workers, creating better opportunities for women such as taking on supervisory roles, encouraging open dialogue between workers and management, and accessing government funding to improve estate and community facilities. These changes show tangible results in the company's bottom line, with significant increases in productivity and a reduction in strikes and industrial disputes. Independent research shows that for every dollar invested in the programme, companies received a \$26 return on investment. Emblematic of the impact of the programme, Mr Pananwala stated that his company now designates workers as 'associates,' which instils a sense of pride and recognises their contributions as employees of the company.

Similar initiatives are being implemented in Assam, where APPL have rolled out a unique shareholder scheme giving the workforce a stake in the company. They are also investing in social transformation programmes based on data gathered through intensive research into the aspirations and ambitions of people in tea communities. Mr Deepak Atal, who spoke as Vice Chairman of the APPL Foundation, iterated Mr Pananwala's message of the importance of instilling a sense of pride and belonging in the tea communities. Highlighting the value of good data, Mr Atal talked about the various vocational training programmes being undertaken on APPL estates to enable young people to have better opportunities if they choose to seek employment outside the estates.

Three representatives from standards bodies, Mr Richard Fairburn, *trustea*, Ms Ana Paula Tavares, Rainforest Alliance, and Mr Lee Byers, Fairtrade International, were part of the panel and provided their views on approaches to support change in the Indian tea industry.

All three speakers highlighted how standards bodies understood the structural challenges faced by the Indian industry on key issues such as housing, sanitation, and wages. Given the way that the

international agenda is developing on issues such as these, the importance of standards bodies being able to work with the industry and other stakeholders to find ways of achieving measurable improvement in these areas is incredibly important. Therefore, the development of a roadmap that includes ways forward on these issues was greatly welcomed.

Mr Fairburn explained that in his previous role running tea estates in East Africa he was responsible for 17,000 worker houses and understands exactly the challenges that producers are facing. He acknowledged that during periods of low tea prices, investment in worker facilities always gets delayed as business leaders have to maintain a profitable business with multiple challenges on their budgets. In East Africa, as worker numbers reduced through production changes, such as mechanisation, every opportunity was taken to demolish sub-standard housing and make sure those that remained were of a good standard.

At the moment, Indian producers do not have that option, but it is clear that the current model is not working and needs to change in the future. Mr Fairburn's recommendation is for the industry to clearly define a vision for 2030, where the industry has the workers that it needs, a skilled, productive workforce that is paid a living wage, and government taking responsibility for housing, sanitation, schools, and hospitals. Then, bring the future to the present by developing the steps in the roadmap, which will allow this vision to be achieved. This will have to include discussions with government with a view to the state progressively taking over social assets, a process that has already begun, to a limited degree, in some areas such as education and healthcare.

Fairtrade and Rainforest Alliance are part of the standards body, Global Living Wage Coalition, that is developing living wage benchmarks for all countries and products that are certified. Over 20 benchmarks have now been completed or are underway in products ranging from bananas to flowers. In tea, benchmarks have been developed for Malawi and Sri Lanka and more will be developed in the next few years. If the process is organised well, with good consultation, as has been the case recently in Sri Lanka, it can be a useful way of developing consensus about changes that can work for producers and workers.

Mr Fairburn explained that the *trustea* standard was developed specifically for the Indian context and its audits are against current Indian legislation. *Trustea* is covering parts of the Indian tea sector, such as

bought leaf factories and smallholders that other standards have not really reached. This roll-out has been important in improving the understanding of the wage legislation that these parts of the industry need to meet. Whilst always needing to remain relevant in India, *trustea* also has to remain credible as a standard, so it too is linked into discussions around living wage.

Mr Byers from Fairtrade and Ms Tavares from Rainforest Alliance talked about their approaches to estate improvement on issues such as housing and sanitation. Fairtrade premiums are often used to improve estate facilities. Ms Tavares explained that they have made recent changes to their standard on housing and sanitation and this will continue to evolve, but they are always trying to balance having a strong standard with not making it prohibitively difficult for producers.

Ms Tavares emphasised the importance of dialogue for finding solutions and how committed Rainforest Alliance is to working with organisations such as ETP to provide support and solutions.

The group was unanimous in their thinking that while standards and certification bodies will play a part in improving systems, the industry needs a long-term strategic plan with engagement from all stakeholders including government, expert organisations, NGOs, producers, packers, workers, and funders, with mechanisms to measure progress.

### Climate Change

To support the industry in developing its approach to adapt to climate change, TGBL funded a partnership between ETP and TRA Tocklai that assessed the likely impact of climate change on tea production in Assam. ETP and TRA Tocklai unveiled climate modelling maps for Assam that predict how the current tea producing regions of Assam will look unless comprehensive adaptation strategies are initiated.

Results of the climate change mapping were presented by Dr Rajiv Bhagat, Deputy Director/ Chief Scientist, TRA Tocklai, and showed that without intervention the four main tea growing regions of Assam (Upper Assam, South Bank, North Bank, and Cachar) will become far less suitable for tea cultivation, primarily due to changes in temperature and precipitation patterns.

Key changes predicted by the model are:

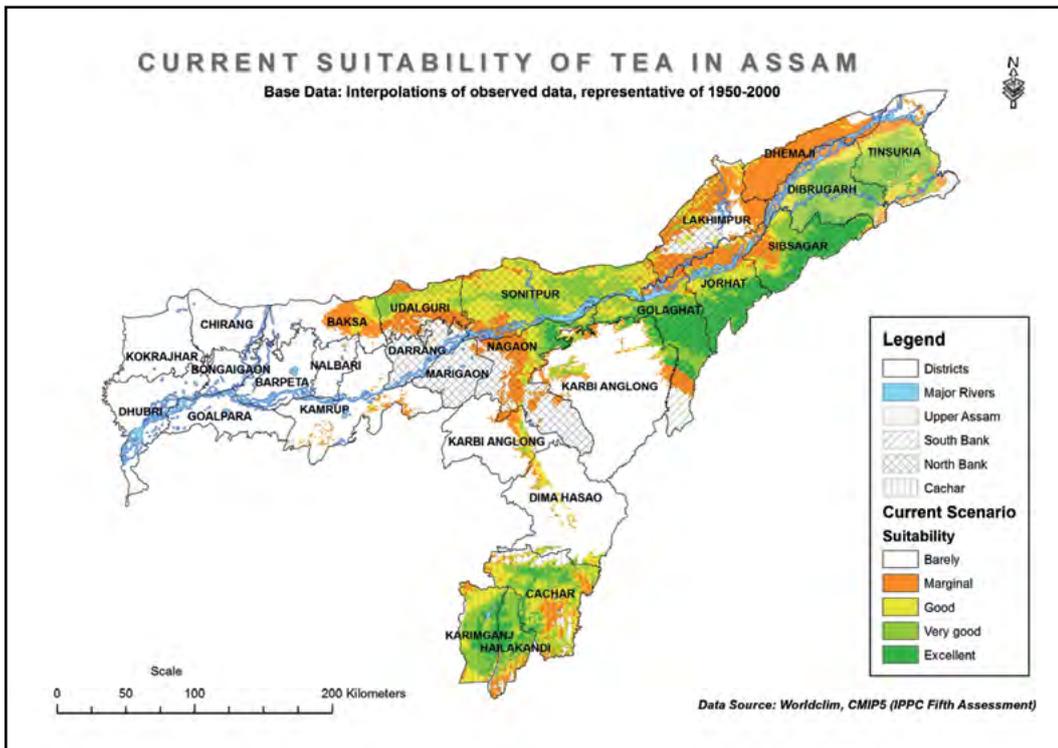
- Both minimum and maximum temperatures will

increase across all the major tea growing regions of Assam, which will impact on the suitability of the region for growing tea

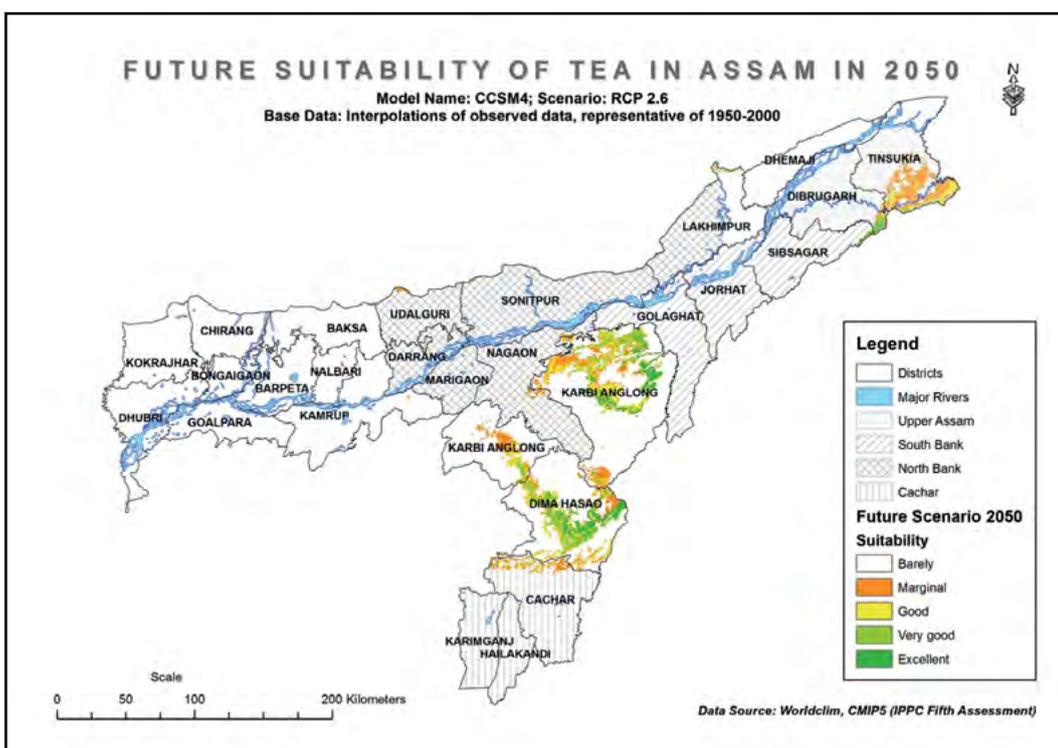
- Rainfall is likely to reduce in the first quarter of the year and the amount of precipitation is likely to increase during monsoonal months

The seasonality of precipitation was found to have the highest influences on the suitability of tea growth in a particular region. The severity of the potential impact was a major cause of concern for

the audience, but also led to productive suggestions for interventions and steps forward. The industry was keen to immediately share the results of the mapping with the Indian Government, once again pointing to the need for better engagement. Reference was also made to other commodities, how companies are already buying land in order to adapt their business practices to climate change, and how investors are looking for information on climate change and water when making long-term planning decisions.



Current suitability of tea in Assam based on Maxent model



Future suitability of tea in Assam by 2050 in RCP 2.6 IPCC Scenario

Speakers discussed the urgent need for further research into resource management, conservation methods, and climate resistant clones, as well as improving methods of pest and predator management and scaling up climate change training and education programmes, particularly for smallholder farmers. Irrigation is already being utilised on many estates, but more focused and joined up strategies will be required to ensure sufficient infrastructure is in place. Approaches such as agroforestry and mechanisms to increase the ability of soils to resist droughts, e.g. by increasing organic matter content, were suggested.

There was a strong desire to act quickly and look at adaptation practices being used elsewhere in the tea-growing world such as Kenya, as well as urgent research into more weather resistant tea clones. It was noted that later in 2016 the FAO Inter-Governmental Group on Tea will release a booklet on climate change adaptation methodologies.

### Improving community well-being and life

A recurring theme throughout the day was the importance of the workforce and the need to find ways for tea communities to develop and thrive. As earlier speakers explained, the communities that live on tea estates are growing. The remoteness of many tea estates, coupled with inaccessibility to government initiatives, low levels of education, and insufficient research and investment pose challenges in ensuring a healthy population.

Dr Tulika Goswami Mahanta, a doctor and associate professor at Assam Medical College, explained that research conducted by her and her team shows that the general health in tea communities is poor and on the decline. Of particular concern are the health risks for mothers and children living on tea estates, despite the good work done through initiatives such as Mothers' Clubs.

Dr Mahanta's research shows that:

- Malnutrition is common; 50% of the tea estate population across different age groups are suffering from under nutrition and the severity is worse for women and young girls, with 96% suffering from anaemia
- Almost 50% of people are hypertensive
- The Upper Assam region has the highest maternal mortality in India (404 per 1,000 births – more than double the Indian average)
- 63% of Assam's maternal deaths are from tea communities, primarily because of hypertension, anaemia, and infection. These are preventable

and there are very cost effective interventions, but due to a lack of awareness and social barriers medical services are not always accessed by workers.

- Diarrhoea and pneumonia are common preventable infections, and indoor air pollution is increasing respiratory tract infections
- Tuberculosis and cancer are emerging problems that are also affecting the health of the population

The declining health of a growing population puts a severe strain on the resources of the plantation companies and has a knock-on effect on productivity and profitability of the overall businesses. To address these myriad challenges, Dr Goswami and her team have developed a host of strategies that they have been trialling on some tea estates. These include daily administering of iron folic acid tablets, counselling on family planning, training and capacity building on diversification of diet, kitchen gardens, and cooking demonstrations.

One of the clearest successes has been the iron folic acid tablet intervention, which reduces anaemia. Anaemia is directly related to productivity and it was found that three months after administering iron folic acid tablets to women working in the field there was an increase in productivity of 10 kg of green leaf plucked per worker.

Panellists in this session also discussed significant risks to the safety and well-being of young people on tea plantations. Mr Vedprakash Gautam, a UNICEF child protection specialist based in Assam, offered insights from his experiences working with tea communities, and in particular from his work to reduce the vulnerability of 25,000 young girls through a joint-programme with ETP and partners the Assam Branch of the Indian Tea Association (ABITA) and Bharatiya Cha Parishad (BCP).

Mr Gautam highlighted some of the factors contributing to the vulnerability of children and youth to forms of exploitation, such as trafficking. Poor education facilities in and around tea plantations, especially after age 14, mean that adolescent children of workers must travel long distances to attend school and access other facilities like remedial or coaching classes. Quite often children drop out of school due to the long distances, and girls in particular drop out if there are younger children at home requiring care.

There is also an increasing trend towards migration out of tea communities to seek employment. Many young people are seeking employment outside of

the estate, however local opportunities have not kept pace with the changing aspirations of the population. This has given rise to a growing number of young men and women, lacking in qualifications for employment in skilled jobs in the cities, becoming highly vulnerable to tempting and deceptive offers of work outside the estate. In fact, Mr Gautam pointed out that it is not the poorest children who are often targeted by traffickers, but those with ambition and a visible desire to make a better life for themselves. He also highlighted that migration itself is not the problem; unsafe migration is. There is an urgent need to enable the safe migration of capable young people by ensuring that they have the education, life skills, and support to make safe and informed choices. Several panellists throughout the day iterated the need for vocational skills training.

The ETP-UNICEF project is also an example of how partnerships and collaboration across a broad group of stakeholders can increase the reach and long term-impact of this kind of work. In addition to working directly with young girls through the establishment of adolescent girls groups, the programme is engaging with industry associations, government, law enforcement, plantation management, and the community to establish and strengthen child protection structures. At the state and central government level the programme is working to improve the educational infrastructure. Themes emerging from this session once again iterated the need for revision of the PLA and the need for convergence between government schemes, legislation, and service provision. Speakers also pointed out the need for better communication strategies between all stakeholders.

### Improving livelihoods and sustainability for smallholders

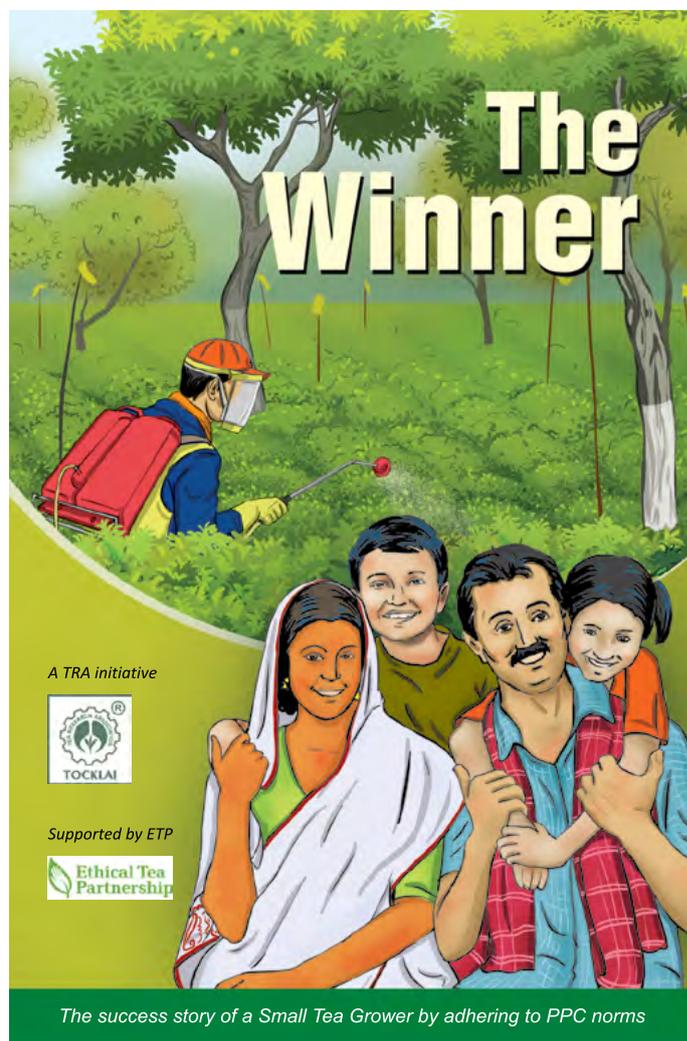
In the final panel session of the day attendees had a chance to discuss the issues facing the smallholder and bought leaf sectors of the Indian industry.

The smallholder sector in India currently produces around 35% of the total volume of tea, and the Tea Board of India estimates that this number will grow to around 50% within the next 15 years. While this means more tea in the market, it has also thrown up many challenges in the value chain such as product safety, working conditions, poor agricultural practices and productivity, and the impacts of climate change. If the industry in India is to become truly sustainable it will need to take the smallholder sector with it, ensuring that it also remains viable and profitable for all. As the industry grapples with these challenges there are opportunities to learn from other countries

where challenges with the smallholder sector have been confronted and innovative market mechanisms have resulted in better quality, safer teas and improved livelihoods for small tea growers.

The Sri Lankan tea industry has also been through a phase of rapid growth of small tea growers and today they account for 70% of Sri Lankan leaf production. There are important opportunities for cross-border learning, so TEAM UP India was delighted to welcome Mr Roshan Rajadurai, Chairman of the Ceylon Planter's Association and Executive Director of two large Sri Lankan plantation companies, to provide some experience from Sri Lanka.

The fact that Sri Lanka has held onto its reputation for high quality tea throughout the transition to increased smallholder production, and still commands some of the highest global tea prices, shows how well the industry has been able to integrate smallholders into the mainstream. Of particular relevance for India, was Sri Lanka's experience of changing the legal framework to ensure all 'leaf agents,' i.e. the middlemen who sell smallholder tea, are registered, so that there is traceability and responsibility all the way through the supply chain.



The Sri Lankan industry has also recently been working on a unique out-grower model whereby workers who live on tea estates are leased a portion of land to grow tea. This model has boosted the incomes of workers and also resulted in better utilisation of land, which was underutilised due to rising costs and labour shortages on the plantations.

In India, initiatives like the *truste*a programme have a strong focus on smallholders, and are working with industry and expert implementers like TRA Tocklai to increase capacity building and knowledge dissemination on safe use of agrochemicals, good agricultural practices, and climate change adaptation techniques. In developing capacity building approaches for Indian smallholders, ETP and IDH are utilising their experience of Farmer Field Schools, which uses a classrooms without walls model and farmer-to-farmer learning approach, to roll-out large scale smallholder change programmes.

The challenge of improving agrochemical management and compliance with the Plant Protection Code is particularly urgent. Materials and approaches need to be developed that can lead to sustained behaviour change across large numbers of smallholders. To support this change, a collaboration between TRA Tocklai and ETP has developed an innovative comic-book style training manual on the safe and judicious use of agrochemicals, which is available in 3 languages (Bengali, Assamese, and English), and is aimed not just at the farmer but the entire smallholder family. Mr Arun Singh, the Chairman of TRA Tocklai and the Executive Director of ETP launched this booklet at the event.

As part of its ongoing collaboration with ETP, TRA Tocklai has developed a cluster training programme for small tea growers co-ordinated through their advisory centres in Upper Assam, Tocklai, and North Bank.

## Conclusion

The day was marked by lively discussions, constructive feedback, enthusiastic interaction and powerful speeches. While there are a range of existing programmes that can be expanded, the task ahead can feel daunting and Mr Ian Midgley, Chairman of ETP, was quick to remind attendees that a journey such as this can only be taken one step at a time and with the help and support of the entire value chain. Convening this event already demonstrates a strong desire from across the value chain to support change and this momentum should be capitalised on.

The success of a meeting such as TEAM UP will be judged by the actions and outcomes that follow it. It was agreed that it was essential that, following the event, an initial draft of a roadmap to deal with the challenges and capitalise on the opportunities should be developed for further consultation with the industry and its wider stakeholders. This is set out on the next page. The industry will convene a Strategic Group to move this forward.

Some of the key interventions that are required will need to have a multi-pronged approach with support from development partners, government, expert organisations, and funding agencies. For example, in tackling climate change the industry will have to work with multiple agencies and partners such as TRA Tocklai to research and develop new tea clones, provide information on improving soil fertility, and to study rainfall and water management systems. Simultaneously, we will also need to work to make communities and particularly smallholders more resilient and better prepared for climatic changes. Similarly, if tea communities are to thrive in the 21st century new approaches will be required to improve education, nutrition, healthcare and welfare services, sanitation and housing, and employment opportunities. The regulatory framework will need to change to give workers more control over their future and improvements must be made in ways that enable producer companies to operate their businesses efficiently and profitably.

Tea is losing out to other beverages and there will need to be a renewed focus on growing the market, particularly with younger generations, to ensure it has a healthy future. Consumers need to be convinced to value quality and sustainable tea so that market mechanisms can be developed that properly reward these attributes.

Judging by the goodwill shown at the meetings and following the event, it is clear that the entire industry has an appetite and willingness to work together to accelerate change and work towards a sustainable Indian tea sector.

**A roadmap for a sustainable and thriving Indian tea industry**

**A thriving and sustainable tea industry that benefits tea workers, farmers, and the environment**

2020+

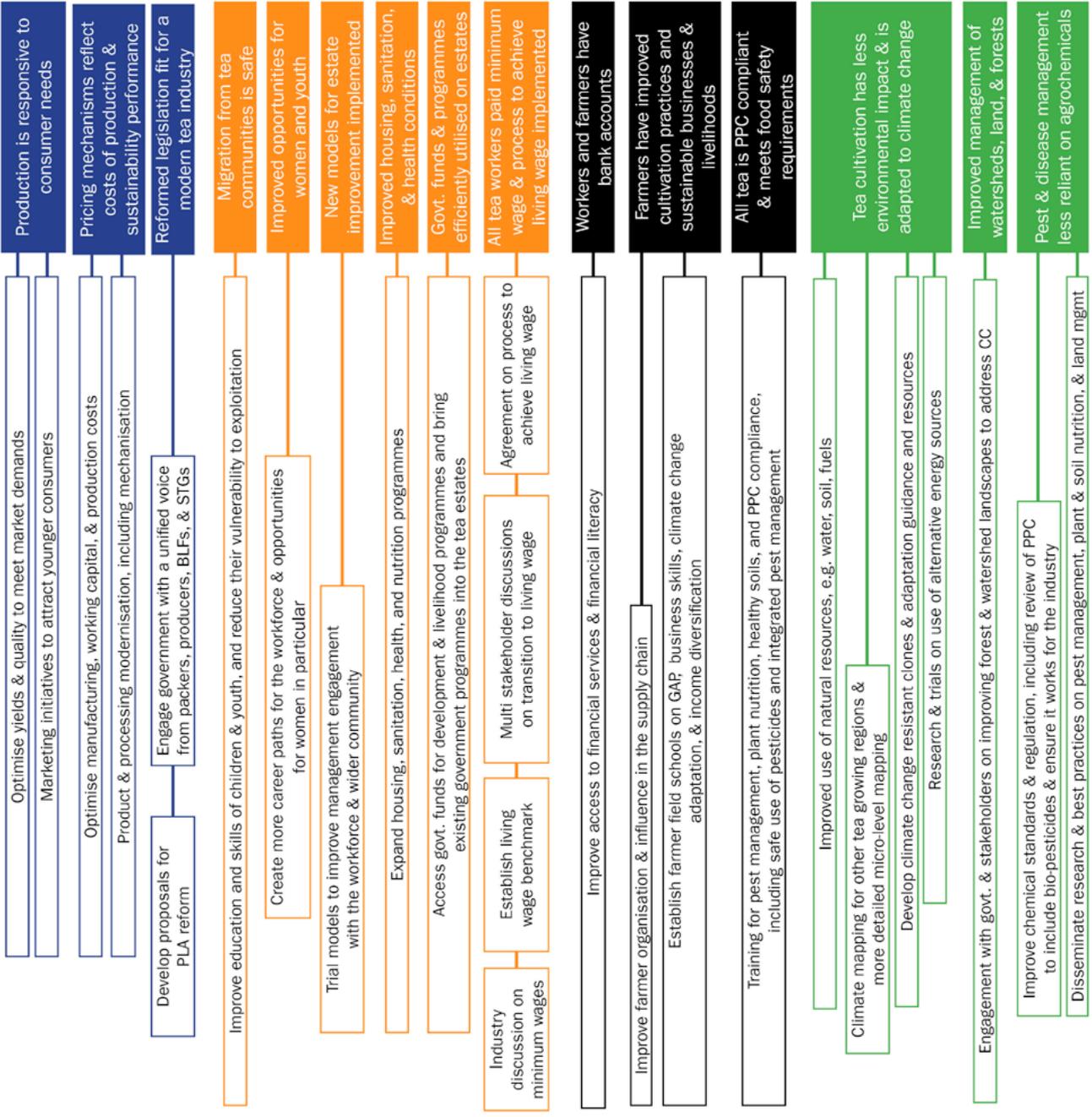
2020

2019

2018

2017

2016



Establish a strong industry & stakeholder group to create a common platform for collaboration

Profitable businesses for the 21st century

Healthy, motivated, and productive workforce with improved opportunities for women

Improved lives and livelihoods of smallholder farmers and their workers

Environment that supports sustainable tea production