Local Impacts of a Global Commodity: Small Tea Growers in a Northern District of Bangladesh

Asif Mahmud

1Department of Anthropology, University of Dhaka, Bangladesh.

Corresponding Author: Asif Mahmud, Email: asiifmahmmud@gmail.com

ABSTRACT

This research explores the Small Tea Plantations (STP) in Romjanpara and Radhanagar villages of Atwari Subdistrict under the northernmost district of Bangladesh, Panchagarh and its impact on the local farmers. More specifically, how STP was integrated in the local farming, the socioeconomic conditions of the small tea growers and the problems they face in the trading of tea leaves. The northernmost part of Bangladesh was economically insolvent before the advent of STP. Now the economic condition is growing and more lands are coming under STP. But behind this scene, there are stories of class formation and exploitation of the small tea growers. The first-hand data is collected using Case Study, KII, FGD, Semi-structured Interview, and observation. Adopting Political economy of agrarian change as theoretical framework and based on qualitative interviews, this research provides an analysis of the socioeconomic conditions and problems that the small tea growers face. The findings show that the factories create and often perpetuate these problems and thus reproduce the existing socioeconomic differences.

Keywords: Small Tea Plantations (STP), Bought Leaf Factories (BLF), Political Economy, Agrarian Change, Exploitation.

Received: 05th September 2023    Accepted: 15th October 2023    Published: 4th December 2023

DOI: 10.48165/sajssh.2023.4601
INTRODUCTION

A plantation is a machine for assembling land, labor, and capital under centralized management for the purpose of making a profit; it is also a political technology that orders territories and population, produces new subjects and new worlds. (Semedi et al., 2021; Ashraf et al., 2020). Unlike conventional plantations, small tea plantations have a decentralized and individual management system. The northern districts of Bangladesh are likely becoming a “hotspot” for small tea plantations. Plantation economies persist despite criticism for their historical part in maintaining inequalities between rich and developing nations (Gunder Frank 1966; Prebisch 1972; Wallerstein 1974; Ashraf et al., 2019; Suleman et al., 2023). Panchagarh is the northern most district of Bangladesh where STP is most widely prevalent. Initially the small tea growers seemed to be economically benefitted, but pro tempore various forms of exploitation seem to be evident. Class formation and consequently hierarchy is produced amongst the non-capitalist farmers who are integrated to capitalist agriculture. As the market is controlled by the factory owners, the small tea growers are posited at the lowest tier of this stratification and are exposed to exploitation. Besides such hierarchy and exploitation, non-capitalist farmers are integrating Small Tea Plantation in their lives. In fact, in the developing societies at recent times, the emergence of new forms of plantations of various cash crops at the expense of traditional crops can be witnessed. Throughout this study, attempts have been made to view the factors behind the rise of Small Tea Plantation (STP) and the forms of exploitation that the non-capitalist farmers are being exposed to after taking up STP (Ashraf et al., 2019; Ashraf, Ahmad & Azlizan, 2019).

METHODOLOGY

The study is designed to find out the local impacts of small tea plantation on the farmers of Panchagarh. The methodological orientation of the study is qualitative, and it is based on both primary and secondary data. Primary data has been collected through fieldwork mainly in Radhanagar and Romjanpara villages of Atwari Upazila (subdistrict) in Panchagarh District. The fieldwork was conducted during July 2022 with a view to getting insights into the various aspects of the small tea growers at stages of cultivation, selling, the problems they face prior to and post-selling raw tea leaves. While personal observation is the most significant technique of acquiring primary data, the study also employs an interview schedule and focus group discussions to gain primary data from various strata of small tea growers.
And, the study also employs journals, newspaper reports, and government records from regional office of Tea Board Bangladesh in Panchagarh district to obtain secondary data.

Twenty leading members from twenty tea producer family are selected randomly for the study. They were interviewed in a local market (Dhamor Bazar) in their area at their convenience. It is proposed to select the sample randomly because the production system, economic patterns, and other social factors are almost the same in those families. 17 qualitative interviews, 2 focus group discussions (FGD) and 1 Key Informant Interview (KII) have been conducted amongst the small tea growers. The respondents have been interviewed under a semi-structured questionnaire.

All necessary steps were maintained throughout the research process for upholding the ethical standards. Prior to each interview, the respondents were requested for their suitable time and place. After confirming this, the interviews were conducted. Verbal consents were taken during the interview process and capturing the pictures. All names mentioned in this research are fictionalized.

THEORETICAL FRAMEWORK

This research draws on the theoretical framework Political Economy of Agrarian Transition. Agrarian political economy seeks to investigate the social connections and dynamics of production and reproduction, property and power in agrarian forms, as well as their historical and contemporary transformation processes. Henry Bernstein delineated this concept in his writing “Political economy of Agrarian change: Some key concepts and questions (2017)”. Modern political economy is recognized as an interdisciplinary field since it employs the theoretical frameworks of both modern economics and political science. After the transformation of agrarian processes, the political economics of agrarian transition can shed light on the ties between individuals and society as between markets and the state. It depicts the shifting production patterns, class strife, extinction of peasantry, and movement of households. The point of interest is the interaction of rural peasant subsistence agriculture and industrial output (Bernstein, 2017; Ashraf, Halim & Talib, 2020; Misra & Verma, 2023; Jasim, Bisheen & Almrshed, 2023). There are a variety of political economics arguments for why the rise of capitalist agriculture has not universally produced capitalist farming. A recurring concept that emerges from these theories is that capitalist agriculture considers methods to absorb or subsume small or family farmers (often known as "peasants") within its
market mechanisms and the dynamics of accumulation, so long as doing so is advantageous to capital.

A major analytical challenge is to understand the class formation and hierarchy produced amongst the non-capitalist farmers who have been introduced to Small Tea Plantation. As the market is controlled by the factory owners, the small tea growers are posited at the lowest tier of this stratification and are exposed to exploitation as they don’t have control over the market. In the current study, attempts have been made to explain the politico-economic dynamics of the changes of the current agrarian setting with Henry Bernstein’s political economy theory.

FINDINGS

1. Historical Background of Small Tea Plantation and Present Demographics

Similar to other nations of the Indian subcontinent, tea plantations began in Bangladesh during the British era of 1827–1857 and were mostly centered in the greater Chittagong and Sylhet areas (Zaman, 1989). There are 58,096 acres of tea plantations in this region, which are governed by 160 tea estates. Most of the major tea-producing nations, including India, Kenya, Sri Lanka, Indonesia, etc., have small holding tea cultivations that coexist with tea estates that are well established. In Sri Lanka, tea smallholdings sector is considered as the most dynamic segment of the tea sector as it represents 59% of its total tea extent and contributes more than 65% to the national tea production (Amarathunga et al., 2008). The Tea Policy of 1984–1985 was the first document to propose small-holding tea planting in Bangladesh (Ahmed, 2014). In 1995-1996, when tea cultivation started in the Indian borders of Shiliguri and Kishaniganj, Bangladesh Tea Board also gave a positive report on the potentialities of tea cultivation in the district of Panchagarh. Following that, a small group of national tea industry experts launched a private initiative known as Tetulia Tea Company Limited (TTCL) to promote small-holding tea cultivation at Tetulia in Panchagarh district (TTCL, 2000). Along with TTCL, Kazi & Kazi Tea Estate Limited also started tea plantation on experimental basis concurrently. Soon after, a joint venture project titled "Development of Small Holding Tea Cultivation in Northern Bangladesh” was initiated by the Bangladesh Tea Board and Rajshahi Krishi Unnayan Bank (Agricultural Development Bank). Consequently, wealthy farmers in Panchagarh district, started to grow tea in their fields. At that time being inspired by the Tea Board officials, 6 to 7 small farmers started tea cultivation in Panchagarh district at the small scale. According to Bangladesh Tea Board, in Panchagarh district, there
are 7 big sized tea gardens, 17 medium sized tea gardens and 592 small sized tea gardens. Beside these, there are more than 3000 farmers who cultivate on their own initiative. Many farmers of different categories be it marginal, small, semi medium or medium have integrated tea cultivation along with cultivation of other crops. At present, small scale tea production is being done in Panchagarh, Thakurgaon, Lalmonirhat, Nilphamari and Dinajpur districts of North Bengal. Small Tea Plantation had a modest beginning in the year 2000 AD, but both the acreage and production have since grown. At the end of 2020, small tea growers of North Bengal created the highest record in tea production. Small tea growers of Panchagarh have created a record bumper production of tea which is more than the targeted production. Among the total amount of tea produced in Panchagarh, 73% have been produced by the small tea growers. In fact, for getting more benefits people have started tea cultivation in backyard of their houses. Wide spread tea cultivation can be seen in Panchagarh. The land used for tea cultivation is also increasing along with the production. In 2002, when the small tea cultivation started, the amount of land used for it was only 455 acres. Where as in 2021, the amount of land under small tea cultivation has increased by 25 times and reached 11434 acres.

2. Factors boosting STP in Bangladesh

2.a: Government encouraging STP

Bangladesh Tea Board has implemented several development projects with its funding for the development of the small-scale tea industry. Several projects were implemented by the Bangladesh Tea Board from 2002 till present day to boost the growth of tea production in the lands of North Bengal through the creation of growers and tea gardens. “Extension of Small Tea Cultivation in Bangladesh” is an ongoing project to expand small-scale tea cultivation in the northern part of Bangladesh under the Ministry of Commerce. The project is being implemented in a total of 16 upazilas under four districts (Panchgarh, Thakurgaon, Dinajpur, and Nilphamari) of the Greater Rangpur Division. The area under tea cultivation in North Bengal increased nearly 5 times to 10,170 acres (4,117 hectares) and tea production increased nearly 19 times to 10.3 million kilograms of finished tea which is the highest record in the tea industry in North Bengal. Moreover, tea cultivation in Panchagarh has created employment for 20,000 to 25,000 people in tea plantations and tea factories in the area. Another significant project undertaken by the Bangladesh government is
Camellia Open Sky School. It is a school without walls and a roof where small tea growers are imparted hands-on training in tea plantation management in the open air next to the small tea plantations. Bangladesh Tea Board, through this school, aims to impart hands-on training to the small tea farmers of Panchagarh, Thakurgaon, Lalmonirhat, Nilphamari, Dinajpur, and Chittagong Hill Tracts Bandarban, Rangamati Khagrachari and Mymensingh.

2.b: Unaccompanied Benefits

Before the advent of STP, farmers could make a little bit of money by cultivating sugarcane in those lands. But when the sugar factories started to shut down, it became a striking concern for the marginalized farmers of those area. It is when the concept of STP was implemented in these lands. Now getting the benefits of tea cultivation in these previously fallow lands, farmers have started growing tea in the former cultivable lands as well where they used to cultivate other crops. This Small Tea Industry has brought in a massive change in the lives of the farmers of Panchagarh. No other crop with such investment and labor can ensure provision of continuous flow of income after each 40-45 days. When tea is planted in those lands where previously other crops were grown, the calculation comes in. In some cases, other crops might give better income. But those require more investment along with more labor.

In Panchagarh, there are 3 crop seasons in a year i.e. people can produce crops 3 times a year. The calculations show that other crops may provide a similar or more amount of profit. But reasons for taking up small tea plantation are:

i. **Consistent Income:** Small Tea Cultivation ensures earning after every 40-45 days (depending on the cycle) by selling tea leaves to the bought leaf factories. This is not something very usual for farmers who cultivate and produce traditional crops. The earnings through other crops do not assure the constant flow of money after every 40-45 days as tea production does. This one of the main reasons for farmers taking up small tea plantation.

ii. **Additional Income:** Additional income can be done by crop diversification. Tea plants require shade. For ensuring this shade, shade trees are required to be planted.
Shade trees like betel nuts, bay leaves or mango trees provide extra income. Along with the income from selling tea leaves, extra income is ensured by the shed trees.

iii. **Less effort and investment:** Other crop cultivations require more effort in comparison with tea cultivation. This is because, in tea cultivation there is extra hassle of replanting crops. The farmers have to take care and nurture the existing tea plants whereas in other cultivation, new plants are required to be cultivated after every four months. Similarly, as more effort, other crops also require big investment after every four months whereas in case of tea, big invest is required only during plantation. Tea is considered as a life time investment, where the tea plants need to be nurtured (weeded out, trimmed, pruned, applied fertilizers and insecticides) over time.

iv. **Ease of Profession:** As it requires less effort in comparison to other crops, tea cultivation can be managed as a side business along with other professions. There are many people who cultivate tea after having other professions like service holder, teacher or other business. Combination of other ventures along with small tea plantation is quite common in Panchagarh.

3. **Socioeconomic profile of Small Tea Growers**

The primary data were collected from 20 small tea growers (STG) drawn from 2 randomly selected villages (Radhanagar and Romjanpara) of the Atwari subdistrict of Panchagarh district. The information related to the socioeconomic profile of the small tea growers obtained from the study area is presented in the following paragraphs under the different subheads:

3.a: **Land Holding**

The economic status of the respondents can be studied by the size of the land holding they have and utilize. In this section, an attempt has been made to analyze the land possessed by sample respondents and what amount of land they use for tea cultivation. Data related to the land-holding pattern of sample small tea growers have been presented in following Table 1.

**Table 1: Area of plantation of the respondents under study**
<table>
<thead>
<tr>
<th>Serial Number</th>
<th>Total Land</th>
<th>24 bighas</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Land Under Tea Cultivation</td>
<td>12 bighas</td>
<td>50%</td>
</tr>
<tr>
<td>2</td>
<td>Land Under Other Crop Cultivation</td>
<td>12 bighas</td>
<td>50%</td>
</tr>
</tbody>
</table>

In Panchagarh, 1 bigha of land is equivalent to 50 decimals. It can be observed from the table that the total operational land holding of the sample respondents was 24 bighas (1200 decimals). Out of the total operational land holding, 12 bighas or 600 decimals (50%) of land was used for the cultivation of tea, and the rest 12 bighas or 600 decimals (50%) of land was used to produce other crops or other miscellaneous cultivation. This implies that small tea growers equally emphasize on small tea cultivation and growing other crops. Herein lies a fact that all land possessed by the small tea growers are not suitable for tea cultivation due to not having proper conditions.

3.b: Education of Children:

From the data collected from the field, it can be observed that all the small tea growers sent their children to school. The portion of small tea growers who send their children to school is 100%. But children drop out of school for various other reasons like students’ lack of interest to go to school, students focusing on running petty business, etc. But the problem that the farmers faced earlier to send their children to school was poverty. They were not able to collect tuition fees for their children. This problem has been eradicated after the advent of small tea cultivation. To ensure the children go to school, other areas should be addressed like students’ lack of interest to go to school, improving the quality of education, etc.

3.c: Occupation:

The occupation of a person or household can reveal information about the household's financial situation. Small tea cultivation is such a venture that the farmers of Panchagarh manage to have another venture alongside it. People in Panchagarh cultivate tea along with other crops. Another prominent occupational combination is business along with tea cultivation. The following table lists the numerous jobs that the sample small tea producers hold.
Table 2: Occupation status of the sample small tea growers

<table>
<thead>
<tr>
<th>Serial Number</th>
<th>Occupation</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tea Cultivation + Other crops</td>
<td>16</td>
<td>80%</td>
</tr>
<tr>
<td>2</td>
<td>Tea Cultivation + Business</td>
<td>3</td>
<td>17%</td>
</tr>
<tr>
<td>3</td>
<td>Tea Cultivation + Service</td>
<td>1</td>
<td>5%</td>
</tr>
<tr>
<td>4</td>
<td>Only Tea Cultivation</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>5</td>
<td>Total</td>
<td>20</td>
<td>100%</td>
</tr>
</tbody>
</table>

The table makes it clear that the majority of the sample's small tea growers, that is, 80% relied on the production of tea together with other crops to support their families. 17% of small tea growers relied on their business as well as tea production for their income. And 5% of the sample's small tea growers relied on the sale of tea to make a living.

Establishing a tea plantation is a once-in-a-lifetime investment. Once planted, it continues to produce well for about a hundred years. The annual maintenance cost for a tea plantation is lower than the return because it is only done once, which is possibly why this activity is so popular in the studied area. A significant fraction of the small tea growers found that tea growing and business ownership made for a popular occupation combination.

A greater percentage of small tea growers relied on tea production as their primary source of income. Due to the constant likelihood of price fluctuations for green leaves, there may be a variation in the annual income from the green leaves. When the cost of a green leaf is great, so is the income.

4. Problems faced by Small Tea Growers

The small tea growers face numerous problems. These problems are the forms of exploitation. A class of small tea growers are formed resulting the creation of a hierarchy. And the small tea growers are located in the lowest tire of this hierarchy. They face a lot of challenges in the total process of production and marketing in both individual and collective levels. These challenges have impacted the lives of small tea growers to a huge level. Some of them are discussed below:

4.a: Lower Prices
The small tea growers have witnessed fluctuation of price of tea leaves since 2016. The lowest price of tea leaves was recorded in 2016. The price ranged about only 7 or 8 takas. Then due to several protests, the price started rising again in 2017 and 2018. In 2019, Small Tea Growers got the highest price for tea leaves. During this time, famers even got 40 takas for each kg of tea. Then in 2020 and 2021 the price was reduced and remained stable at 20/21 takas. But in 2022, the price of raw tea leaves has reduced a great deal. It is very disappointing for the small tea growers as they have got even 40 takas for the same amount of tea leaves. The price has fallen drastically. They even had to sell tea leaves at 10 takas per kg. The current rate of tea leaves is 16 takas. One possible reason for the lowering of price may be the massive increase of small tea planters in Panchagarh leading to the enhanced availability of tea. One of the tea producers, Anwar Hossain from Dhamor, Atwari asked me:

“We sell raw tea leaves at 16 takas per kg, but when we go to buy processed tea from the market, why do we have to count a minimum of 400 takas? Processing certainly doesn't require 384 takas, does it?”

4.b: Deduction

The tea factories recently introduced a concept named deduction. This deduction rate ranges from 10-50%. 20% deduction implies that if a farmer gives 100 kg of tea leaves to the factory, he will be paid for 100 – 20 = 80 kg of leaves. This 'deduction' concept was also introduced in 2016.

There are two types of deduction. They are:

i. **Rain Cut:** The factories apply a deduction in the name of “Rain Cut” or “Moisture Cut” on the raw leaves of the farmers. The factory officials claim that during the rainy and winter season, due to the rain and moisture, the leaves become wet and the weight increases due to weight of the water. This is reason for this deduction of price. The government has prescribed an amount a maximum amount of rain cut or moisture cut i.e. a factory can cut maximum 10% of the price in the name of rain cut or moisture cut. The factories often do not care about the government prescription and apply more deduction.
ii. **Deduction For Poor Quality:** The factories apply another deduction in the name of deduction for poor quality on the raw leaves of the farmers. The factory officials claim that the quality of the raw tea leaves produced by the small tea growers are not up to the mark.

**4.c: High Price of required materials:**

Recently the price of fertilizer, weed medicine, vitamin, and pesticides has increased a lot which ultimately increases costs and reduces the profit margin of small tea planters. The Government of Bangladesh provides subsidy for the fertilizers, yet the price of these fertilizers is going out of reach of the tea growers. Along with the fertilizers, prices of agrochemicals including weedicides and pesticides are also increasing. Moreover, the increase of the prices of the fertilizers and agrochemicals has resulted in the unavailability of these materials. Modern tools entailing Mechanized Crop Harvester are very costly to buy but using these would certainly reduce the physical labor and increase the quality of the cut tea leaves.

5. **Areas to be focused on**

Focusing on these areas and integrating the suggestions provided by the tea producers might provide betterment in the small tea industry of Bangladesh. According to the small tea growers, two main areas need to be focused on. This emphasis will eventually lead to the development of the small tea industry reducing the problems and loopholes. The areas are the associations of small tea growers, accretion of state intervention via Bangladesh Tea Board and the factory owners.

**5.a: Accretion of State Intervention via Bangladesh Tea Board**

The small tea growers are hopeful about a government owned bought leaf tea factory to be established where there will be fixed rates. The government owned factory won’t discriminate amongst the small tea growers. They will be equally treated there. Moreover, they also demand an auction center be established in Panchagarh. This will fasten the selling procedure and thus the factories won’t delay in paying the farmers their selling price. Moreover, the regional office of Bangladesh Tea Board in Panchagarh should create a patrol team to check on the factories. Though the regional office of Bangladesh Tea Board in Panchagarh conducts some patrolling functions,
the small tea growers claim that the intensity and frequency of this patrol should be increased. If they observe any discrepancies, they will penalize the factories right away. Thus, the factory representatives will remain alert and will not do anything violating the rules of the Bangladesh Tea Board.

5.b: The Factory Owners

The factory owners are heard to have formed a syndicate. The syndicate fixes the price of raw tea leaves. The syndicate members often only consider their own benefit overlooking the situation of the small tea growers. The small tea growers propose that they should be ethically motivated so that the factory owners alongside their profit also take the situation of the small tea growers into consideration. The small tea growers also propose that the factory owners can play a significant role in the betterment of the tea industry. It is often heard that the managers appointed at the factories show nepotism and provide privileges to the small tea growers and the mediators (dalals) who have connections with them. The factory owners can scrutinize the managers about these issues. The factory owners should formulate some policies for their factory so that no small tea grower is discriminated against anyone else.

To sum up, taking all the stated problems and proposed solutions of the small tea growers, it can be concluded that, all the categories of the actors of this small tea industry including Bangladesh Tea Board, the small tea growers, and the factory owners have to work together and create a cooperating work environment to develop the tea industry and strengthen the socioeconomic conditions of the small tea growers.

DISCUSSION

Throughout this study, attempts have been made to answer to the question, “What are the local impacts of small tea plantation in the farmers of Panchagarh?” Political economy of Agrarian Transition have been used as theoretical framework to understand the impacts of integrating Small Tea Cultivation by the small holder farmers in Ramjanpara and Radhanagar villages of Atwari Upazila (subdistrict) of Panchagarh district. Initially, the historical background of tea in Bangladesh have been explored. Moving onwards, the present-day situation of the small tea industry have been presented. It is observed that the reasons behind the massive increase of small tea growers is the constant flow of income after every 40 – 45
days (one tea cycle) through selling tea leaves. There are some other reasons behind it too. For example, extra income through crop diversification, managing small tea cultivation with other profession being easy etc. Moreover, it can be discerned that small tea cultivation has far-reaching effects on the socioeconomic profile, especially on land holdings, housing patterns, education of children, and possession and usage of appliances of the farmers who have integrated tea cultivation along with the production of other crops. Except for those who were already well off, the impoverished people of Panchagarh are grateful and give total credit to small tea cultivation as it has played a cabalistic role in their socioeconomic profile development. Small Tea Growers are facing several crises which need to be addressed. One of the most eminent crises is lowered prices. Lowering of price of tea leaves are very demotivating for small tea growers and those farmers who want to take up small tea plantation. Another major challenge for them to continue cultivation is the deduction of price due to moisture cut and poor quality. This problem has 2 dimensions. The quality of tea leaves should be emphasized upon as well as monitoring should be done so that no one can take advantage of this and gain personal benefits. In addition to that, high prices of necessary materials like pesticide, weedicide, etc. minimizes the profit of the small tea growers. In as much as they are facing some challenges and problems throughout the total process of production and marketing, they have proposed some potential solutions and some areas to be focused on. They are hopeful that if the solutions are implemented, situations will improve and they will get back to the days they hope for.

CONCLUSION

Small Tea Plantation (STP) is a complex and multi-dimensional concept that has come to existence throughout many countries of the world. In the case of Panchagarh, the impacts of STP are drastic. Initially, the non-capitalist farmers have been economically benefitted resulting in the improvement of their lives. This resulted in farmers taking up STP in flocks. But in recent years, the small tea growers are being exploited by lowering prices, increasing deduction and several other aspects. A class formation and hierarchy are produced amongst the small tea growers driven by the amount of tea producing land. Mostly, the small tea growers who do not have connections with the BLF managers or brokers face several problems in the form of getting lower prices, more deduction rate etc. Undertaking decisions excluding the Small Tea Growers won’t be able to solve these problems. Addressing these issues requires a holistic approach that involves working with Small Tea Growers, government agency i.e., Bangladesh Tea Board, and the BLF owners to improve the situation.
and promote sustainable development. This RP hints to a need of change in discriminatory attitude towards the small tea growers to solve the increasing problems of the small tea growers.
References


Special Bulletin. June 2021. পঞ্চগড়ে চা চাষঃ সাফড়যের দুই দশক। Published by Bangladesh Tea Board.
