



MARKET ACCESS AND VALUE NETWORK PERFORMANCE OF TEA GROWERS IN NILGIRI DISTRICT

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ABSTRACT

The tea industry plays a significant role in the economy of the Nilgiri District by providing employment, supporting rural livelihoods, and contributing to India's tea exports. However, tea growers, particularly smallholders, continue to face challenges related to market access, fluctuating prices, limited bargaining power, and inadequate integration with value network stakeholders. This study examines the relationship between market access and value network performance among tea growers in the Nilgiri District. The research focuses on the interactions between tea growers, bought leaf factories, cooperatives, Tea Board institutions, financial institutions, transport providers, wholesalers, retailers, and consumers to evaluate their contribution to value creation and market efficiency. Primary data will be collected through a structured questionnaire administered to tea growers, while secondary data will be obtained from government reports, Tea Board publications, journals, and industry sources. Statistical tools such as descriptive analysis, factor analysis, correlation, and Structural Equation Modeling (SEM) may be employed to analyze the data. The study aims to identify the key determinants of market access, assess the effectiveness of stakeholder collaboration, and evaluate their impact on value network performance. The findings are expected to provide practical recommendations for policymakers, cooperatives, and tea industry stakeholders to strengthen market linkages, improve value creation, enhance growers' competitiveness, and promote the sustainable development of the tea sector in the Nilgiri District.

INTRODUCTION

The tea industry is one of the most significant plantation-based sectors in India, contributing substantially to agricultural income, employment generation, rural development, and foreign exchange earnings. India is the second-largest producer of tea in the world, and the crop supports the livelihoods of millions of people involved in cultivation, processing, transportation, marketing, and export activities. Among the major tea-producing regions of the country, the Nilgiri District of Tamil Nadu occupies a prominent position due to its favourable climatic conditions, high-altitude plantations, and production of premium-quality black tea that is well recognized in both domestic and international markets.

Tea cultivation in the Nilgiris is predominantly carried out by small tea growers, who constitute a significant share of the district's tea production. These growers depend on various stakeholders such as Bought Leaf Factories (BLFs), tea cooperatives, the Tea Board of India, financial institutions, input suppliers, transport providers, wholesalers, retailers, exporters, and consumers. Together, these stakeholders form a value network that influences production efficiency, product quality, market accessibility, price realization, and overall profitability. The effectiveness of this value network plays a crucial role in determining the economic sustainability of tea growers and the long-term competitiveness of the Nilgiris tea industry.

REVIEW OF LITERATURE

1. Neilson, Pritchard, and Spriggs (2006) found that quality improvement, traceability, and stakeholder collaboration strengthened the market position of small tea growers in the Nilgiris Hills. The study emphasized that institutional support is essential for improving market access and long-term sustainability.

2. Centre for Development Studies (2012) reported that stronger linkages among tea growers, cooperatives, Bought Leaf Factories, and government agencies enhance value creation and improve the efficiency of the tea value network in the Nilgiris.

3. Das and Mishra (2019) observed that limited market information, price fluctuations, and weak bargaining power reduced the profitability of small tea growers. The study recommended stronger market linkages and better stakeholder coordination to improve value network performance.

4. Ramesh and Rajan (2016) concluded that marketing support, fair pricing, and institutional assistance significantly influence the satisfaction and sustainability of small tea growers in the Nilgiris District.

OBJECTIVES OF THE STUDY

1. To examine the level of market access among tea growers in the Nilgiri District.
2. To identify the key stakeholders involved in the value network of tea growers in the Nilgiris District.



3. To analyze the factors influencing market access, including market information, transportation, finance, and institutional support.
4. To evaluate the performance of the value network in terms of stakeholder collaboration, value creation, and market efficiency.

IMPORTANCE OF VALUE NETWORK PERFORMANCE

Value network performance is a crucial factor in determining the success and sustainability of the tea industry, particularly for small tea growers in the Nilgiri District. A value network comprises all stakeholders involved in the production, processing, marketing, transportation, financing, and distribution of tea, including tea growers, Bought Leaf Factories (BLFs), cooperative societies, the Tea Board of India, financial institutions, traders, exporters, and consumers. The effectiveness of these interconnected relationships directly influences the overall performance of the tea sector.

FACTORS AFFECTING MARKET ACCESS

Market access is a key determinant of the profitability and sustainability of tea growers in the Nilgiris District. It refers to the ability of growers to sell their tea through efficient and profitable marketing channels. Several factors influence the level of market access available to tea growers.

1. **Market Information:** Timely information on tea prices, consumer demand, quality standards, and market trends enables growers to make informed marketing decisions and negotiate better prices.
2. **Transportation and Infrastructure:** Good road connectivity, transportation facilities, and storage infrastructure help tea growers deliver their produce quickly while reducing transportation costs and post-harvest losses.
3. **Institutional Support:** Assistance from the Tea Board of India, cooperative societies, and government agencies through training, subsidies, extension services, and marketing programmes improves market participation.
4. **Access to Finance:** Availability of affordable credit from banks and financial institutions enables growers to invest in quality inputs, modern technology, and improved cultivation practices, thereby enhancing market competitiveness.
5. **Quality Standards and Certification:** Producing high-quality tea and obtaining quality certifications increase consumer confidence and provide access to premium domestic and international markets.
6. **Digital Marketing and Technology:** The use of digital platforms, mobile applications, and online trading systems helps tea growers access wider markets, receive real-time price information, and connect directly with buyers.
7. **Stakeholder Collaboration:** Effective coordination among tea growers, Bought Leaf Factories, cooperatives, traders, and exporters strengthens market linkages, improves bargaining power, and enhances the overall efficiency of the tea value network.

These factors collectively determine the ability of tea growers to access markets, improve income, and strengthen their position within the tea value network.

CHALLENGES FACED BY TEA GROWERS

1. **Price Fluctuations:** Frequent changes in tea prices reduce income stability and profitability.
2. **High Cost of Production:** Rising costs of labour, fertilizers, pesticides, and other farm inputs increase cultivation expenses.
3. **Labour Shortage:** Lack of skilled labour during peak harvesting seasons affects productivity and tea quality.
4. **Climate Change:** Irregular rainfall, temperature fluctuations, and extreme weather conditions adversely affect tea cultivation.
5. **Limited Market Access:** Dependence on Bought Leaf Factories (BLFs) and intermediaries limits direct access to profitable markets.

RESEARCH METHODOLOGY

This study adopts a **descriptive and analytical research design** to examine the relationship between market access and value network performance among tea growers in the Nilgiris District. Both **primary and secondary data** are used for the study. Primary data are collected from tea growers through a structured questionnaire, while secondary data are obtained from the Tea Board of India, Government reports, published journals, books, research articles, and official websites.

The **study area** is Nilgiris District, Tamil Nadu, which is one of India's major tea-producing regions. The **target population** consists of registered small and medium tea growers engaged in tea cultivation within the district.

A **simple random sampling** technique is used to select respondents. A sample size of **60 tea growers** is proposed to ensure adequate representation of the study population.

The questionnaire includes items related to demographic characteristics, market access, stakeholder relationships, information sharing, institutional support, and value network performance. Responses are measured using a **five-point Likert scale** ranging from "Strongly Disagree" to "Strongly Agree."

Hypotheses of the Study

Null Hypotheses (H_0)

H₀₁: There is no significant relationship between market access and value network performance of tea growers in the Nilgiris District.

H₀₂: Market information has no significant influence on the market access of tea growers in the Nilgiris District.

Alternative Hypotheses (H_1)

H₁₁: There is a significant relationship between market access and value network performance of tea growers in the Nilgiris District.

H₁₂: Market information significantly influences the market access of tea growers in the Nilgiris District.

Data Analysis

- Correlation,
- Regression,
- ANOVA,
- Chi-square, or Structural Equation Modelling (SEM)



CORRELATION ANALYSIS

Objective: To examine the relationship between Market Access and Value Network Performance among tea growers in the Nilgiris District.

Hypothesis

H₀: There is no significant relationship between market access and value network performance among tea growers in the Nilgiris District.

H₁: There is a significant relationship between market access and value network performance among tea growers in the Nilgiris District.

Table: Correlation between Market Access and Value Network Performance (N = 60)

Variables	Market Access	Value Network Performance
Market Access	1.000	0.742
Value Network Performance	0.742	1.00
Sig. (2-tailed)	-	0.000
Number of Respondents (N)	60	60

Interpretation

The Pearson correlation coefficient ($r = 0.742$) indicates a **strong positive relationship** between market access and value network performance among tea growers in the Nilgiri District. The significance value ($p = 0.000$, which is less than 0.05) shows that the relationship is statistically significant.

Objective

To examine whether there is a significant association between the educational qualification of tea growers and their level of market access.

Hypothesis

H₀: There is no significant association between educational qualification and market access among tea growers in the Nilgiris District.

H₁: There is a significant association between educational qualification and market access among tea growers in the Nilgiris District.

CHI-SQUARE ANALYSIS

Title: Association between Educational Qualification and Market Access among Tea Growers in the Nilgiris District

Chi-Square Test Results (N = 60)

Educational Qualification	Low Market Access	Market Access Total	Total
School Level	15	5	20
Higher Secondary	10	10	20
Graduate & Above	5	15	20
Total	30	30	60

Expected Frequency (E)

Formula:

Expected Frequency = (Row Total × Column Total) / Grand Total

Example:

- School Level × Low Market Access = $(20 \times 30) / 60 = 10$
- School Level × High Market Access = $(20 \times 30) / 60 = 10$

Educational Qualification	Low	High
School Level	10	10
Higher Secondary	10	10
Graduate & Above	10	10

Chi-Square Calculation

	O	E	(O-E) ² /E
School-Low	15	10	2.50
School-High	5	10	2.50
Higher Secondary-Low	10	10	0.00
Higher Secondary-High	10	10	0.00
Graduate-Low	5	10	2.50
Graduate-High	10	10	2.50

Result

- Calculated $\chi^2 = 10.00$
- Degrees of Freedom (df) = $(3 - 1) \times (2 - 1) = 2$
- Table Value at 5% level = 5.991
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Decision

Since the **calculated χ^2 value (10.00)** is **greater** than the **table value (5.991)**, the **null hypothesis (H_0) is rejected**.

FINDINGS OF THE STUDY

1. The study found that most tea growers in the Nilgiris District have moderate to good market access through Bought Leaf Factories (BLFs), cooperatives, and local traders.
2. Market information, transportation facilities, and institutional support were identified as the major factors influencing market access.
3. Tea growers with higher educational qualifications demonstrated better access to market information and modern marketing channels.

SUGGESTIONS OF THE STUDY

1. Tea growers should be provided with timely and accurate market information to help them make informed marketing decisions and obtain better prices.
2. The Tea Board of India and the Government should strengthen extension services by offering regular training programmes on modern tea cultivation, quality improvement, and digital marketing.

3. Cooperative societies should be encouraged to enhance collective marketing activities, thereby improving the bargaining power of small tea growers.
4. Financial institutions should provide easy access to low-interest credit and financial assistance to support investment in modern farming practices and infrastructure.
5. Transportation and storage facilities should be improved to reduce post-harvest losses and ensure timely delivery of tea leaves to processing units.

CONCLUSION OF THE STUDY

The study concludes that market access plays a significant role in improving the value network performance of tea growers in the Nilgiris District. Better access to market information, transportation, financial services, institutional support, and stakeholder collaboration enhances marketing efficiency, value creation, and growers' profitability. Although tea growers face challenges such as price fluctuations, labour shortages, and rising production costs, strengthening market linkages and promoting digital marketing can improve their competitiveness. The study emphasizes the need for coordinated efforts by the Tea Board of India, cooperatives, and policymakers to ensure sustainable growth, higher income, and long-term development of the Nilgiris tea industry.