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Pintu Sarkar
Department of History,
Chhatrapati shahu ji maharaj-
University

The Progress of the Indian Tea Industry in 75 Years of Independence

Pintu Sarkar

Abstract

The tea industry has occupied a central position in India's agricultural and industrial landscape for more than one and a half centuries. Since Independence in 1947, the industry has undergone profound structural, economic, technological, and social transformations. From a colonial plantation-based export-oriented system, Indian tea has evolved into a largely domestically driven, diversified, and globally competitive agro-industry. This paper examines the progress of the Indian tea industry over the last seventy-five years, focusing on changes in production, area expansion, ownership patterns, labour relations, technological advancement, policy interventions, domestic consumption, exports, and emerging challenges such as climate change and global competition. Using secondary data from government reports, Tea Board publications, and scholarly studies, the article highlights both achievements and persistent constraints, and discusses future prospects for sustainable growth.

Keywords: Tea Industry, Indian Independence, Plantation Economy, Tea Board of India, Small Tea Growers, Sustainability

1. Introduction

The tea industry is one of the oldest and most significant agro-based industries in India. Introduced on a commercial scale during the British colonial period in the mid-nineteenth century, tea cultivation became deeply embedded in the economic, social, and spatial fabric of regions such as Assam, North Bengal, and South India. At the time of Independence in 1947, India inherited a tea industry that was largely export-oriented, foreign-controlled, and dependent on a plantation labour system marked by low wages and poor living conditions. Over the past seventy-five years, the Indian tea industry has experienced notable transformation. India has emerged as one of the largest producers and consumers of tea in the world. The industry has expanded geographically, diversified in product range, and increasingly integrated small growers alongside traditional plantations. Simultaneously, it has faced new challenges arising from liberalisation, global competition, environmental stress, and changing consumption patterns.

This paper seeks to provide a comprehensive assessment of the progress of the Indian tea industry since Independence. It analyses historical phases of development, policy initiatives, socio-economic impacts, and contemporary issues, with a view to understanding the long-term trajectory of this vital sector.

2. The Tea Industry at the Time of Independence

At Independence, tea was one of India's leading foreign exchange earners. Production stood at approximately 250 million kilograms annually, and exports accounted for a major share of output. The industry was dominated by British-owned managing agencies, and decision-making was largely oriented towards overseas markets, particularly the United Kingdom. Geographically, tea cultivation was concentrated in a few regions. Assam alone accounted for nearly half of total production, followed by West Bengal (Darjeeling, Dooars, and Terai) and the Nilgiri hills of South India. The plantation system relied heavily on migrant labour, especially tribal communities, who lived and worked

Correspondence:
Pintu Sarkar
Department of History,
Chhatrapati shahu ji maharaj-
University

under highly regulated conditions. Despite its economic importance, the industry faced several structural weaknesses at Independence. These included outdated technology, limited domestic consumption, poor labour welfare, and minimal Indian ownership. Addressing these issues became a priority in the post-Independence development agenda.

3. Institutional and Policy Framework After Independence

One of the most significant post-Independence interventions was the establishment of the Tea Board of India in 1953 under the Tea Act. The Tea Board was entrusted with responsibilities relating to regulation, development, research, marketing, and export promotion. Its creation marked a shift towards planned and state-supported growth of the industry.

4. Expansion of Area and Production (1950s–1980s)

The period from the 1950s to the 1980s marked a crucial phase of physical and productive expansion of the Indian tea industry. In the decades following Independence, the Government of India adopted a planned approach to agricultural and industrial development, and tea was identified as a strategic export-oriented and employment-generating sector. As a result, systematic efforts were made to increase the area under tea cultivation and to enhance overall production through scientific and institutional support. During this phase, tea cultivation gradually expanded beyond its traditional colonial heartlands. While Assam continued to dominate production, significant expansion took place in the Dooars and Terai regions of West Bengal, as well as in the Nilgiri hills of Tamil Nadu and parts of Kerala. Simultaneously, new tea-growing areas emerged in the North-Eastern states such as Tripura and Arunachal Pradesh, where favourable agro-climatic conditions encouraged plantation development. This geographical diversification reduced regional concentration and contributed to balanced regional growth. Alongside area expansion, productivity improvements played a major role in boosting output. Research institutions, particularly the Tocklai Tea Research Institute, introduced high-yielding and disease-resistant clonal varieties, which replaced older seed-based plantations. These clones significantly increased leaf yield per hectare and improved quality consistency. Scientific plantation management practices such as systematic pruning cycles, improved shade management, and the use of fertilisers further enhanced productivity. Technological modernisation also contributed to rising production levels during this period. The gradual introduction of mechanised pruning and improved factory processing equipment increased efficiency and reduced post-harvest losses. Although plucking remained largely manual due to quality considerations, partial mechanisation helped address labour shortages in certain regions. By the late 1980s, these combined efforts resulted in a substantial increase in national tea output, enabling India to overtake Sri Lanka as the world's largest tea producer. Production levels crossed 700 million kilograms, reflecting the success of post-

Independence expansion policies and technological interventions.

Region	Total area under tea (ha)	Production (m.kg)
Assam	3,12,210	507
Dooars and Terai	97,280	216
Nilgiri	66,175	135
Anamallais	12,625	30
Munnar - Hiah Ranaes	13,000	27
Travancore	14,000	20
Wayanad	5,470	16
Darjeeling	17,820	9.8
Karnataka	2,140	6
Kangra	2,348	0.8
Total	5,43,068	968

Source: Annual Report, Tea Production, F.Y 2024-2025

5. Growth of Domestic Consumption

One of the most remarkable changes in the post-Independence period has been the growth of domestic tea consumption. Rising incomes, urbanisation, and changing lifestyles transformed tea from a colonial export commodity into a mass-consumed beverage across India. The introduction of CTC (Crush, Tear, Curl) tea catered to Indian tastes and facilitated large-scale consumption. By the 1980s, domestic consumption accounted for a substantial share of production, reducing dependence on volatile international markets. Today, India is not only one of the largest producers but also one of the largest consumers of tea, with domestic consumption absorbing nearly 80 per cent of total output. This shift has provided greater stability to the industry.

6. Liberalization and Structural Changes (1990s)

The economic liberalization of the 1990s marked a turning point for the tea industry. The removal of quantitative restrictions, reduction of subsidies, and increased exposure to global competition created both opportunities and challenges. One of the most significant developments during this period was the emergence of small tea growers. Thousands of smallholders, particularly in Assam and North Bengal, entered tea cultivation, contributing significantly to production growth. While this increased output, it also raised concerns regarding quality control, price realisation, and sustainability. Simultaneously, many large plantations faced financial stress due to rising costs, declining international prices, and labour issues. Several estates became sick or closed, highlighting structural vulnerabilities within the plantation sector.

7. Technological Advancement and Quality Diversification

In the 21st century, the focus of the tea industry shifted towards quality improvement and product diversification. Indian tea producers increasingly targeted niche markets for orthodox, green, white, and specialty teas. The recognition of Darjeeling Tea as a Geographical Indication (GI) was a landmark achievement, protecting its unique identity and enhancing its global reputation. Organic tea cultivation gained prominence, particularly in Darjeeling and parts of South India. Digital auction systems replaced

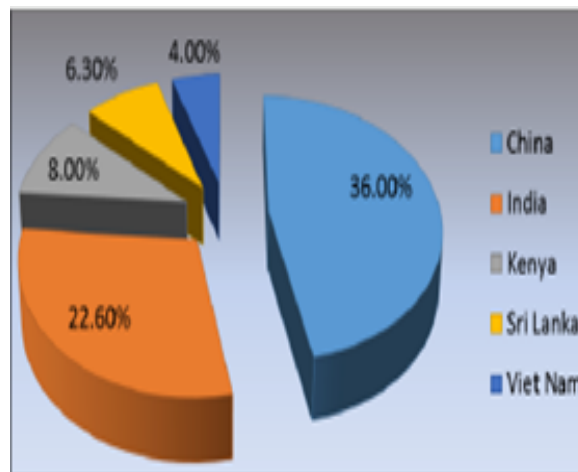
traditional outcry auctions, improving transparency and efficiency in price discovery. Technological innovations in processing, packaging, and logistics further strengthened the industry's competitiveness.

8. Tea Production in the World and India

Tea is one of the most widely consumed beverages in the world and an important plantation crop, contributing significantly to employment, foreign exchange earnings, and rural livelihoods. Global tea production has witnessed steady growth over the last seven decades, driven by rising population, changing consumption patterns, and increasing demand from emerging economies. According to FAO estimates, world tea production increased from less than 1 million tonnes in the early 1950s to over 6.5 million tonnes in the early 2020s. Asia dominates global tea production, accounting for more than 85 percent of total output, with China and India together contributing nearly half of the world's tea supply.

China has emerged as the largest tea producer globally, producing over 3 million tonnes annually in recent years. The country's dominance is attributed to large-scale expansion of tea area, diversification into green and specialty teas, and strong domestic consumption. India ranks second in global tea production, followed by Kenya, Sri Lanka, Vietnam, and Turkey. Kenya, despite its smaller geographical size, has become a major exporter due to high productivity and efficient smallholder-based production systems. Sri Lanka remains globally renowned for its high-quality orthodox teas, while Vietnam has rapidly increased output through intensive cultivation practices.

India occupies a unique position in the global tea economy as both a major producer and one of the largest consumers of tea. Tea cultivation in India began during the colonial period, but after independence, the industry expanded rapidly under state support, institutional reforms, and scientific research. Indian tea production increased from around 275 million kilograms in 1951 to over 1,350 million kilograms by 2022. The country accounts for nearly 20 percent of global tea production and employs more than 3.5 million workers directly and indirectly, making it one of the most labour-intensive agro-industries. The major tea-producing regions in India include Assam, West Bengal (Darjeeling, Dooars, and Terai), and the southern states of Tamil Nadu and Kerala. Assam alone contributes more than half of India's total tea production due to its favourable climate, fertile alluvial soils, and extensive plantation area. West Bengal is globally known for Darjeeling tea, which enjoys Geographical Indication (GI) status, while South India specializes in high-yield CTC teas suited for blending and export markets. In recent decades, small tea growers have emerged as a significant force, especially in Assam and North Bengal, contributing nearly 50 percent of India's total production.



Source: Annual Report, Tea Production, F.Y 2024-2025

Despite being a leading producer, India's share in global tea exports has declined relative to competitors such as Kenya and Sri Lanka. This decline is largely due to high domestic consumption, rising production costs, labour issues, and quality-related challenges. However, India continues to be a key supplier of black tea to markets in Russia, the Middle East, the UK, and neighbouring South Asian countries. At the same time, global tea production is increasingly influenced by climate change, fluctuating prices, and sustainability concerns, which pose both challenges and opportunities for major producers like India.

Overall, tea production at the global and national levels reflects a dynamic interaction of agro-climatic conditions, labour relations, technological change, and market forces. While world tea production continues to expand, the future competitiveness of India's tea industry will depend on improving productivity, ensuring labour welfare, promoting value-added teas, and adapting to environmental and market uncertainties.

9. Labour, Employment, and Social Dimensions

The tea industry is one of the largest employers in India's organised agricultural sector. It provides direct and indirect employment to over 3.5 million people, with women constituting a significant proportion of the workforce. Post-Independence labour legislation brought improvements in housing, healthcare, education, and social security for plantation workers. However, challenges remain, including low wages, ageing labour, and limited alternative livelihood opportunities in tea-growing regions. The rise of small tea growers has altered traditional labour relations, reducing dependence on permanent plantation labour but also raising concerns about informalisation and worker protection.

10. Export Performance and Global Position

Although domestic consumption dominates, exports continue to play an important role in earning foreign exchange and maintaining India's presence in global markets. Indian tea is exported to countries in West Asia, Russia, the United Kingdom, and the United States. However, India faces intense competition from countries such as Kenya, Sri Lanka, and Vietnam, which often have lower production costs. Maintaining quality, branding, and market diversification remains crucial for sustaining export performance.

11. Environmental Challenges and Sustainability

Climate change has emerged as a major challenge for the tea industry. Erratic rainfall, rising temperatures, and increased incidence of pests and diseases have affected yields and quality. In response, the industry has begun adopting climate-resilient practices, including water conservation, soil management, and sustainable certification schemes such as Rainforest Alliance and Fair Trade. These initiatives aim to balance economic viability with environmental and social responsibility.

12. Export Trends

Indian tea exports have been resilient: for calendar year 2024 exports reached around 254.67–255 million kg, marking a year-on-year increase of nearly 10% compared to 2023 figures.

India recorded decade-high export quantities in 2024, driven by demand from markets such as the UAE, Iraq, Russia, and Iran.

Export earnings were reported at approximately US \$924 million in FY25 (April 2024–January 2025), reflecting both volume and value growth.¹²

13. Problems Faced by Tea Workers in India

Despite the long-standing contribution of the tea industry to India's economy and rural employment, tea workers continue to face a wide range of socio-economic, labour, and welfare-related problems. These challenges are deeply rooted in the historical plantation system inherited from the colonial period and have persisted, albeit in modified forms, in the post-Independence era. Although legislative measures and policy interventions have brought certain improvements, structural inequalities and vulnerabilities remain significant. One of the most critical problems faced by tea workers is low and stagnant wages. Tea plantation wages in India are among the lowest in the organised agricultural sector. Even after periodic wage revisions, daily wages often remain below the minimum wage levels prescribed for other industrial and agricultural workers. According to estimates from labour studies and Tea Board-related reports, the average daily wage of a tea worker in major tea-growing states such as Assam and West Bengal has historically lagged behind living wage benchmarks. This wage inadequacy has resulted in persistent poverty, food insecurity, and indebtedness among plantation households. Closely linked to low wages is the problem of poor living conditions. Under the Plantation Labour Act (1951), plantation managements are legally required to provide housing, drinking water, sanitation, healthcare, and educational facilities to workers. However, in practice, the quality and coverage of these facilities vary widely. Many labour lines suffer from overcrowded housing, poor sanitation, and limited access to safe drinking water.

Health and nutritional insecurity remains another major concern. Tea workers are highly vulnerable to malnutrition, anaemia, and occupational health hazards. Studies conducted in tea plantation regions of Assam and North Bengal have reported high incidences of undernutrition, particularly among women and children. Limited dietary

diversity, low income, and dependence on subsidised food supplies contribute to chronic health problems. Occupational risks such as pesticide exposure, repetitive strain injuries, and lack of protective equipment further aggravate health conditions.



Source ; S. K. (2016). Labour conditions in India's tea plantations.

The issue of job insecurity and plantation closures has intensified since the liberalisation period of the 1990s. Rising production costs, fluctuating tea prices, and global competition have rendered several tea estates financially unviable. Closure or abandonment of plantations has resulted in sudden loss of employment, wages, and access to basic services for workers who are entirely dependent on the estate system. Such closures have often led to humanitarian crises, including starvation deaths reported in certain tea-growing regions during periods of prolonged estate shutdowns. Another significant problem is the limited bargaining power of tea workers. Although trade unions are present in most tea plantations, their effectiveness is often constrained by political affiliations, fragmentation, and weak enforcement mechanisms. Women workers, who constitute a large proportion of the plucking workforce, face additional challenges related to gender wage gaps, lack of leadership representation, and inadequate maternity benefits. The informalisation of labour, particularly with the rise of small tea growers, has further weakened traditional labour protections.

In recent years, climate change and environmental stress have added a new dimension to workers' vulnerability. Erratic rainfall, heat stress, and declining productivity affect plantation incomes, which in turn influence wage payments and employment stability. Workers bear the brunt of these environmental risks without adequate social security or adaptive support mechanisms.

In conclusion, the problems faced by tea workers in India are multidimensional, encompassing economic, social, health, and environmental dimensions. While post-Independence legislation and welfare measures have brought partial improvements, persistent structural inequalities continue to undermine workers' quality of life. Addressing these challenges requires stronger enforcement of labour laws, revision of wage structures, improved healthcare and nutrition support, skill development initiatives, and inclusive policy frameworks that recognise

tea workers not merely as plantation labour but as key stakeholders in the sustainability of the tea industry.

14. Future Prospects

The future prospects of the Indian tea industry are closely linked to its ability to adapt to changing economic, environmental, and social conditions while sustaining its historical strengths. As global and domestic markets evolve, the industry faces the dual challenge of maintaining productivity and ensuring long-term sustainability. One of the most critical areas for future growth lies in enhancing productivity through scientific research, technological innovation, and improved plantation management practices. Continued investment in research institutions for the development of climate-resilient, high-yielding, and quality-specific tea varieties will be essential to counter the adverse impacts of climate variability and declining soil fertility. The role of small tea growers is expected to become increasingly significant in shaping the future of the industry. With smallholders contributing a substantial share of total production, institutional support in the form of access to credit, extension services, quality inputs, and organised marketing channels will be vital. Strengthening cooperative models and integrating small growers more effectively into formal value chains can improve quality assurance, price stability, and income security. At the same time, regulatory mechanisms will be required to maintain quality standards and protect the reputation of Indian tea in domestic and international markets. Value addition and product diversification represent another important avenue for future expansion. Shifting from bulk tea exports to branded, packaged, and specialty teas can enhance export earnings and global competitiveness. Growing international demand for organic, green, and specialty teas provides India with opportunities to tap into premium market segments. Effective branding, geographical indication protection, and compliance with international certification standards can further strengthen India's position in the global tea economy. Labour and social sustainability will remain central to the industry's future. Finally, environmental sustainability will determine the long-term viability of the tea industry. Adoption of eco-friendly cultivation practices, efficient water management, biodiversity conservation, and reduced chemical usage will be necessary to respond to climate change and growing environmental concerns. Certification schemes and sustainable sourcing initiatives can help align economic objectives with environmental responsibility. In sum, the future of the Indian tea industry depends on a balanced development strategy that integrates productivity growth, social equity, environmental stewardship, and market-oriented reforms, ensuring its continued contribution to rural livelihoods and the national economy.

15. Conclusion

The trajectory of the Indian tea industry over seventy-five years of Independence reflects a broader narrative of economic transition, institutional reform, and socio-environmental change. From its origins as a colonial,

export-oriented plantation economy dominated by foreign capital, the industry has gradually transformed into a nationally owned, diversified, and predominantly domestically driven sector. Post-Independence state intervention through institutional mechanisms such as the Tea Board of India, planned expansion of cultivated area, and investment in research and development laid a strong foundation for sustained growth in production and productivity. The expansion of tea cultivation across new regions, the adoption of high-yielding clonal varieties, and the modernisation of processing and marketing systems enabled India to emerge as one of the world's leading tea producers and consumers.

In conclusion, the progress of the Indian tea industry since Independence demonstrates both resilience and adaptability. Its future growth will depend on balancing economic efficiency with social equity and environmental sustainability. Strengthening research and innovation, ensuring fair labour standards, supporting small tea growers, and enhancing value addition and branding in global markets will be essential for sustaining the industry's contribution to rural livelihoods and the national economy. As India moves beyond seventy-five years of Independence, the tea industry remains a vital symbol of continuity and change within the country's agrarian and industrial development framework.

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