

CHAPTER – I

INTRODUCTION

1.1. Background of the study

Nepal is an agro based developing country. Agriculture contributes 40 percent of total of GDP (Gross Domestic product) and provides employment to more than Eighty percent. Therefore agriculture is backbone of Nation.

Tea cultivation has become an integral part of agriculture system, mostly in eastern part of Nepal, especially Ilam District. Despite of it's beautiful, Landmarks and climate suitable for the tea plantation and dexterity of farmers have promoted tea plantation In Ilam district since 1920 B.S. Tea is a cash crops that can harvested after about seven years of plantation and the same plant yields for more than hundred years. Tea can be planted even in sloppy areas as well, despite of it's evergreen beauty, which it can check the soil erosion and landslides in hilly areas.

Government of Nepal has been anxious to promote rural encourage by attaching high priority to tea plantation with in various agriculture development programs. In BS 2029 five district Ilam, Panchthar, Dhankuta, Treathum and Jhapa were decared as tea plantation areas. Government declared subsidy of 50 percent reduction in the interest of the loan and 90 percent (%) in the land revenue. Such declaration motives the small farmers to start tea plantation in large scale. Presently at the National level, the National tea and coffee Devt-Board is the public agency responsible for developing and promoting tea plantation in Nepal.

Among the tea production area of Nepal, Ilam is the famous place not only nationally also in internationally as it is an oldest area of tea plantation. The history of tea cultivation starting in Ilam is about 100 years old. In 1920 Mr Goja Raj Singh thapa had taken tea plants from Darjeeling and planted on his birtaland at Ilam district which is called "soktim tea estate". Most of the

villagers use hand-plucked green tea leaves for its flavors even today. As per the statistics more than 67 percent of the orthodox tea producers are small farmers and their contribution is countable. There are tea factories with their own tea estates as well as factories which use the tea leaf produced by individual farmers. Altogether there are 30 modern tea processing factories, out of which 11 are situated in Ilam District (NTCB 2004). Tea has been a major export commodity for Nepal for foreign exchange earning. The major markets of O.T were Japan, America etc.

Tea is an export commodity in earlier times, tea was exported in its raw form but with the wave of globalization came the awareness that tea could be further processed and the benefit of value addition could be retained in the country. But our country is still not able to penetrate the international market of tea. Because it has to export its tea from the port of Kolkata through the suppliers of India. On the other hand high quality tea from Ilam is exported abroad in the brand name of "Darjeeling Tea" so Darjeeling tea has a good market abroad and Ilam tea has to compete over there with its tea. Another problem to create a market overseas is the excessive use of chemicals in tea plants. Most of the tea is sold in the garden itself to the local contractor. There are no agencies involved to promote and market the tea of Ilam but still it is regarded as an oldest and famous place for the tea production in Nepal.

1.2. Geographical Situation of Ilam

Ilam is a small hilly district, which is located in the eastern Development Region of Nepal. With an area of 1703 sq.Km. extending from 26, 40' to 27, 8 north latitude and 87'40' to 88,10' east longitude. The altitude from the sea level ranges from 7000 m to 10000 m. Ilam bazaar is situated at the lap of beautiful and the oldest tea garden of Nepal. From the geographical angle Ilam district is accounted for a healthy place. It is surrounded by Darjeeling on the west, Bengal India in the east, Dhankuta and Morang in the west, Panchthar in the north and Jhapa in the south. Beautiful land marks, alpine climate, hills and agriculture makes Ilam an enchanting place. Also increasing value of Ilam is

made by five famous produce of Ilam such as Alichhi, Aduwa, Amblisho, Alcabare and olen which is called five "Aa" of Ilam but still it can't be developed as a tourist center.

1.3. Tea as a commodity

Tea has been regarded as the most popular beverage and found to be used by almost all age groups all over the world. The scientific name is 'Camellia sinensis'. Tea has been broadly categorized as black fermented tea, Green tea, along semi fermented. The black fermented tea is further classified CTC and orthodox tea. And also there are other types of tea, namely white tea, yellow tea, compressed tea and processed tea.

The system of consuming tea differs according to facilities, Economic standard, habit of drinking and cultural performance. The systems are as under

- a) Iced Tea =USA
- b) Fruit flavored Tea – European country
- c) Foamy Tea – Taiwan
- d) Herbal Tea – China and USA
- e) Instant Tea –USA, France, UK

In Shree Antu, Tea plantation was started in 2027 B.S only in the form of state. Tea corporation, After 2034 B.S, it is known that the farmers started tea cultivation as a cash crop farming. Now it is cultivated in every ward of Shree Antu VDC as a small and large farm size.

1.4. Statement of the problem

Tea plantation is a success story in Nepal as the trend of tea farming is becoming popular in different places of the country. It has been taken as a long term cash crop. Green tea leaves production of Ilam district Farmers has always faced the problem of selling their green tea leaves in the market. And sometimes they have to compete with their own tea with the brand name of Darjeeling tea.

Some years ago tea plantation was only the exclusive concern of the National Tea and coffee board, but presently private sector involvement has been increasing. Tea farming has been good source of income to the small villagers farmers as this provides employment and substitutes for import, thus saving foreign exchange, prospects for expansion is bright for the Ilam tea on the other hand all the prospects available to "Ilam tea" it's not very successful.

Agricultural development in Nepal needs a success stories. Because even in 21 century of inter-planetary age, 80 percent people of Nepal are still engaged in agriculture. Every years budget and development plan focused on agriculture development but there is no remarkable achievement. Infrastructural facilities like road, transport, irrigation, lack of technology lack of warehouse, manpower are the major problem of Nepal.

There for it is compulsory examine the problem facing by Ilam Tea.

1. Farmers can sell their product less than the cost of production Because if they do not sell in the price what ever they get, their stock will not be sole and damaged on stock.
2. What are the problem encounter by farmers while selling their tea ? Namely problem from field to factories, factories to the market, transportation problem warehousing problem price problem etc.
3. what are the grivance? and roles played by the different actors like ministry of Agriculture, Nepal tea and coffee development board of Nepal, and what about private sector for market of Ilam tea.
4. What are the future prospects for tea cultivation in Ilam ?
5. What are the future policies of government that can help formers to sell their tea in the market ?

These are the common problems facing by the farmers of the district as it lies in the hilly area of Nepal. For this study will be tried to analyze the problems, which can help to take corrective action in the days to come .

1.5. Objectives of the Study

The broad objective of the study is to analyze the problems of tea farmers of the Ilam district to sell their tea, and forecast its prospects. The specific objectives are

- I. To describe the growth of tea plantation in Ilam district reason for starting plantation.
- II. To examine the future potential of Ilam Tea.
- III. To describe the role of agencies to promote Ilam tea.
- IV. To gather problems encountered by the tea farmers.

1.6. Significance of the Study

This study done with an objective to explore the tea marketing in Ilam district, will ultimately help to create new ways of development. This study can help policy makers, developmentist and finally farmers to upgrade their living standard by enhancing their income. As well as study can help to gain knowledge about tea cultivation and also help to find out the problems encountered tea market. Study can give some guideline to know what things are to be done for better market as well to improvement in physical marketing efficiency and better planning and co-ordination.

1.7. Limitation of the Study

Ilam district covers large area of tea plantation. Exact area tea plantation and production is difficult to assess. Thus, to complete the Study in limited time frame, only "Shree ANTU VDC of Ilam district is chosen as a sample area thus data collected from the "Shree ANTU VDC" of Ilam district may not represent the problems as well as prospects of the whole district.

Besides that limitation following are the few more limitation

-) Resources are limited
-) The reliabilities of the study are dependent upon response of respondents.

-) Only two factories are selected in this research.
-) The nature of the study for most part is descriptive study.

This study has tried to search with out any possible error to find out the problems and prospects of Tea marketing of Ilam district.

1.8 Organization of the Study

According to the generally prescribed format the entire study has been organized into five different chapter follows:

Chapter-One: Introduction

Chapter-Two: Review of Literature

Chapter-Three: Research Methodology

Chapter-Four: Presentation and Analysis of Data

Chapter-Five: Summary, Conclusion and Recommendations

First Chapter – The present chapter includes background of the study, geographical situation of Ilam, tea as a commodity, statement of the problem, objectives of the study, significance of the study, limitation of the study and organization of study.

Second Chapter - The literature review which includes history of tea marketing a brief history of tea development in Nepal, book, dissertations reports articles , green leaf for the year 1998 to 2008, 4ps of marketing context of Nepal tea market.

Third Chapter - This chapter includes research methodology, research design, and selection of the study area, nature and sources of data, population and sampling size, method of data collection, method of data analysis.

Fourth Chapter – This chapter deals about the presentation, interpretation and analysis of data. This chapter also presents major finding of this study.

Fifth and last chapter – This chapter deals with the summary, conclusion and recommendation of the study.

CHAPTER –II

LITERATURE REVIEW

Nepalese and foreign people have made a series of studies on the tea. Many research activities have already been conducted about orthodox tea of Ilam. But, no research has been conducted till now in the case of Shree ANTU VDC of Ilam district. For preparing this thesis, the related books, dissertations, discerations reports and articles have been reviewed which are mentioned below.

2.1. History of Tea marketing

Tea plant is and every green shrub. It is believed that tea originated is china. According to the emperor of china 'sehn Nung' tea originated in the word around 2637 BC During the 16 century tea plant was taken to Japan as a medicinal herb. During the same period tea was considered elites drink and used at different function/occasions by the elite people, during the late 16 century the trend of using tea as a common drink became popular. But it was common among the rich people . It was believed that tea can cure some common diseases/suffering like headache, stomach pain, fever etc. When drink without taking any thing. Hence the importance of tea as a medicinal herb was increasing.

'Tea" derived it's name from china 'Tay', 'Te', 'Cha' became poputarin Japan, India, Russia, Iran, England, and converted to 'Tea' from 'Tay' in Europe. Tea plantation was started in India during 18 century in the far eastern state' Assam! During the British imperialism, they extended the Tea plantation in north eastern place 'Darjeeling' in 1839 AD. After the successful plantation and growth of tea on other parts of India, tea was exported to other European countries as tea was becoming a popular drink in Europe and it's demand was increasing . There fore, it is not certain that as when tea marketing flourished in the world, but china was the first country to market /sell it's tea production to

other countries especially, Europeans Used to consume the tea for medicinal purpose.

Tea was introduced in Nepal round about the same decade, when tea was introduced in Darjeeling hills of India.

2.2. A brief history of Tea Development in Nepal

In the years 1863, the first tea plantation was carried out in the hills of Ilam district by private sector. The tea plantation was nationalized and privatized a number of times, until the years when it was inherited by Nepal Tea development corporation in the years 1996 AD.

- First tea plantation sector in terai was started in 1959 AD.
- Nepal Tea development corporation was established in 1996 AD.
- His Majesty the king Birendra Bikaram Shah Dev declared the five districts of eastern development region as tea zone in 1982 AD.
- National tea coffee Devt. Board was established in 1992 /93 AD.
- Nepal Tea planters association was established in the year 1987/88 AD
- Himalayan orthodox tea producer association was established in the year 1998 AD.

1. Nepal tea planters association: They organize and promote farmers for the production of CTC Tea.

2. Nepal Tea Association : They help and facilitate packaging, Export and import of Tea. They are better organized and are providing valuable service to trade tea.

3. Himalaya orthodox tea producer Association: They have been managing the production of orthodox tea in an organized way.

Review of Books, Dissertations, Reports , Articals

1.Book

Eden has given the significant developments made in Tea culture and manufacturing including the principle of tea production. This is a scientific research. In this book, the method used in planting and managing tea Bushes are explained systematically. This is an informative book. People interested on tea can get a good deal of information from his book .

(Eden 1979)

Herler has presented a good introduction in most of the aspect of tea planting. In this book he has mentioned about the plantation of tea plant, it's origin and history of it: Similarly, he has described country wise description of tea. He has also published a book in manufacturing tea which is very informative .

(Herler 1964)

Amatya has deal with the growth of individual cash crops farming and attempted to show the distribution pattern of each crops including tea in second chapter, he has also made some suggestions for the development of cash crops farming in the country (Amatya 1975)

2.Dissertations

Adhikari has studies about tea export Condition of Nepal and has concluded that Nepalese orthodox tea is also source of foreign currency. It seems that Nepalese tea has bright future in international market (Adhikari, 2005)

Koirala has studied the total land under the tea cultivation extend considerably during the period of last twenty years. Consequently, it's production as well consumption has also increased significantly. Again, he has said that the people are being more Optimistic and giving more attention in tea plantation. It seems that Nepal is likely to reach the goal of self-sufficiency before 2000 AD. (Koirala 1983).

Rai has compared between private and public sector of tea production and he has found that both sectors are playing significant role for the consumption and

export of tea and also has found that private sector is more active than public sector in Nepal (Rai 2001).

3.Reports

Sharma has highlighted that tea is an important source of foreign currency and foundation of overall development of the country on the basis of geographical condition. But, fair export duties are not specified. Thus, export promotion is negatively affected. It is necessary to determine the export duty on the basis of percentage of per Kg green tea. Price determination should be based on competitive market price unlike the present monopoly price of tea processing factories exportable tea should be free from local taxes, which will help lower price in the international market. Also the study suggests implementing a supervision system in packed tea (Sharma 2001).

Prasain in his report strongly suggests and study was conducted in finance to study the profit planning of Ilam tea estates factories must be well equipped, warehouse facilities must be in hand Transportation facilities must be effective Technical work force must be developed, policies related to tea Promotion must be clearly implemental. (Prasain 2002).

Nepali was conducted with the intention of finding out the probable benefit from tea cultivation in the eastern hills of Nepal. The study had made the following suggestions:

- Ilam tea factory should be reconstructed .
- There should be the best allocation of resource and activities in both sector production and processing.
- Experts assistance is required to improve the quality of tea.
- Research activities must be conducted to improve production and processing.
- NTDC is required to implement policy effectively

- With the assistance of International fund NTDC should develop tea estates (Nepali 1975)

Upreti in this study was based on how the agriculture product of Nepal are marketed. The problem involved in agriculture marketing were studied and following suggestion were provide :

- Government must recognize the role of marketing (especially agriculture product)
- Planning and coordination.
- Cultivation of potential demand and reduction of risk on price and demand.
- Improvement in input distribution system and physical marketing efficiency
- Technical and financial support
- Increase in market demand and supply at lower price
- Increase in frames disposable income and demand for manufactured product of economic development. (Upreti 1985)

4.Articles

Pant has mentioned that there are possibilities of tea production in Nepal. Nepal has become member of WTO in 2004 it provides opportunity so Tea is green gold of Nepal. Production and demand of tea is increasing day by day . How ever, there are lot of challenges in tea production which are related to Government, manufacturing and marking. It concludes that there should be commitment for tea development of Nepal (Pant 2009)

Sanyshi, on his study, has covered almost all aspects of tea industry such as tea cultivation, tea manufacturing, marketing, consumption, financial analysis, economic analysis and management. It also deals with agro- Climatic condition, market trends future prospects and plants for expansion of tea area (Sanyahsi 2000)

Sapkota in his article include economics of green leaf, they are mainly productivity of green leaves, price trend, cost of production, revenue from the green leaves, benefit-cost ratio and marketing of green leaves. A large variation is noted in the prices of green leaf with the distribution pattern of the factories indicating market outlets for leaf.

Table 2.3.Green leaf Trend for the year 1998 to 2008

S.N	Years	Average Price Rs/Kg (CTC)	Average price Rs/kg orthodox
1	1998/99	14.67	33.36
2	99/2000	16.31	33.40
3	2000/01	12.57	26.70
4	2001/02	9.71	21.50
5	02/03	8.30	18.15
6	03/04	8.06	15.87
7	04/05	8.93	14.78
8	05/06	9.68	13.65
9	06/07	10.55	14.09
10	07/08	12.85	15.92

(Sapkota NTCDB 2011)

2.4. 4PS of marketing in context of Nepal Tea market

The Keys to successful marketing are always enclosed within the periphery of most essential elements of marketing I.e, 4ps place, price, product, and promotion. The correct strategic are to be formulated and implemented effectively. This study is carried on the conceptual basis of 4ps in Tea development & marketing. As the topic of the study Tea marketing of Ilam district.

PLACE:

As study is focused to Ilam district concept, whirl around the development of available tea plantation area. Development of infrastructure like road, warehouse, electricity, development of local skilled manpower for better utilization of productive are Recognition of feasible area to extend tea plantation as well as to find out better market for future and to build strategies to penetrate the potential market.

PRICE:

Selection of most of the daily consumable product depends on price, hence quality product is to be made available and competitive price consumer should be provided with better and satisfying choice for the price they pay for any product.

PRODUCT:

Product is a physical thing that attract consumer at a glance. In order to give positive influence, the product should be standardized with attractive packaging and true labeling. Tea product especially should at first be made nationally available to substitute the import and further more developed the quality technically and feasibly for export.

PROMOTION:

Promotion is an important tool in marketing to inform the consumer about the availability of a product. Tea promotion can be done by registration of Ilam tea trademark, quality improvement export. Promotion by using foreign based Nepalese embassies conducting trade fair etc.

From the perusal of books, dissertation, report and articles as mentioned above, it is seen that systematic techniques and historical information of tea cultivation, production and prospect, but studies have given less information's about marketing of tea.

The present study helps identify the marketing situations, trends and problems of tea in Ilam. It also forecasts the future of tea in the international markets.

So none of the above studies has done research before entitled " The problems of tea farmers of the Ilam district" so this research could be helpful for further study to students, researcher, planners and exporters in future.

CHAPTER –III

RESEARCH METHODOLOGY

The main guideline in any research activities is methodology. The present study is based on field survey. Which is of exploratory nature. Most of the information needed for the study have been derived through the interview of people engaged in tea cultivation and the factory owner.

3.1. Research Design

Research design is a plan, structure and strategy of investigation. This study is basically a historical as well as descriptive type research and exploratory in nature. Research is intended to collect the factual information which describes the past trend of tea marketing of Ilam district. Moreover, it is projected to collect the information related the past trend tea market and make evaluation on the collected data. So, it is historical as well as descriptive type of research. Collected data is simply explored by using some statistical tools. This research does not show any kind of relationship between two different findings. so it is just exploratory in nature.

3.2. Selection of the study area.

The study area is SHREE ANTU VDC, it lies at the east part of Ilam district . The reason for selecting the area is that the places are familiar with the researcher and information can be collected easily. As well it is famous with the 1st ray of rising sun. Apart from this, the history of the plantation emerged from this district and almost every house hold are tea growers so the ANTU VDC for the study area was selected.

3.3. Nature and source of data

This study is supported by both primary as well as secondary data. Primary data was collected through the field survey, field observations, questionnaires and interviews. And secondary source of data collection from various research

studies, textbook, statistical reports, different researches published by different institution like NTCDB, papers, magazine, reports, journal are major source of secondary data.

3.4. Population and sampling size

Shree ANTU VDC consist Nine wards and every wards is involving in tea cultivation area selected randomly for questionnaire survey. Population of this study covers all the tea growers of ANTU VDC, Ilam district.

There are over 200 tea grows 100 tea growers are selected as sample out of total population. Tea growers of this district are old as well as new. In order to know problems of old tea growers they are selected in the criteria of tea growing for more than 15 years. New tea growers are selected in the criteria of tea growing for more than 5 years to understand their intention behind the tea growing.

3.5. Method of data collection

Questionnaire and interview both method were used in order to collect the data. Two types of questionnaire are designed, for data collection I types for tea growers and II types of questionnaire for factory owners. Beside the formal set of questionnaire some informal interviews are also taken from the people engaged in tea consultancy. These are presented in points under the data presentation chapter.

Questionnaires are designed in such manner, which can cover all the objective of the study. Two types of questionnaire were prepared to collect the primary data. First types of questionnaire is designed for tea growers. From this questionnaire tea growers are asked about the past trend pf tea market and tried to find out the problems of tea growers. Second type of questionnaires to the factory owners to find out the problems and prospects of tea processing industry. Both the close and open ended items were included in the questionnaire.

3.6 Method of data Analysis:

The study is fully historical and descriptive in nature. It is process of accumulating the facts and not necessarily need to explain the, Relationship, test hypothesis is and make prediction and implications of a study, as per the nature of the research no hypothetical tools used analyze the data. Some statistical tools are used to explore the data. Main tools used in this study are;

- a) % percentage – To show the percentage of respondents on a particular question or opinion.
- b) Chart– Different chart like pie chart, bar, diagram etc. To show the graphical presentation of data.

CHAPTER -IV

DATA PRESENTATION ANDS ANALYSIS

4.1 Presentation and analysis of tea Growers Characteristics

4.1.1. Total lands holding , tea cultivated Area

The survey was conducted among the 100 tea farmers of Shree Antu VDC, in Ilam district. Most of the framers have land more than 50 ropanies and have planted tea in around 50% of total land holding.

Table 4.1 land Holding ands tea cultivated land.

Group of similar Respondents	Number of Respondent each group	of in	Average land holding (Ropanies)	Tea cultivated Land (Ropanies)	Precept (%)
Group1	24		40	18	20
Group2	20		35	20	22.22
Group3	30		45	22	24.45
Group4	27		55	30	33.33
Total	100		175	90	100

Source: Field Survey 2012

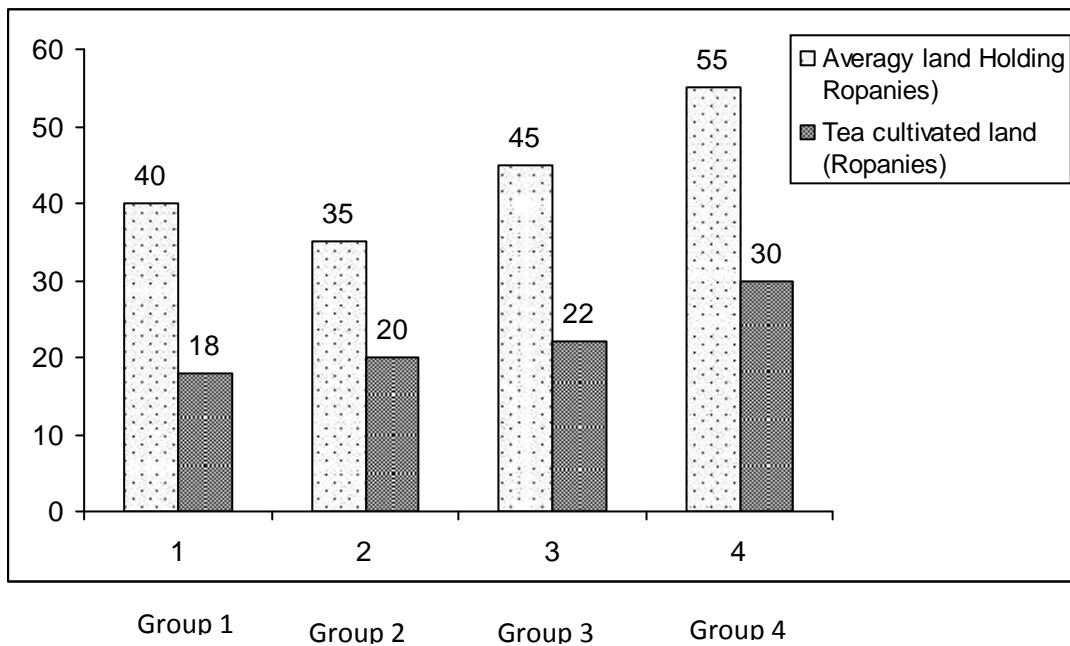


Chart 4.1 Total land holding and tea cultivated land

Among the 100 respondents surveyed the total land holding of the respondents is 175 ropanies. 90 Ropanies. i.e 51.42% of total land holding is tea cultivated land 24 respondents have 20% tea cultivated land of total tea cultivated land. 20 respondents have 22.22%, 30 respondents have 24.45% and rest 26 respondents have 33.33% of total tea cultivated land. This data shows that most of the farmers are increasing the tea farming.

4.1.2 Duration of tea cultivation and profession:

The survey report shows that 40% of respondents were totally engaged in agriculture profession and remaining 60% respondents are engaged in other profession beside agriculture, like trade business, government and private official works, They have started tea farming as a means of generating extra income. Most of the respondents have started tea farming for more than 15 years only 25% respondents are engaged in tea farming for seven years and 75% are engaged in it for more than fifteen years. This information indicates that most of the farmers were attracted in tea cultivation as a cash crop.

Table No. 4.2 land used for tea cultivation

S.N.	Types of land	Respondents	Percent
1	Marginal	40	40
2	Agricultural	20	20
3	forested	30	30
4	waste land	10	10
Total		100	100

Source: Field Survey 2012

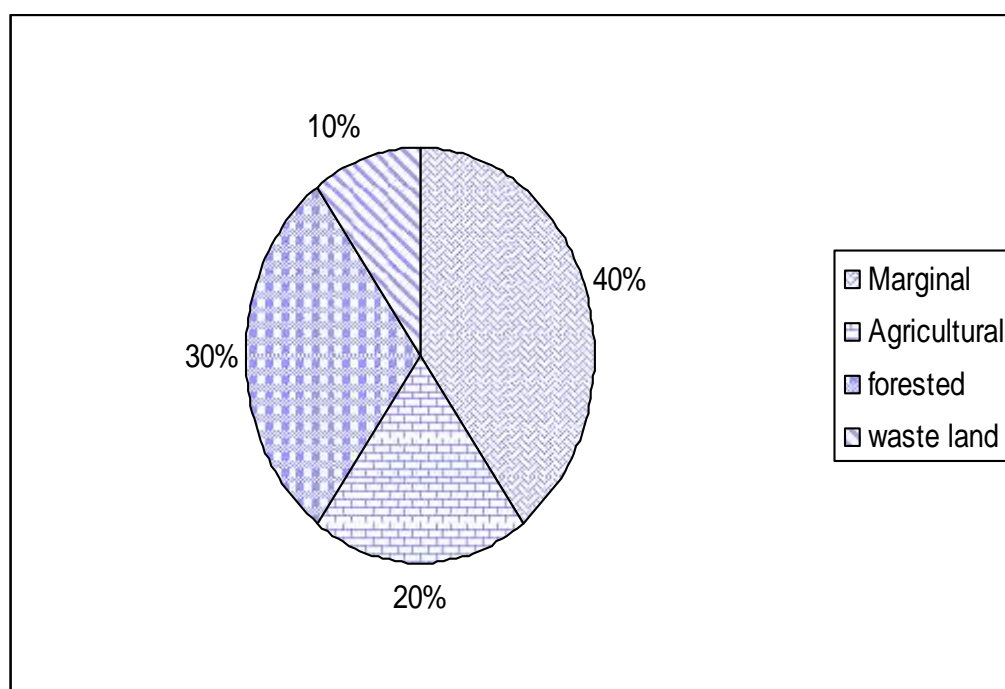


Chart 4.4 land used for Tea cultivation

The land used for the cultivation of tea varies. The respondents have used different types of land like, marginal land, agricultural land, forested area and waste land. Among the 100 respondents 40% farmers have used marginal land, 20% have used Agricultural land, 30% respondents have cleared private forest to cultivation tea and rest 10% respondents have used waste land for tea

cultivation. Waste land is uncltivated land that has remained barren due to the low productivity.

The farmers who converted agriculture land to tea farm said that, tea farming can generate better cash than any other types of food or cash crops plantation. The following tables give the fact.

Table 4.3 Agricultural land used for tea farming

S.N.	Particulars	Respondents	Percent
1	Generate more profit	10	50%
2	Easier for cultivation	4	20%
3	Only few types of crops can be grown	6	30%
Total		20	100

Source: Field Survey 2012

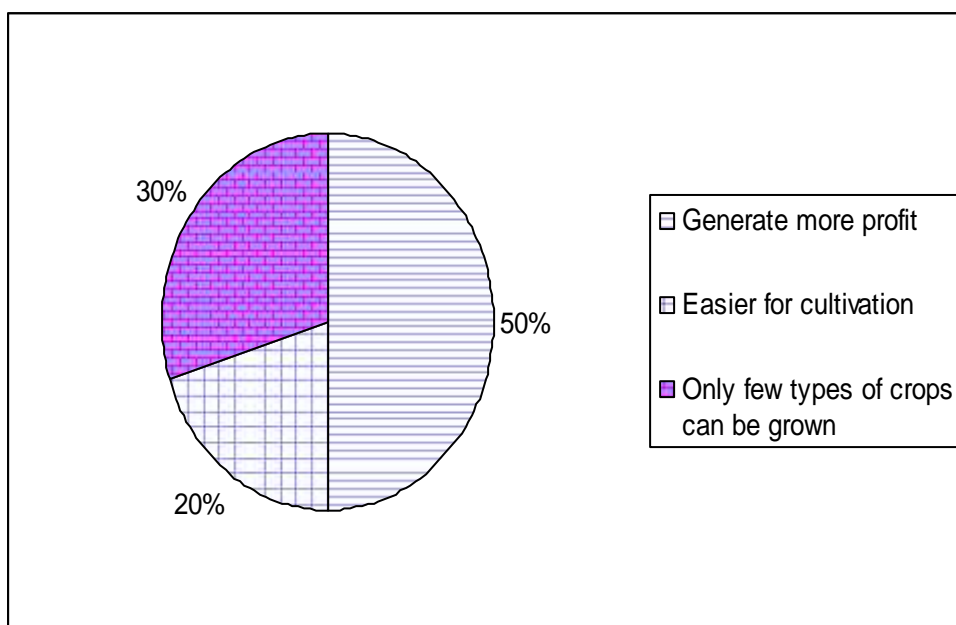


Chart 4.3 Reason for using Agricultural land for Tea cultivation:

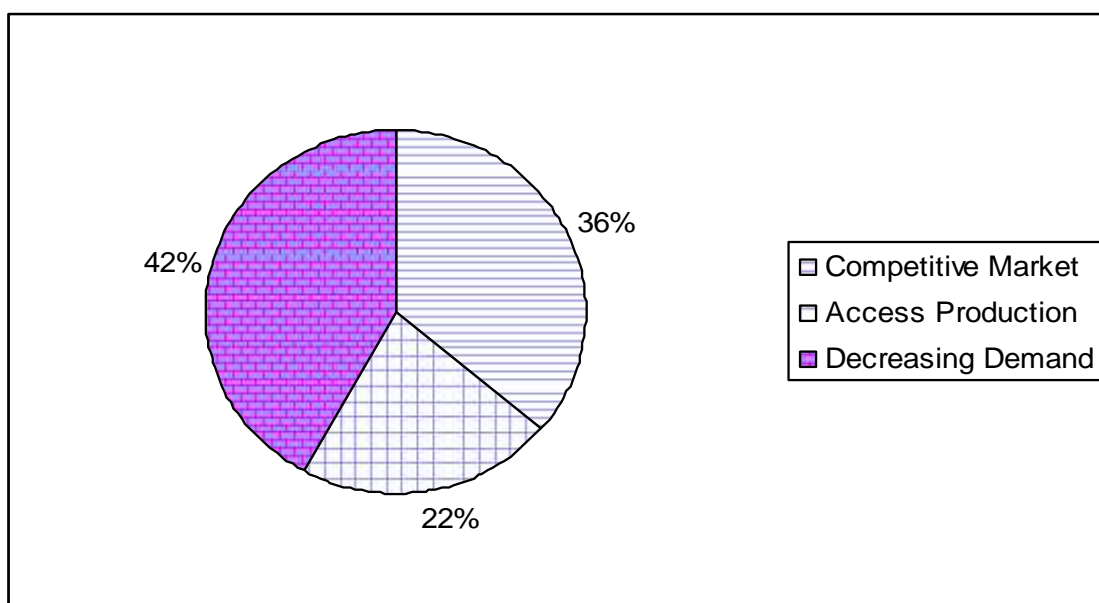
4.1.4 Inspiration for tea cultivation

Most of the respondents have started the tea cultivation because they believe that tea can generate more cash for longer period than any other types of food and cash crops. But, only 25% respondents are satisfied with the money they are generating from tea cultivation presently. Most of the respondents believe that decreasing demand of green tea leaves is the factor responsible for hindering expected cash generation.

Table 4.4. factor Responsible Sable for decreasing market of Tea leaves

S.N.	Particulars	Respondents	Percent
1	Competitive Market	36	36
2	Access Production	22	22
3	Decreasing Demand	42	42
Total		100	100

Source: Field Survey 2012



4.1.5 Annual Cash Generation from Tea Cultivation

Table 4.5 Annual cash generation

S.N.	Respondents	Annual cash	Percent
1	50	50,000-1,00,000	50
2	30	Less than -50,000	30
3	20	1,00,000-1,50,000	20
Total	100		100

Source: Field Survey 2012

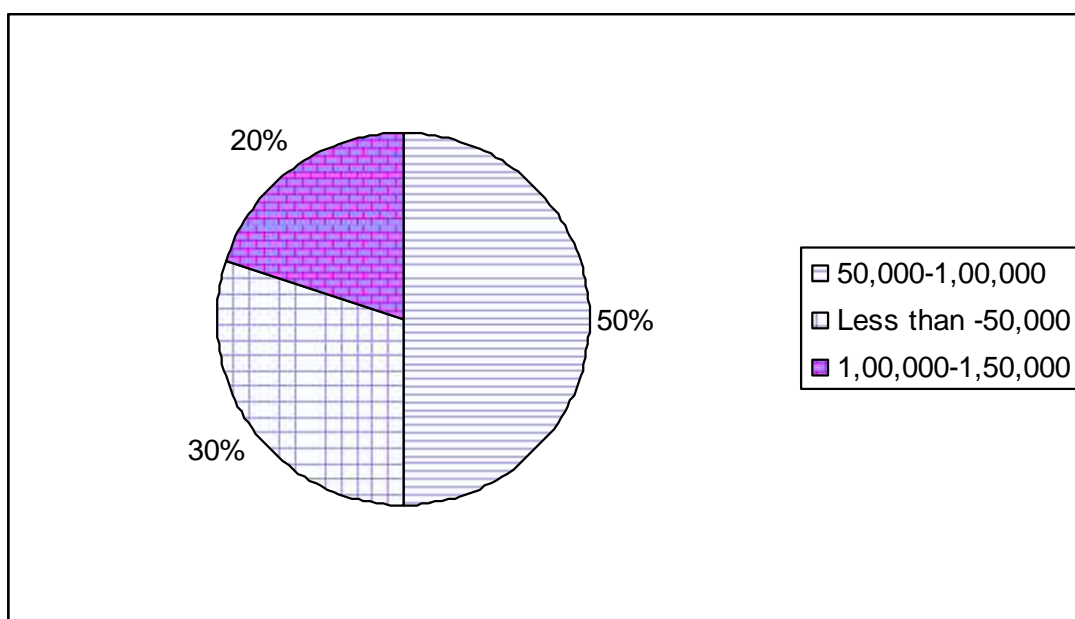


Chart 4.5 Cash Generation

Respondents were asked questions related to their annual cash generation from the present tea cultivated area 50 respondents out of 100 said that they generation Rs 50,000 to 1,00,000 annually, 30 out of 100 respondents answered that they generation less than Rs. 50,000 annually but, 20 respondents generation Rs 1,00,000 to 1,50,000.

4.2 Presentation and Analysis of tea Growers Response

4.2.1 Targeted Customers:

Ilam, a hilly district of eastern region of Nepal is a developing district. There is a high way that links this district to trade center Birtamod. Tea farmers have to sell their tea leaves to the different agents according their convenience. The table below explains the targeted customers of the tea growers.

Table 4.6 Tea customers

S.N.	Particular	Respondents	Percent
1	Local Tea Contractor	46	46
2	Local Factory Owner	30	30
3	Local People (Hat bazaar)	10	10
4	Indian Business man	14	14
Total		100	100

Source: Field Survey 2012

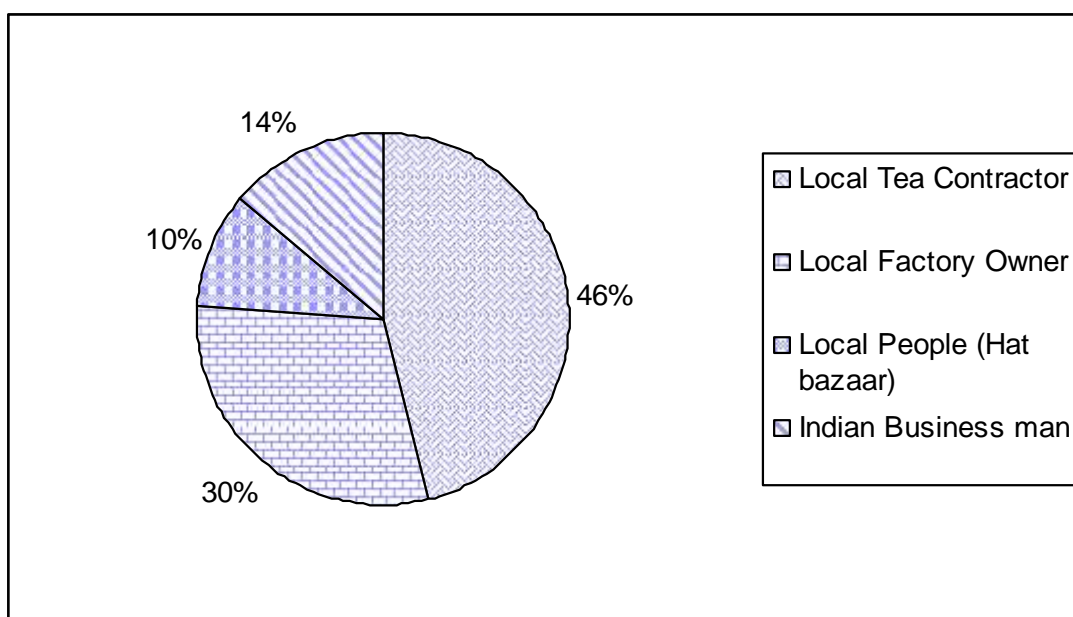


Chart 4.6 Tea customer

Local tea contractor are the customer of 46% of respondents. During the harvesting time of tea leaves local contractor purchases tea leaves from the tea farmers at the harvesting site or they sell in the local market During the season. 30% respondents sell their tea leaves to the local factory owner. They feel convenient to sell their tea leaves to the local factory owners because they are the permanent customers of the farmer even through they don't pay them very competitive price. 10% respondents sell their tea leaves in local market to any customers. People who purchase tea leaves in the local market could may any one, like villagers, retailers or even Shopkeepers. Such framers are usually produce tea leaves in small quantity. Only 14% respondents started to sell their tea leaves to the Indian businessman. They normally bargain for good quality and less price.

4.2.2 Harvesting Time and sales of tea leaves:

The tea plant is an evergreen plant and can be harvested at least thrice a year after the completion of it's seventh year of plantation. But, it can't be harvested if isn't cared properly. It should be regularly pruned and weeded. The following table explain how tea farmers normally sell their leaves.

Table 4.7 (a) sale of Tea leaves

S.N	Particulars	Respondents	Percent
1	Contract to the local factory owner	60	60
2	Local Tea contractor	30	30
3	Use labour to sell in local market	10	10
	Total	100	100

Source: Field Survey 2012

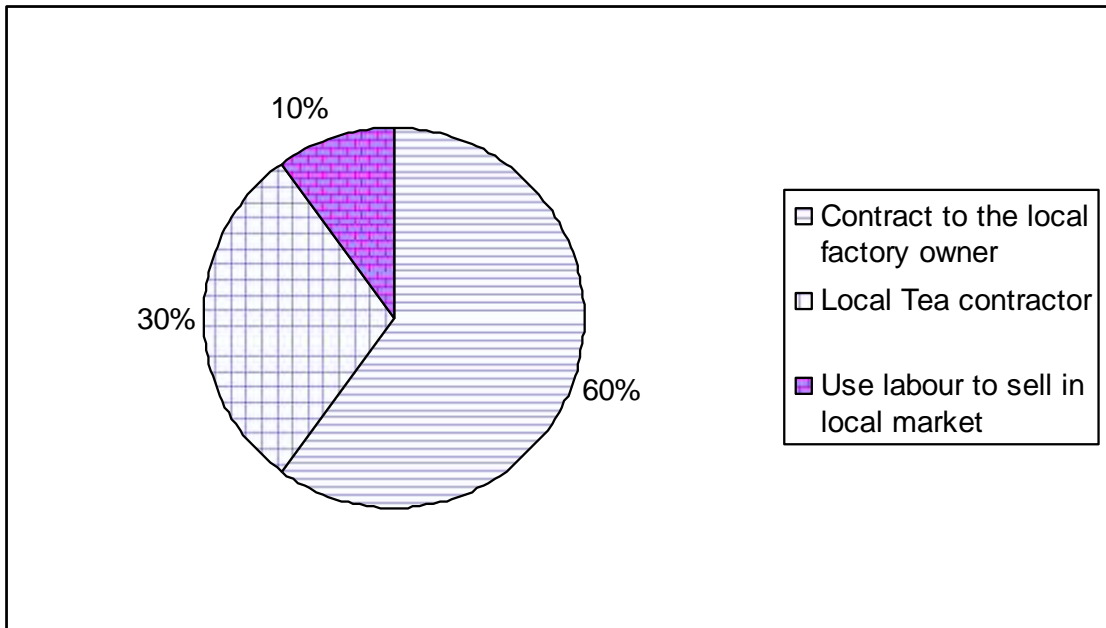


Chart No 4.7 (a) Market of Tea

Most of the farmers stated that, they face many obstructions to sell their tea leaves in the market. Among the 100 respondents asked questions, 60% of them sell their product to the local factory, 30 % of respondents sell their tea leaves to the local tea contractors and 10% sell their tea leaves in local markets through heat bazaar to the local people.

Similarly 40% farmers sell tea leaves by bargaining for high price with the businessman, 24% respondents stated that they generally sell at any price in the harvesting season and 36% respondents stated that they take money in advance with the local factory owner.

Table 4.7 (b) process of selling tea leaves

S.N	Particulars	Respondents	Percent
1	Bargain for high price	40	40
2	Sell at any price	24	24
3	Take money in Advance	36	36
Total		100	100%

Source: Field Survey 2012

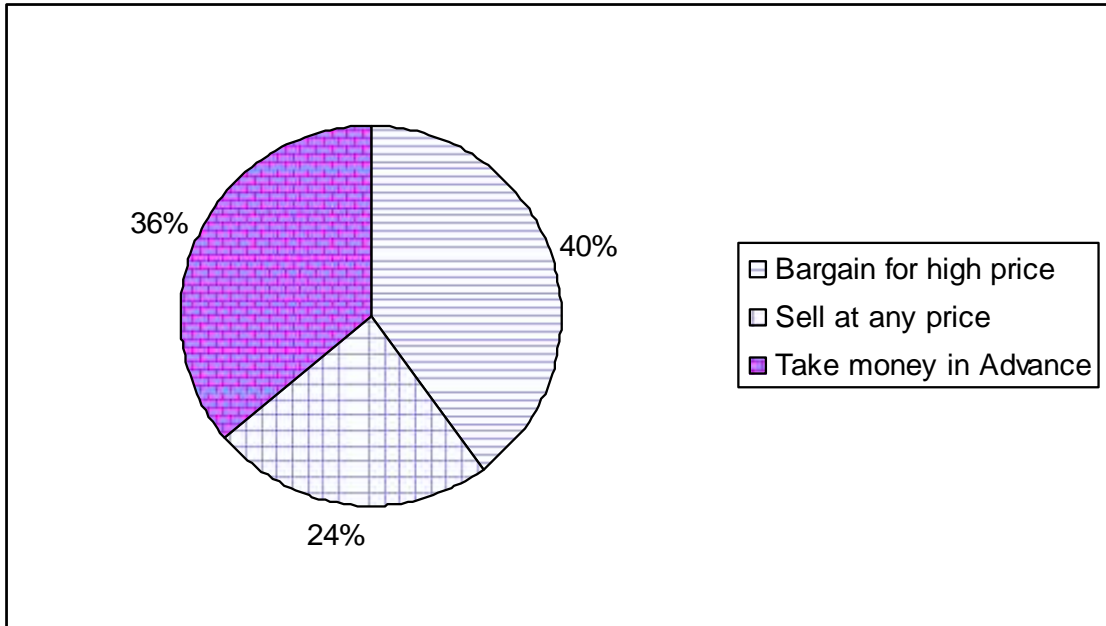


Chart No 4.7 (b) process of selling Tea Leaves

4.2.3. Brand Name/Trade mark

Brand

A name, tern, sign, symbol or design 1 or a combination of them which is intended to identify the goods or services of one seller or group of seller and to differentiate them from those of competitors.

Trademark

A brand or part of a brand that is given legal protection because it is capable of exclusive appropriation. A trademark protects the seller's exclusive rights to use the brand name and or brand mark.

Respondents were also asked question related to the brand name and it's significance. Were 20 Respondents out of 100 don't know. What is brand name, 50, respondents said that they want to sell their tea leaves with their one brand name, and 30 respondents don't want brand name.

Table 4.8 (a) Concept of Brand Name

S.N	Particulars	Respondents	Percent
1	Don't know	20	20%
2	Want brand	50	50%
3	Don't want	30	30%
Total		100	100%

Source: Field Survey 2012

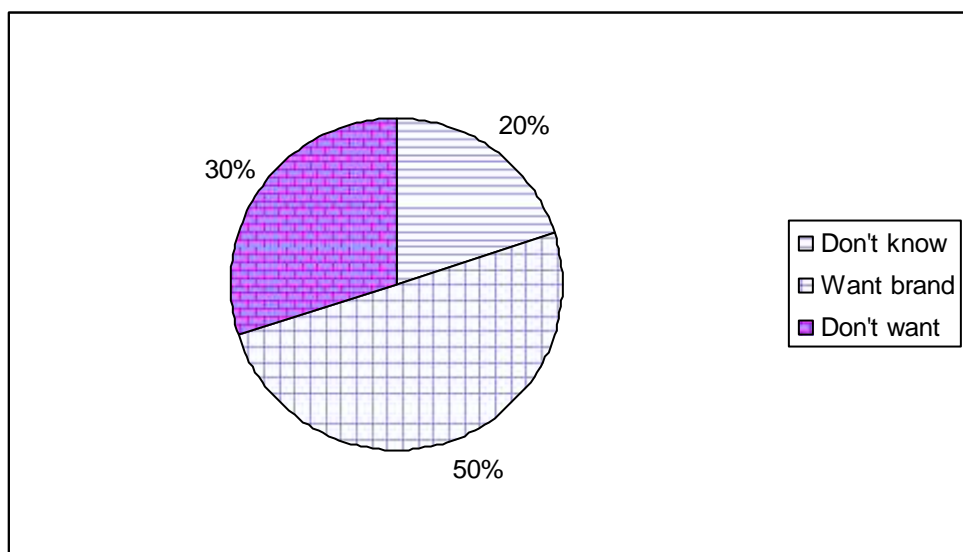


Chart No 4.8 (a) Concept of Brand

50 Respondents who want their own brand name stated different reason as to why they want brand name.

Table 4.8 (b) : Benefit of Brand Names

S.N	Particulars	Respondents	Percent
1	Recognition	20	40
2	High price	10	20
3	Constant market	20	40
Total		50	100%

Source: Field Survey 2012

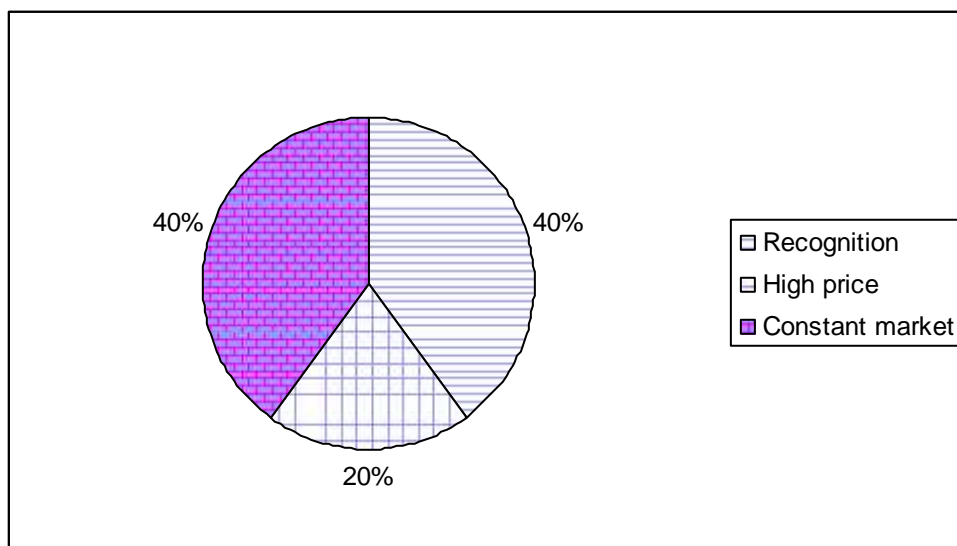


Chart 4.8 (b) : Benefit of Brand Name

Out of 50, 40% wanted to have their own brand name because they believe brand name help to recognition their tea in the market. 20% wanted it as brand name because of to get better market price and 40% want edit as to have constant market.

30 Respondents who don't want brand name because 50% of them believe that if they have brand name tax must be paid to the government, 30% of them don't want brand because price will be fixed so that if market price is high, they will receive fixed price and 20% believe that they have sell their product only to certain vendors and they will be paid less price.

Table 4.8 (c) Disadvantage of brand Name

S.N	Particulars	Percent
1	Tax payable	50%
2	Price fixed	30%
3	Limited vendors	20%
Total		100%

Source: Field Survey 2012

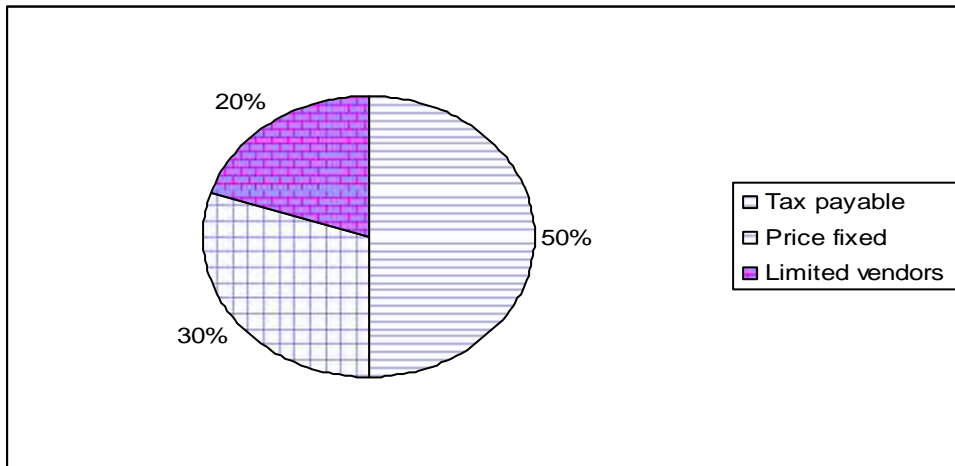


Chart 4.8 (c) Disadvantage of Brand Name.

4.2.4. Promotion

Today's market faces many challenges to survive in this competitive market of 21st century is crucial strategic decision. Therefore different types of promotional tools are to be used to success in the changing markets. Thus respondents during the survey were also asked question regarding the advertisement of Ilam tea, as advertisement is an excellent promotional tools to increase the market share. 70 respondents agreed that advertisement will increase the sales and 30 respondents don't about it will increase sale or not.

70 respondents who were positive towards advertisement were asked question, how does advertisement increase sales? The respondents stated that, advertisement informs consumer about the tea leaves and its quality and remaining positive respondents said that advertisement insists consumer to purchase the product.

Table 4.9 : Advertisement advantages

S.N	Particulars	Percent
1	Informs consumer	70
2	Insist consumer	30
Total		100%

Source: Field Survey 2012

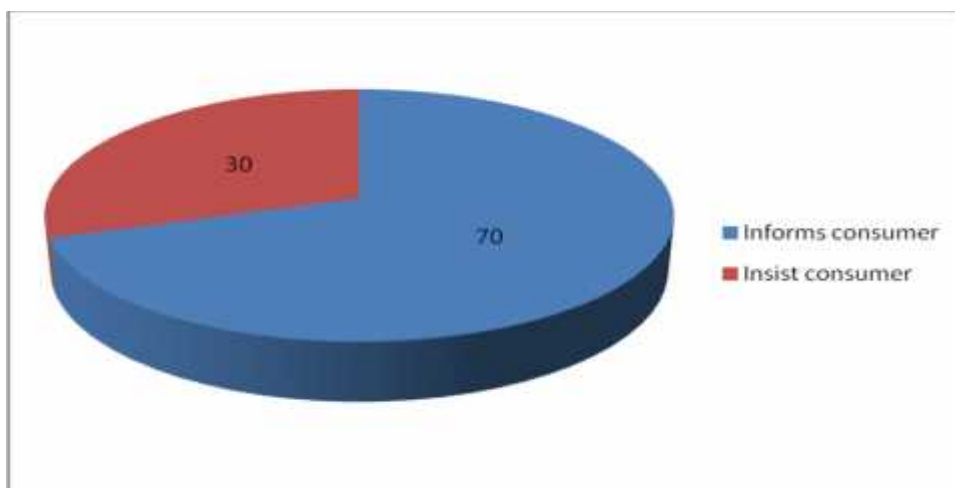


Chart 4.9 : Respondents view for Advertisement

4.2.5.Problems

Like others farmers Ilam tea growers also have problem of carrying the tea leaves from the field to the market most of the farmer, 65% of them said that they have higher transportations cost to transfer tea leaves to the accessible market. Thus they have to sell their tea leaves to the local tea contractor at the lower price 25% respondents stated that they don't have motor able road to carry the tea leaves to the market and they have to Use animal transport to carry tea leave in less quantity on high cost, thus increases the carrying cost. And 10% respondents stated that they carry themselves to the factory site or local market due to not have proper channel for selling. As well of them haven't their own warehouse to store the tea leaves so they can't wait for good price.

Table 4.10 Growers problems

S.N	Particulars	Respondents	Percent
1	Higher transportation	70	70
2	Animals transportation	20	20
3	Themselves	10	10
Total		100	100%

Source: Field Survey 2012

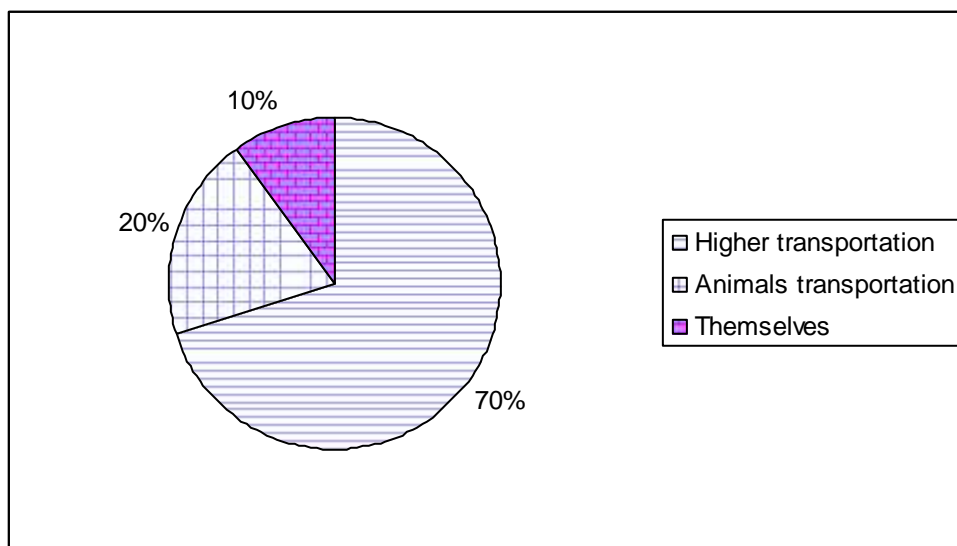


Chart :4.10 Transportation problems

4.2.6. Role of the Government

During the survey respondents were also asked questions about the role of the Govt to wards tea development and their attitude with current policy.

Almost all the respondent don't know about the current policy of govt but they expected that Govt Should make favorable policy to enhance the tea plantation and marketing for that answering question out of 100 respondents 24 respondents answered that Govt. Should play and an active role to make favorable policy 35 respondents believers that Govt, Should provide enough subsidies to the farmers to inspire farmers. Similarly 27 respondents stated that they don't have sufficient technical knowledge. There fore govt.. Should provide technical training to improve their technical ability to grow quality tea. And 14 respondents wart Govt to provide their own brand name to introduce it internationally. Response saw that Govt concern is necessary for bright future of Ilam tea.

Table 4.11 Role of Government

S.N	Particulars	Respondents	Percent
1	Make favorable policy	24	24
2	Provide subsidy	35	35
3	Technical training	27	27
4	Cerate own brand name	14	14
Total		100	100%

Source: Field Survey 2012

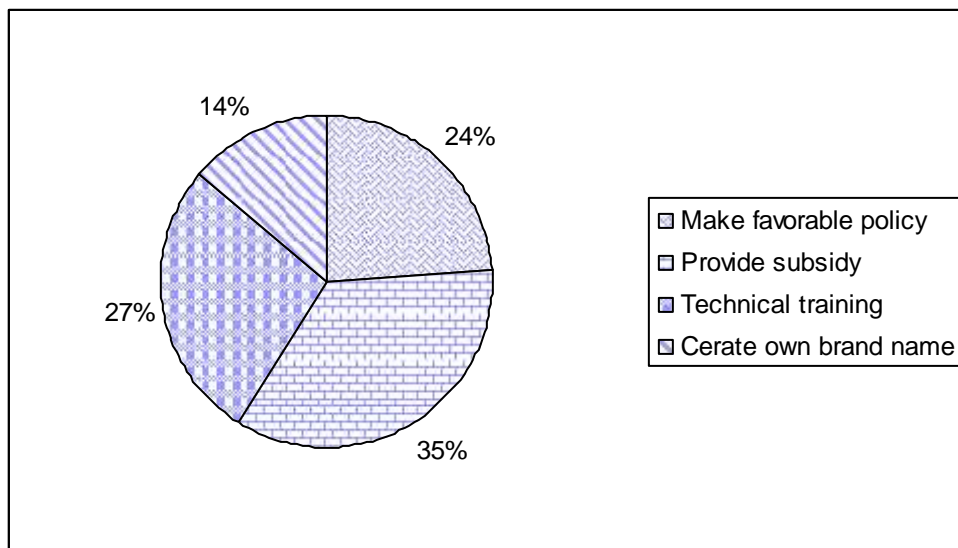


Chart:4.11 Role of Govt. according to Respondents

4.2.7. Future prospects of Tea

Tea is identity of Ilam district. An orthodox tea of Ilam is receiving good response all over the world. Thus, respondents were asked questions regarding the future prospect of Tea. 25% respondents believe that future prospects of tee is excellently bright 15% respondents think that tea plantation has no prospectus if no any change in current situation and of Govt action. But, 60% respondents hope to have better market in the days to come. Increasing demand of Ilam tea as well better climate for plantation also gives long life of Ilam tea.

But not even a single respondents was satisfied with the current market and sales they have .

Table 4.12 Prospects of Tea Markets

S.N	Particulars	Respondents	Percent
1	Possibility of mkt	60	60
2	Excellently bright	25	25
3	No prospects	15	15
Total		100	100%

Source: Field Survey 2012

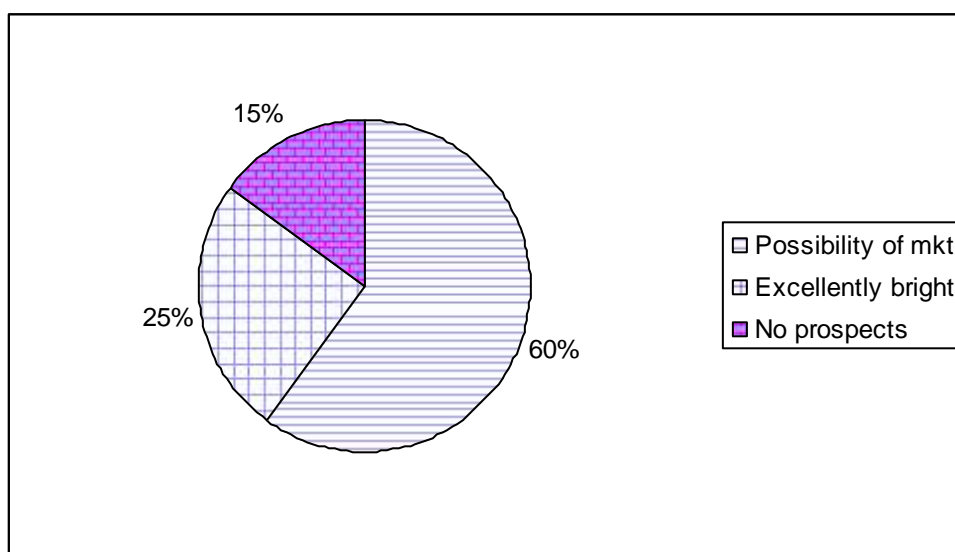


Chart : No 4.12 Future prospects of Tea according to Respondents

4.3 Factory owners Characteristics

There are only two Tea Estate and processing factory in shree Antu VDC and it's periphery. Thus, those two tea estates and processing factories are chosen purposively in order to study past trend and future prospects of tea market of this area. Among the two tea processing factories, SHREE ANTU TEA IN DESTRIES (P) (LTD) Were established before 11 years and ILAM TEA

PRODUCERS PVT LTD were established before 14 years . Annual tea leaves processing at present in kilograms is give in the following table.

Table 4.13 Annual Tea Processing

S.N	Name of the factories	Annual processing
1	Ilam tea producers Pvt. Ltd	4,30,000 Kg
2	Shree Antu Tea Industries Pvt. Ltd	2,00,000 Kg
Total		6,30,000 Kg

Source: Field Survey 2012

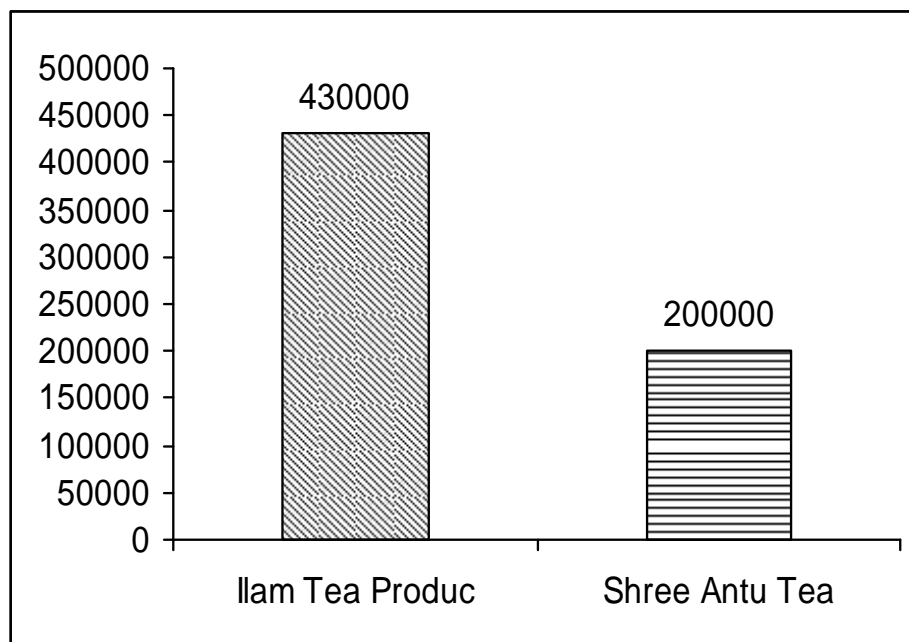


Chart 4.13 Annual Tea processing.

4.4. Factory owners Response

4.4.1 Purchasing

Among the Tea processing factories one of them produce tea in their own Garden and as well the green tea leaves purchase from the catchments area. And other the one factories totally purchase tea leaves from the catchments area.

Table 4.14 Processing of Tea purchasing

S.N	Particulars	Percent
1	Produce in own garden as well purchase from catchments area	50%
2	Purchase from catchments area only	50%
Total		100%

Source: Field Survey 2012

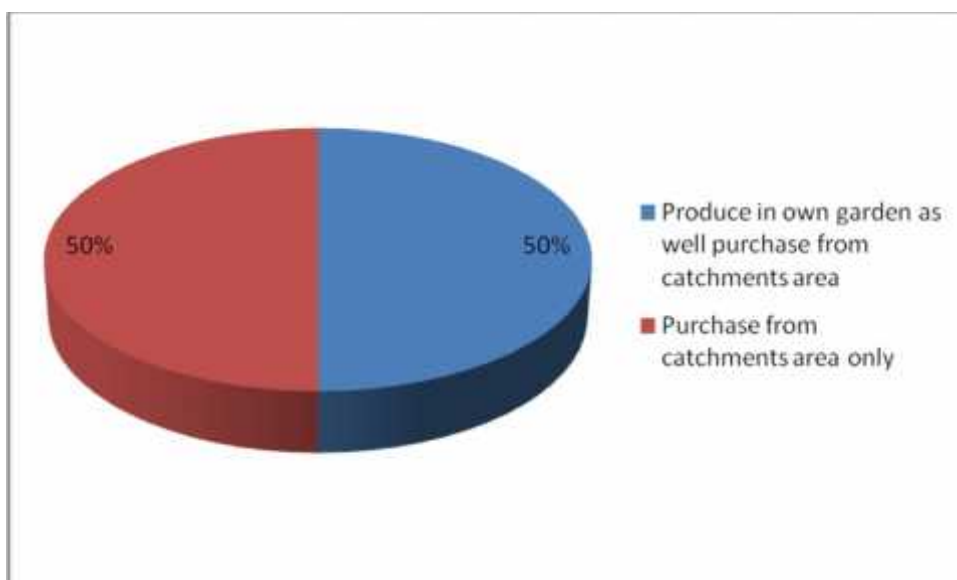


Chart: 4.14 Processing of Tea purchasing.

In order to collect the green tea leaves for processing both factories depends on local contractor as well as collect themselves with help of local labor. One factory has its own garden, therefore plucking labor bring directly from the garden to the factory for processing. Beside they collect additional raw materials from the local contractor.

There are different types of raw materials (Un processed grown tea leaves)

- a) Two –n-a bud
- b) Standard leaves

- c) Black plucking
- d) Coarse leaves

Most of the factory owners are ready to pay better price for Two-n-a bud raw material. In other words they mostly prefer high quality of raw material Two-n-a bud. Second preference is the standard tea leaves. Thirdly black plucking and the last preference are coares leaves.

The price of preferred raw materials (unprocessed tea leaves) in paid at most at the rate of Rs 30 Per k.g. But the price may vary up to Rs 17,18,20 perkg as the supply increases.

4.4.2. Tea Market

The factory owners were asked questions regarding the condition of the tea market presently.

Table No 4.15 Condition of Tea market

S.N	Particulars	Percent
1	Excellent	0
2	satisfactory	50%
3	Good	50%
Total		100%

Source: Field Survey 2012

Among the respondents 50 % of respondents think that the market of Ilam tea is good. similarly remang 50% respondent is said satisfactory. The orthodox tea of Ilam is greatly influenced by the Indian market as well as lake of sufficient promotion facility. But Among the respondents, no one think that the market condition of tea market in Nepal is not satisfactory.

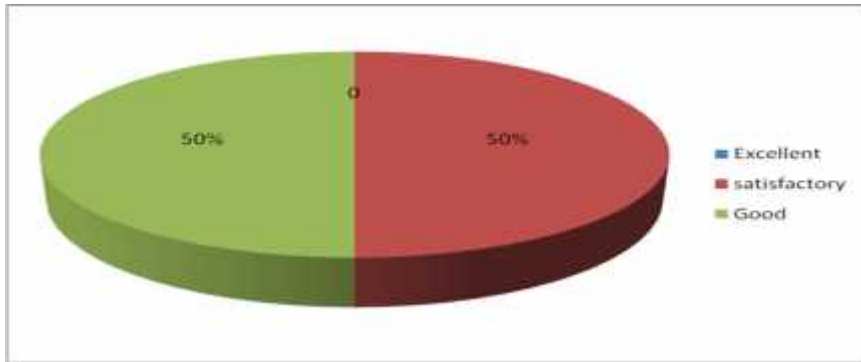


Chart 4.15 Respondents view about the condition of Tea market

Most of the respondent are in favor of brand name and they believe that brand name is essential tools in order to have goodwill influence, constant pricing and easy marketing.

Table No 4.16 Importance of Brand Name

S.N	Particulars	Percent
1	Constant pricing	50
2	Good will influence	50
3	Easy Marketing	0
Total		100%

Source: Field Survey 2012

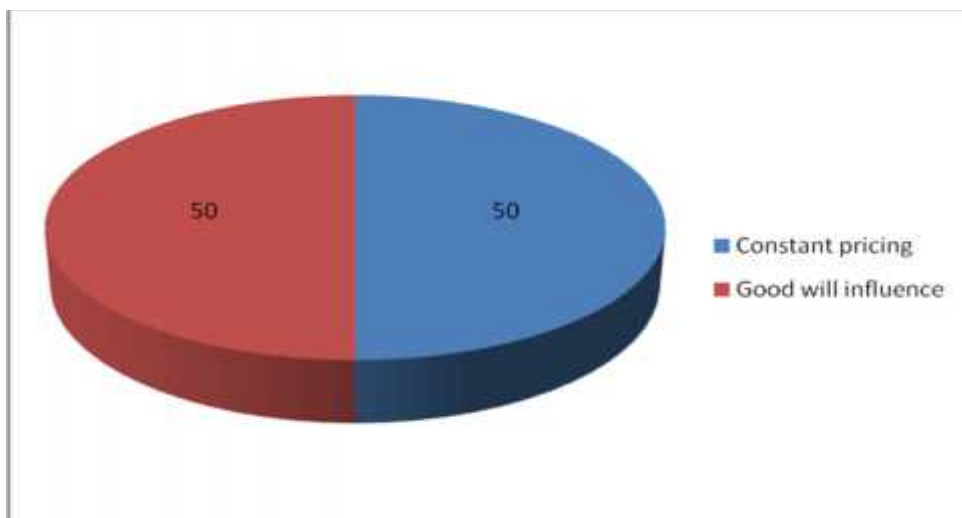


Chart : 4.16 Factor owners view about brand name

4.4.3. Market situation

The respondents were asked question regarding the current situation of Ilam tea as well as the tea from Nepal. Answering the question about the situation of market 100% think that the market is constant due to the lack of efficient government policies and Indian market influence.

Almost all respondents are not satisfied with the market of Ilam tea. Hence, respondents were asked questions on how to increase the market of Ilam tea.

Table 4.17 Method of Increasing Tea Market

S.N	Particulars	Percent
1	Increasing market activities	50%
2	Search market oversea	50%
Total		100%

Source: Field Survey 2012

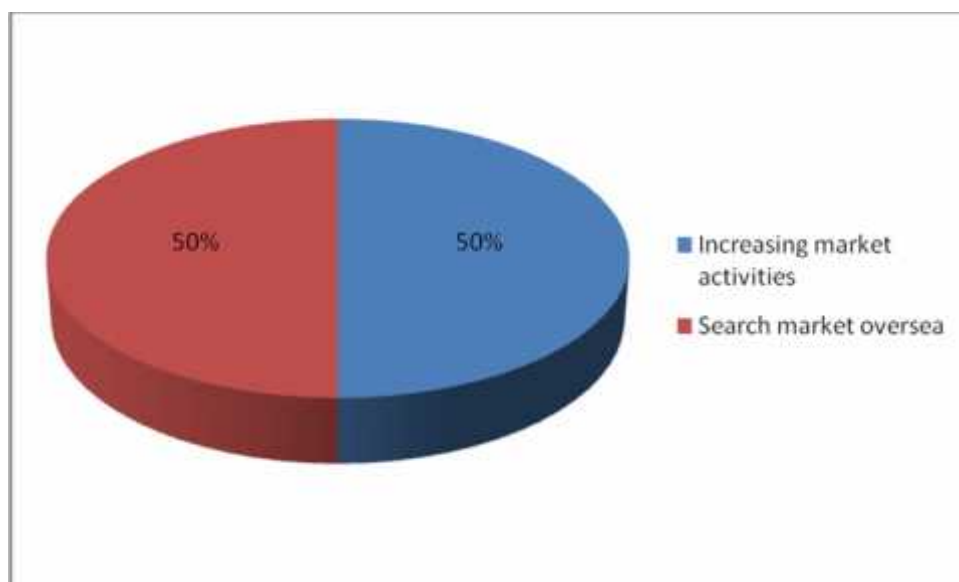


Chart No 4.17 Method of Increasing Tea market

50% Respondents believe that tea market of Ilam district can be increased by marketing actives and other 50% respondent think that the situation of market

increase by search market oversea as well as they believe on quality improvement.

Both of the respondent believe that other promotional tools can also used to increase the market of Ilam tea. The factory owners are not satisfied with the current market situation of the Tea market. Therefore, responds were asked questions about how can current market situation be improved. All most respondents believe that conducting trade fare can improve the market situation of tea. They stated that conducting trade fare at international market can help the international customers to know about the quality of Ilam tea as well it's details. Thus the market can be increase. On the other hand. Both of them said that tourist attraction to Ilam can give a little hope to increase the market of Ilam Tea. But no respondent are aware about the electronic marketing.

Therefore 0% respondents believe that e-marketing can help to increase the tea market.

4.4.4. Role of the Government

Respondents believe that government involvement can increase the tea market. Respondents were asked question regarding the role of government to promote the Ilam tea market. 50% respondents stated that government should provide financial assistance to the factory owner to install new machinery so that the quality of tea can be improved as well Govt financial assistance is need for promote and encourage to the factory owner internationally. And other 50% respondents sated that government should actively promote the tea oversea and export of Ilam tea should given priority to enhance the marketing of Ilam tea as well as well government should promote the tea of Ilam within the country. Import should be discouraged and use of domestic tea should be encouraged.

4.4.5 Growth of tea plantation and factories:

Despite of the various problem faced by the tea growers and tea processing factory owners, tea plantation and tea processing factories are increasing. Therefore in order to know the causes of increase in tea plantation and

establishment of more tea processing factories, which also deals future, prospect of tea. The question was asked to both tea growers and factory owners regarding the growing trend.

Table 4.18 Reason for growth tea plantation and factories:

S. No.	Particulars	Factory owners	Percent	Tea Growers	Percent
1	Increase in domestic consumption	1	25	42	42
2	Increase in export	2	50	38	38
3	Easier source of Income	0	0	15	15
4	Liberal financial policy in agricultural sector	1	25	5	5
	Total	4	100%	100%	100%

Source: Field Survey 2012

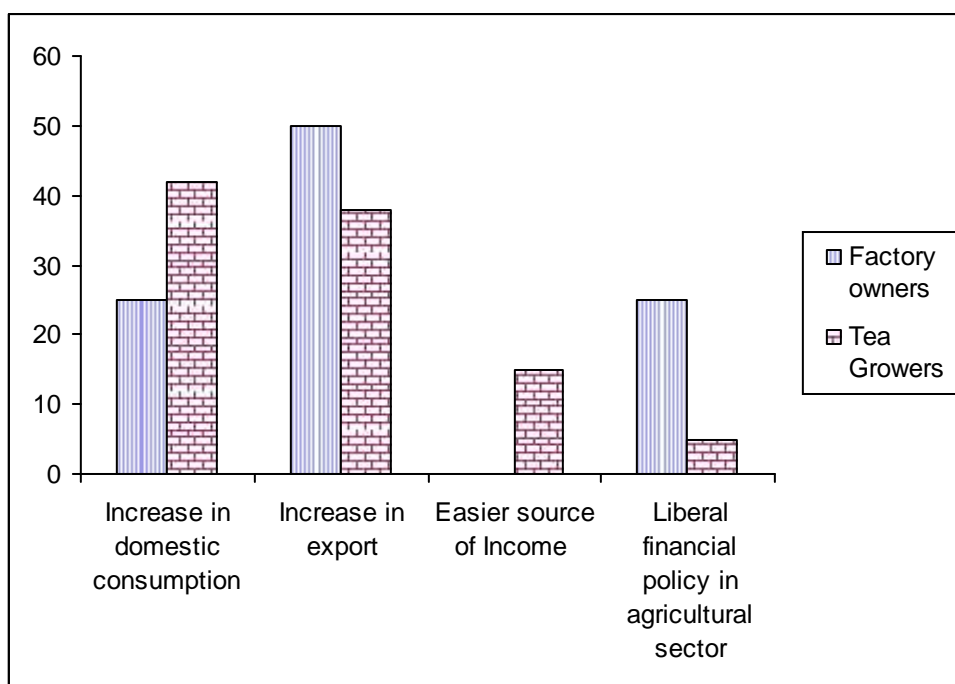


Chart 4.18 Reason for growth tea plantation and factories

The following reasons were stated by the respondents regarding the increase of tea plantation and factories for tea processing factories: 25% factory owners and 42% tea growers think increase in domestic consumption is the cause

of growth in tea plantation and factories, export of tea increase tea is the reason stated by 50% factory owners and 38% of tea growers. Liberal financial policy in agricultural sector is the reason given by 25% of factory owners and 5% tea growers. Similarly 15% tea growers and 0% factory owners think that the growth behind the tea plantation and factories for tea processing is easier source of income.

4.4.6 Impact of tea cultivation in Antu.

According to the tea growers as well factories owner, there are two types of impact in Shree Antu VDC which are as following:

4.4.6.1 Positive impact

1. Providing environmental purity.
2. Control on landslide.
3. Use of waste land.
4. Improvement of Economic status.

4.4.6.2 Negative impact

1. Decreasing of forest land.
2. Local precious herbed vanished.
3. Decreasing of garzing land.
4. Decreasing of woods.
5. Impact on drinking water and it's source.
6. Local wild animals going to declining.

4.4.7. Major problem

To know the major problem facing Growers as well factory owners, the open question were asked. The following are the major problem they stated:

- Lack of Technical knowledge.
- Lack of pesticide and insecticide.
- Lack of labour supply.
- Lack of chemical fertilizer.
- Lack of established markets.
- Inadequate Irrigation.
- Lack of market competition
- Lack of Revaluation of tea cultivated land.
- Insufficiency if government policy.
- Lack of Transportation.
- Political instability.

4.4.8 Prospects of tea market as well cultivation:

Tea is most popular drink allover the world, question were asked about prospects of tea in Antu VDC respondent's, were present the following point's about future prospects.

A) Physical condition:

Physical condition of Shree Antu VDC has suitable for tea cultivation. Topographically, Shree Antu VDC is covered by hills with height of 4934 feet from the sea level and any species of tea could be cultivated easily.

The physical condition is better for tea cultivation than other each crops like ginger, cardamom, Amblisho, etc. Tea plant requires 5s years for getting matured and tea once planted, it can produce tea for a longtime from economic point of view, it is also better than other cash crops. This is also positive result of physical condition for Shree Antu V.D.C.

B) Demand :

Demand is a most important part of marketing. In terms of demand, it has a bright future because tea has been a luxurious beverage in the world with increasing demand. They also stated that, in the reference to Nepal, tea consumption has been increasing every year. Now days, the demand of Nepalese orthodox tea in various star hotels and restaurants for Nepalese as well as foreigner is increasing. This proves that the demand of Nepalese orthodox tea is high in the international market.

C) Quality:

Quality and reliability are the key factors for success of the tea product. Respondents were proud of themselves with the quality of Ilam tea as well as Nepal quality tea. Nepal produces better quality of orthodox tea as compared with Darjeeling. Respondents also said that Ilam's orthodox teas grow in the hilly environment with pure air and water could be branded as the high quality tea in the world. After formulation of COC amongst the manufacture of O.T. based on norms obtained for international federation of organic agriculture movements. Those who signed the co contract on regulating, production processing and employment may also have the privilege to use the 'Nepal Tea' logo. The logo reflects quality and purity of Nepalese orthodox tea in the global market.

d) Employment :

Tea cultivation is a major cash crop of the Antu V.D.C. There many households are engaged in tea cultivation. Now, tea cultivation is developing as an industry, which requires more manpower for tea product. This helps reduce the rate of unemployment of the local area.

4.5 Major finding of the study

-) Total land holding of the respondents is 175 ropanies. 90 ropanies of total land holding is tea cultivated land. This data shows that most of the farmers are increasing the tea farming.

-) Most of the respondents (75%) have started tea farming for more than fifteen years and only 25% respondents are engaged in tea farming for seven years beside other profession. This indicated that most of the farmers were attracted in tea cultivation as a cash crops.
-) Most of the respondents (40%) have used marginal land for the cultivation of tea and 20% have used agricultural land, 30% have cleared private forest to cultivation and 10% have used waste land for tea cultivation.
-) Most of the respondents (75%) started tea cultivation because they believe that tea can generate more cash for longer period than any other types of food and cash crops.
-) 46% respondents have to sell their tea leaves to the local contractor 30% to the local factory owner, 10% to the local people (Hat bazar) and 14% to the Indian Business man.
-) Most of the farmers stated that they face many obstructions to sell their tea leaves in the market. 40% farmers sell tea leaves by bargaining for high price with business man, 24% respondents stated that they sell at any price in the harvesting season and 36% respondents take money in advance with local factory owner.
-) Out of 100, 50% respondents wants to sell their tea leaves with their one brand name. 20% respondents don't know brand and 30% respondents don't want brand name.
-) 70% respondents agreed that advertisement will increase the sales and 30% respondent don't about it will increase sale.
-) Most of the respondents (65%) of them said that they have transportation problems to sell their tea leaves.
-) Almost all the respondent don't know about the current policy of government.
-) Future prospect of tea 60% respondents hope to have better market in the days to come. 25% believe future prospects of tea is bright and 15%

respondents think that no prospects if no any change in current government action.

-) Among the two tea processing factories SHREE ANTU TEA INDUSTRIES (P) LTD processing tea leaves 200,000 kg annually and ILAM TEA PRODUCERS PVT LTD processing tea leaves 430,000 kg annually.
-) Among the two processing factories one of them produce tea in their own garden as well green tea leaves purchase from the catchment area and other factories totally purchase tea leaves from the catchments area.
-) There are different types of raw materials most of the factory owners are ready to pay better price for 'two-n-a-bud' raw materials.
-) Among the respondents 50% thinks that market of Ilam tea is good and 50% respondents said satisfactory.
-) Both of the factories owners belived that brand name is essential tools to promote Ilam tea.
-) All respondents think that the market is constant due to the lack of efficient government policies and Indian Market influence.
-) Both of the respondents belived that promotional tools can used to increase the market of Ilam tea. Conducting trade fare can improve the market situation of tea.
-) Respondents believe that government involvement can increase the tea market. 50% respondents stated that government should provide financial assistance to factory owners. And other 50% stated that govt should promote the tea of Ilam within the country. Improt should be discouraged.
-) Growth of tea plantation and factories for tea processing factories 25% factory owners and 42% tea growers thinks Increasing domestic consumption is the cause of growth in tea plantation.

CHAPTER – 5

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary :

Among the each crops, tea is one of the best cash crops. Shree Antu v.d.c. is one of the most popular area for tea cultivation. It lies in east part of the Ilam district. The tea growers their living standard has increased over the past few years due to the tea cultivation as a cash crops. The study was focused to find out the problems faced by tea farmers and tea processing factory owners to market their product, role played by different actors and future prospects of tea in Ilam district. After the data collection and analysis, summaries as below.

During the study hundred respondents were surveyed, they are classified into four groups according to their total land holdings. Groups 1 with an average 40 Ropines of land holdings has used 20% of their total land for tea cultivation. Groups2 is the respondents with 35 rpanies of land in average. They have used to approximately 22.22% land for tea cultivation. Groups 3 with an average 45 ropaines land and they have used app. 24.45% land for tea cultivation. And Groups 4 with an average 30 ropanies land holding have cultivation on app 33.33% for tea cultivation. The survey show that most of the respondents are motives to wards tea cultivation.

Almost all the respondents have started the tea cultivation for more than 15 years. 75% of them are engaged for 15 years and 25% only are engaged in tea cultivation for seven years. As tea cultivation history in Nepal starts form this district, 40% of the respondents are totally engaged in agircultural profession and rest 60% respondents are engaged in other profession excepting farming.

The plants generally well adopts is sloppy land. But, during the survey it is found that respondent have used even agricultural land for tea cultivation for more profit. The marginal land which could not be used for other purpose. The forested area is also used for tea cultivation, as tea growing is more productive

according to their view. And waster land not fit for growing other types of crops is used for tea cultivation.

From the above findings that the trend of tea cultivation is increasing. Most of the respondents have started tea cultivation to Generate more profit .But very few respondents are satisfied with the money they are generating presently competitive market and access production of tea leaves is the responsible factor hindering the expected cash generation.

After the analysis of data cash generation of respondents found that 30% respondents generate less than Rs. 50000 annually and 40% respondents generate Rs. 50000 to Rs. 100000 annually and 20% respodnents generate more than Rs. 100000 to 150000 annually from tea cultivation.

The study revealed the following facts regarding the customers of the tea growers are, local tea contractors, local factory owners, local people and Indian Businessman but the farmers are not paid satisfactorily they normally bargain for high price. They sometime even visit the markets to be well informed about the price of tea leaves on the other hand some tea growers sell at any price they get, because visiting the different places to know better price is time consuming.

The name which recognizes the particular product from other similar product in the market is brand name. The tea growers of Ilam district who know about brand think that it helps to recognize the product and constant market. It makes easier to sell tea leaves, can increase the market, and thus enables to get high price for the product. On the other hand farmers, who do not have idea regarding the brand name are against the brand and name because it increase tax, price to be fixed as well they will be able to sell tea leaves to the limited vendors only.

There are several problem of tea farming in study area. Among them transport problem, lack of established MKt, lack of Mkt. competition, technical knowledge, lack of Revaluation of tea cultivated land is main problems.

About promotion respondents think that government should play an active role to promote tea. They are not satisfied with present role of government. They think that government should make favorable policy to promote tea, should provide subsidies. They also insisted to provide technical training for quality improvement of tea and also to create brand name. And advertisement of Ilam tea is essential to create consciousness regarding the quality and also about the availability.

During the survey two tea processing factories were purposively chosen and visited were Ilam tea. produce pvt. Ltd. is the highest tea processing capacity of 43000 kilogram annually. Tea processing factories have their own tea garden and also purchase tea leaves from catchments area. They prefer to purchase better quality of tea leaves known as 'two-n-d bud!. They pay comparatively better price for this raw material in comparison to others. They pay at least RS, 16 per kg to at most Rs. 25 per kg. They sell the processed tea leaves blended tea packets at the rate of Rs. 200 per kg to Rs. 500 per kg.

Market of Ilam tea is greatly influenced by attractively actively packaged and cheaper Indinan tea. Despite of superior quality of Ilam tea, lack of promotional activity has greatly confined the market of Ilam tea. Tea processing factories owners are also in favors of insufficient promotional facility . Therefore, the need of influencing promotional activity is strongly felt. The best method of promotion could be increasing the quality and information to the consumer. Trade fares should be conducted at notional, multinational and international levels. Govt. involvement to promote tea by formulating and implementing the rules sand regulation . Higher tax on the import of tea can also increase the mket of Ilam of Ilam tea. Increase the domestic consumption can also possibly increase the tea market.

Tea plantation is success story in Nepal. The trend of tea plantation is rapidly growing and all the tea growers are optimistic regarding the bright future of Ilam tea. Demand of orthodox tea, physical condition of Ilam, quality and Employment in tea cultivation may bring bright future.

5.2 Conclusion :

From this study, it is concluded that the trend of tea plantation in this district is growing steadily despite various problems they encounter. Almost all the villagers have tea plantation in their owned land. presently farmers have started to plant tea even in their agricultural land despite of food crops plantation. Tea growers have several problems like problems at the field, transportation problems, financial problems, unsteady policies, technical problems etc. However, the in trest of tea plantation is rapidly growing among the farmer of this district. They believe that tea cultivation is sustainable means of uplifting their living standard. It is essential to promote Ilam tea nationally and internationally.

The threat to Ilam tea is Darjeeling tea. The raw materials purchased from Ilam to Darjeeling is exported overseas in the name of Darjeeling. Tea, thus Ilam tea has to compete internationally with it's own tea. The next threat to the Ilam tea is import of cheaper Indian tea. Indian tea has flooded the market of Nepal. Therefore, it of seems essential to promote Ilam tea even nationally. The systematic promotion of Ilam tea could be the best import substitution method further, it helps in increasing the export of Nepali tea overseas, thus improves the employment situation and income generating capability.

The figure shows that tea farming has attracted not only farmers but also other people not engaged in agricultural profession. They have started tea farming as good source of extra income beside their job. Nepalese market is unsystematic, disorganized and limited. Therefore farmer are facing so many problems. Now, government sector and non govt sector are trying to make tea market, price and quality and tea cultivation stable by the code of conduct. Therefore they have taken tea cultivation as a good option.

5.3 Recommendations :

5.3.1 Recommendations to tea Growers :

- Tea growers must be trained to use the chemical fertilizers, compost, organic manure, insecticides etc.
- Market must be searched nationally and internationally.
- Genetic engineering is possible to improve the existing variety of tea plants, proper engineering technique must be acquired.
- Tea growers can be unified to introduce the brand name of Ilam tea for proper identification.
- Tea growers can actively participate in promoting the Ilam tea through the training, seminars, talk programs etc.

5.3.2 Recommendations to factory owners :

- Factory owners must acquire essential techniques to improve the quality of processed tea.
- Market search through E-marketing.
- Factory owners should study the local market access and increase the supply at competitive prices to Indian tea.
- Advertisement of Ilam tea should be done nationally and internationally as well as promotional tools should be conducted.
- Demand physical facilities from the Govt, and help tea growers to build motorable roads at the local levels.
- Should demand for ISO certification by improving the quality of processed tea.
- Should develop an efficient in and system for reliable export.
- Unified voice of factory owners should demand the brand name.

5.3.3 Recommendations to Government & others :

- Infrastructural development is most for tea plantation and development so government should build road access in all VDC.
- The government and concerned organization should provide technical and financial support must be given to improve the quality of tea.
- Government should provide regular examination of factory and proper aid must be given to install modern machineries.
- The price of green leaves varies, therefore government should a fixed price must be set to consistent pricing.
- Villages must have motorable roads for easier transportation.
- The government and NTCDB should provide Proper management of tea market shuld be done and new market to be search.
- The government should motivate for minimize the import of tea and priority must be given for domestic consumption of Ilam tea.
- Government should be done promotional campaign must be done of national, multinational levels.
- National plan must be focused to raise the rural economy by giving priority in agricultural development.
- NGOS and INGOS should be inspired o focus their program in this area for poverty alleviation by improving the tea cultivation system.
- A cadmic curriculum must be made to generation skilled man power.
- Government should be developed Ilam tea should be given Nepal standard.

Bibliography

- Amatya, S. L.(1975). *Cash crop farming in Nepal. Kathmandu* : Geography Instruction committee, T. U. Kirtipur.
- Ashikari, Ghuwaneshor (2005) . *The Export of Nepal* : srudy of Trend and prospects. Dissertation Submitted to central Department of Economics T. U., Kathmandu.
- Eden, T. (1976) Tea. *Third edition London*: Longman Group Ltd.
- Herler: F. R. (1964). *The culture and marketing of Tea Londen* : Oxford university press.
- Ilam Tea Identification of *Darjeeling Tea*, 15 july (2005) *Nepal fortnight magazine*
- Koirala, Gaunesh (1983) , *A study of Tea plantation in Nepal*, Dissertation submitted to the central Department of Geography, T. U kirtipur Kathmandu.
- Ministry of Finance (2063), *Economic survey*, 2062 163 MOF, Nepal
- National *Tea and coffee* Dev Board 2065
- Nepal Rastra Bank (2059) *samachar, Baishakh*
- Nepal *Tea a coffee board* 2004/05
- Nepal, Udaya (jan, 1975), *prospective view of Tea cultivation in Nepal*. Unpublished Master's thesis faculty of mgmt, SDC, T. U.
- Pannt, kirankumar (2009), *A Desirable Development approach*, An Article in Nepal Tea and coffee development Board.
- Paryatan Bisheshanka (2004) *Ilam students forum*
- Praasin, L.P (2002), *profit planning in Ilam* Tea estates, Master's thesis, faculty of Management if DC. T. U.
- Raj, J. B. (2001), *Comparative study of public and private Tea state*. Dissertation submitted to the central Depatment T. U. Kirtipur.
- Sanyashi, Pusker (2001), *Tea Development in Nepal*, An Article in Tea A Tea NTCDB, Ktm.

Sapkota, Bhalta keshav (2011), *A Brief Economic analysis of Green leaves.*

An Article in NTCDB Katmandu.

Sharna, T. N. (2001), *Report with Recommendation on sale of Nepalese*

Greenleaf. Tea in India market. A report submitted to NTCDB,
Kathmandu.

Upreti, S. R. (1985), *A study Agriculture Marketing structure in Nepal,*

Master thesis, faculty of mgmt, SDC, T. U.

W.W.W. teacoffe.gov.np

Web Resources

Annex – I

Research Questionnaire

Faculty of Management, Tribhuvan University for Masters in Business
Studied Second year Program

Research Topic: Tea Marketing in Ilam District

Directive : Please check only one option from the enlisted choices

individual Characteristics

Name of the owner.....

Caste Group

Age

Tea cultivated land in Ropani.....

Profession (Any other than farming).....

1. For how many years you are engaged in tea cultivation?

Less than 1 years 1-5 5-10 More than 15 years

2. What types of land you have used for tea plantation?

Marginal land Agricultural land Forested area

3. If you have used agricultural land, why you have used rather than food crop cultivation.

Tea plantation is more protractible

Only few types of food can be grown

It is easier than food crops plantation

4. What factor inspired you for Tea plant train?

More cash Good market Demonstration effect

5. What is the harvesting period of Tea?

Once a year twice a year more than twice year

6. Are you generation cash as per your Expectation?

Yes No

7. If no, what may be the factor?

Competitive market decreasing demand Access production

8. Who are year customers?

Indian businessman Local people (through hat bazaar)

9. What is your annual cash Expectation from the cultivated land (per ropaint) ?

Less than 50000 50000-1000000 more than 100000

10. How do you sell your tea leaves?

Given in contract to the local factory owner.

Given in contract to the local tea contractor.

Use labour and sell it to the local factory.

11. What is the main problem of selling tea leaves from the field ?

do not get satisfactory price.

don't have proper channel for selling.

transport problem.

12. What are year transportation problems to sell Tea leaved?

- No roadfor vehicles. Higher transportation cost.
 Have use porter. Have to use animals.

13. Do you have warehouse to store the tea leaver?

- Yes No

14. Do you know about trademark?

- Yes No

15. Do you want to sell your tea leaves with your own trademark?

- Yes No

16. Are you satisfied with wren policy of Govt. towards tea development?

- Yes No

17. If no, what steps Govt. should take to promote tea?

- Favorable policy making provide subsidies
 Provide more technical training making own brands

18. Do you think Advertisement will increase your sales?

- Yes No

19. If yes, how does Advertisement increase your sales?

- It will inform the customer about the tea leaves.
 It will encourage to customer purchase it.

20. Do you know about the National Tea policy?

- Yes No

21. Are you satisfied with present market and sale?

Yes

No

22. What do you think about future Tea plantation ?

No prospects.

May have better prospect.

23. If it have better prospect what are the clements

Increasing demand of Ilam Tea.

better climate for tea plantain.

Annex – II

Research Questionnaire

Faculty of Management, Tribhuvan University for Masters in Business
Studied Second year Program

Research Topic:

FACTORY OWNERS

Directive : Please check only one option from the enlisted choices

Name of the factory:.....

Address:

Date of establishment:

1. from where you purchase tea leaves?

- Purchase across district
- Produced in own grader.
- Catchments are of factory.

2. From which way you collect tea leave?

- They bring themselves to the factory.
- Local contractor bring it.
- Self collect.

3. Where the Current market should be focused.

- Indian Territory
- Across the country.
- Overseas.

4. What price do you pay the local farmer per kg of green tea leaves?

5. What is the current situation of Tea market in Nepal?

Good Sat is factory not too good.

6. Should Ilam tea have its one brand Name?

Yes No

7. If yes, what will be the benefit?

Easy to M.K.T pricing will be consistent.

Good will in influence

8. What is the trend of current market as compared to past?

Increasing Decreasing constant.

9. What id the poor side of Ilam tea marketing?

lack of promotion lack of Govt support.

Transportations as well warehousing problem.

10. What should be done to make good market in future?

Marketing activities to be enhanced. search of market overseas.

Quality laboring should be done. focus it's own brand.

Increasing marketing actives.

11. What kinds of promotional tools may increase the demand.

Trade fair exhibition publicity. electronic marketing

Tourist attraction to Ilam.

12. What kind of promotional tools you have been fallow?

13. What kinds of promotional tools your except from Govt?

Help to make label of Ilam tea oversees .

Provide better subsidies.

promotional activities with in the country.

14. What is the Recent challenge for the factory?

lack of Green leaves competitive power of India.

lack of labor Internal problem of factory.

15. for future prospect what should be done?

enhanced physical function. Govt co-operation.

promotional activities.

Design of course of study in University education

16. What are the impact of Tea cultivation in shree Antu?

17. How you present the prospects of Tea cultivation?

18. What is the major problem facing Grower as well factory owner?

Annex III
Photographs



नेपालको सर्वश्रेष्ठ अर्थोडक्स चिया कम्पनी
इलाम टी प्रोड्यूसर्स प्रा. लि.
श्रीअन्तु-३, इलाम



अन्तर्राष्ट्रिय बजारमा अत्याधिक निर्यात भइरहेको गुणस्तरीय अर्थोडक्स चिया चाहिएमा हामीलाई सम्पर्क गर्नुहोस् ।
फोन: ०२७-५५५०२७, ५५५०२८, मो ९८५७९७५४३४

चिया खेतीका कोही तस्वीरहरु

