



The Journal of Sri Krishna Research & Educational Consortium

**INTERNATIONAL JOURNAL OF
BUSINESS ECONOMICS AND
MANAGEMENT RESEARCH**

Internationally Indexed & Listed Referred e-Journal



**CHALLENGES TO TEA INDUSTRY IN
HIMALAYA REGION: A CASE STUDY OF HIMACHAL PRADESH**

DR. PAWAN KUMAR DHIMAN*

*Associate Professor - EDP, Sant Longowal Institute of Engineering & Technology, Longowal,
Sangrur, Punjab, India.

ABSTRACT

Tea industry has an important place in the Indian economy and is one of the most popular beverages in the world. The tea is acclaimed as a divine remedy for various ailments since the initiation of tea drinking and the Taoists called it' elixir of immortality. India is largest producer and consumer of tea in the world, accounts for around 28 percent of world production and 13 percent of world trade. In India approximate 85 percent of the total households consume tea. In the recent years government have initiative number of steps as some quantity of tea imported for blending, sudden rise in the number of tea gardens by providing financial assistance to tea growers in the form of input subsidy, managerial subsidy and supply of Planting materials and other developmental and promotional activities the production increased from 835.6 million Kg in 1997-98 to 848 million Kg in 2000-01, it started declining thereafter from 847 million kg in 2004-05 and further down to only 667 million Kg in 2005-06. Whereas on the export of tea has shown a further deterioration from 211 million Kg in 1997-98 to 189 million kg in 1999-2000 and from 204 million Kg in 2000-01 to 183 million Kg in 2003-04 and just 101 million Kg in 2005-06. In the present study it has been found that like other part of the country the financial assistance and other types of facilities were also provided in Himachal Pradesh a hilly state in the Northern region the production of tea which was 88887 kg in 1971 has increased to 850302 kgs but the size of the industry is squeezing day by day due to diversion of funds, construction activities in the tea estates and the litigation among tea growers and in the near future if proper attention is not given it will be at the stage of closure.

KEYWORDS: *Tea industry and challenges.*