

## MARKETING OF BLACK TEA (CTC) IN JALPAIGURI DISTRICT OF WEST BENGAL Shreeyansh Chaturvedi<sup>1</sup> and Ramchandra<sup>2</sup>

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**ABSTRACT:** The Present study on “Marketing of Black Tea (CTC) In Jalpaiguri District of West Bengal” It was observed during the present investigation that there are two marketing channels involved in marketing of Black Tea (CTC), (Channel-I – Producer-Wholesaler-Consumer), (Channel-II- Producer-Wholesaler- Retailer-Consumer). The majorly preferred marketing channel by respondents in the study area for buying of black tea (ctc) in study area is Channel-II. In Channel-I, the total marketing cost over 1 kg bag of black tea (ctc) in channel I is Rs 42.5 and total market margin in marketing of 1 kg bag of black tea (ctc) through channel-I is Rs. 55, marketing efficiency of channel -I is 2.56% and price spread while marketing of 1 kg bag of black tea (ctc) through channel-I is 97.5 and in Channel-II the total marketing cost in marketing of black tea (ctc) 1 kg bag is Rs 50.5, the total market margin is Rs 66, the marketing efficiency of channel-II is Rs 3.15% and the prices spread in Channel-II is Rs. 99.5.

**Keyword:** Marketing Channels, Marketing Efficiency, Marketing Cost, Marketing Margin and Price spread

Black tea was sold at very high prices and primarily consumed by the aristocracy. It became a drink that indicated your wealth and status in society. Princess Catherine introduced black tea to the British palace, and it has become a staple in the life of British royalty ever since. In 1840, the concept of afternoon tea was introduced by Duchess Anna Telford. During this time, the prices of black tea became more affordable, and a cup of tea was soon consumed both in the morning and afternoon. The CTC process was invented in the 1930s by Sir William McKercher in Assam, India. The process spread in the 1950s throughout India and Africa and he left an indelible mark on the tea industry. The regions that manufacture CTC tea are Assam, Terai, Dooars and South India. Assam and Dooars produce top quality CTC teas, and there are a number of gardens which are sought after for their CTC teas. Black tea is a natural way to diminish cancerous cell growth. As mentioned above, black tea has many health-promoting flavonoids and theaflavins. Increased levels of flavonoids are often linked to a decreased risk of advanced cancer, specifically prostate and ovarian. A study published in 2016 showed how the theaflavin levels in black tea were able to help cisplatin, a cancer-fighting drug, work properly. Black tea is a great beverage to drink when you have a headache or upset stomach caused by digestive issues. The tannins in black tea can calm inflammation in the intestines, which can help with digestion, and caffeine levels can ease headaches and promote mental focus. Unlike coffee, which can sometimes make you too energetic from caffeine, tea can be a more balanced energizer. The almost calming effect of black tea can increase alertness while also lowering stress hormone (cortisol) levels.

### RESEARCH METHODOLOGY

There are 23 District and 5 divisions in West Bengal state. Out of these Jalpaiguri district of West Bengal was selected purposively for the present study on the basis of maximum area under Black Tea (CTC) cultivation.

There are 9 blocks in Jalpaiguri district, out of which 1 block name Malbazar block was purposively selected for the study on the basis of maximum area of tea cultivation. The climate and condition of the block is suitable for the black tea cultivation. The farmers of this block have been practicing black tea for several years. Selection of the village is the third stage of the sampling. A complete list of the village was obtained from the Block Development Office (BDO) of the concerned block. Five percent villages was selected randomly out of total villages in Malbazar block. From the selected village list of all the people practicing s cultivation was obtained from the village development office in each selected village. 10% farmers were randomly selected from each village and then farmers were classified into three groups. The selected farmers were reclassified into three sizes of groups on the basis of land holding size.

### Analytical Tools

Marketing Cost

$$C = C_f + C_{m1} + C_{m2} + C_{m3} + \dots + C_{mn}$$

Marketing Margin

$$AMI = P_1 - (P_2 + C_m)$$

Marketing Efficiency

$$MME = \frac{FP}{MC + MM}$$

Price Spread

$$PS = MC + MM$$

Where,  $P_1$  = Price at one level or stage in the market.  
and  $P_2$  — Price at another level.

### RESULTS AND DISCUSSION

There were following two channels were analysed for the present study:

**Channel- I:** Producer/Processor - Wholesaler - Consumer      **Channel- II:** Producer/Processor- Wholesaler- Retailer-Consumer

Table- 1: Distribution of respondents based on their preference on marketing channel.

S. N.	Channel	Respondents Number	Respondents			
			Small	Medium	Large	Percentage (%)
1	CHANNEL- I	17	8	7	2	17.00
2	CHANNEL -II	83	46	22	15	83.00
<b>Total</b>		<b>100</b>	<b>54</b>	<b>29</b>	<b>17</b>	<b>100.00</b>

**Table- 2:** Marketing cost, Marketing Margin, Marketing efficiency and Price spread in marketing of black tea (ctc) through channel-I.

Channel- I: Producer/Processor→Wholesaler→Consumer

S. N.	Particulars	Rs. /Kg
1.	Selling Price of Producer	156
2.	<b>Cost incurred by producer</b>	
3.	a. Transportation cost	2.0
4.	b. Storage Cost	0.5
5.	<b>Subtotal</b>	2.5
6.	<b>Price Received by Producer</b>	153.5
7.	<b>Cost incurred by processing unit</b>	
8.	a. Fuel(firewood)	2.5
9.	b. Power (electricity)	2.3
10.	c. wages	3.0
11.	d. Factory overheads	4.0
12.	e. General overheads	3.0
13.	f. Packing	2.7
14.	g. Tax	1.5
15.	h. Transportation	3.0
16.	i. Miscellaneous Cost	1.0
17.	<b>Subtotal</b>	23
18.	Margin of Processing Unit	25
19.	<b>Cost incurred by wholesaler</b>	
20.	a. Transportation cost	6.0
21.	b. Storage Cost	4.0
22.	c. Miscellaneous Cost	7.0
23.	<b>Subtotal</b>	17
24.	Margin of Wholesaler	30
25.	Price to Consumers	250
<b>A.</b>	<b>Total marketing cost</b>	<b>42.5</b>
<b>B.</b>	<b>Total Marketing Margin</b>	<b>55.0</b>
<b>C.</b>	<b>Marketing Efficiency</b>	<b>2.56</b>
<b>D.</b>	<b>Price Spread</b>	<b>97.5</b>

Table- 1: Reveals that among 100 sample selected in Jalpaiguri district of West Bengal for marketing of black tea (ctc). It is found that majority of sample are purchasing black tea (ctc) from Channel-II which is 83 (83.00%) and 17 (17.00%) were purchasing black tea (ctc) from Channel -I. It is also stated in the table-1 that the preference of marketing of small groups respondents was 46 which was higher than medium and large size groups.

Table- 2: Reveals the marketing price of the black tea (ctc) channel -I, supplied by the producer was Rs. 156 and the price received by producer of black tea (ctc) is Rs. 153.5. Meanwhile, the marketing cost and

processing unit incurred by the black tea (ctc) producer in marketing is Rs. 23, the consumer purchased Black tea (ctc) 1 kg bag from the Wholesaler as Rs. 250. With Rs. 30 as profit by wholesaler for 1kg bag of Black tea (ctc). Eventually, the total marketing cost over 1 kg bag of black tea (ctc) in channel 1 is Rs 42.5 and total market margin in marketing of 1 kg bag of black tea (ctc) through channel 1 is Rs. 55.0, marketing efficiency of channel -I is 2.56% and price spread while marketing of 1 kg bag of Black tea (ctc) through channel 1 is 97.5.

Table -3: stated that the reveals the marketing price of the Black tea (ctc) channel -II , supplied by the producer was Rs. 789 and the net price received by

producer of black tea (ctc) is Rs. 666. Meanwhile, the marketing cost and processing fee incurred by the black tea (ctc) producer in marketing is Rs.123, Rs.315.60 as profit per 1 kg bag of Black tea (ctc). Sale price of black tea (ctc) 1 kg bag from wholesaler to retailer is Rs 874.80, the marketing cost incurred by wholesaler in marketing of 1 kg bag of black tea (ctc) is Rs 21, with profit margin of Rs 64.80 per 1 kg

bag of black tea (ctc). Sale price of 1 kg bag of black tea (ctc) from retailer to consumer is Rs 936.03. the profit margin of retailer is Rs 61.23. Eventually the total marketing cost in marketing of black tea (ctc) 1 kg bag through channel II is Rs 144, the total market margin of black tea (ctc) 1 kg bag through channel II is Rs 441.63, the marketing efficiency seen in channel 2 is Rs 1.13% and the price spread is 270.03.

**Table -3:** Marketing cost, Marketing Margin, Marketing efficiency and Price spread in marketing of black tea (ctc) through channel-II.

**CHANNEL- II: Producer/Processor→Wholesaler→Retailer→Consumer**

S. N.	Particulars	Rs. /Kg
1.	<b>Cost incurred by producer</b>	
2.	Selling Price of Producer	156
3.	a. Transportation cost	2.0
4.	b. Storage Cost	0.5
5.	<b>Subtotal</b>	2.5
6.	<b>Price Received by Producer</b>	153.5
7.	<b>Cost incurred by processing unit</b>	
8.	a. Fuel (firewood)	2.5
9.	b. Power (electricity)	2.3
10.	c. Wages	3.0
11.	d. Factory overheads	4.0
12.	e. General overheads	3.0
13.	f. Packing	2.7
14.	g. Tax	1.5
15.	h. Transportation	3.0
16.	i. Miscellaneous Cost	1.0
17.	<b>Subtotal</b>	23.0
18.	<b>Margin of Processing Unit</b>	25.0
19.	<b>Cost incurred by wholesaler</b>	
20.	a. Transportation cost	6.0
21.	b. Storage Cost	4.0
22.	c. Miscellaneous Cost	7.0
23.	<b>Subtotal</b>	17.0
24.	<b>Margin of Wholesaler</b>	30.0
25.	<b>Cost incurred by retailer</b>	
26.	a. Transportation cost	3.0
27.	b. Storage Cost	2.0
28.	c. Miscellaneous Cost	3.0
29.	<b>Subtotal</b>	8.0
30.	<b>Margin of Retailer</b>	11.0
31.	<b>Price to Consumers</b>	253.0
	<b>Total marketing cost</b>	50.5
	<b>Total Marketing Margin</b>	66.0
	<b>Marketing Efficiency</b>	3.15
	<b>Price Spread</b>	99.5

Table- 4: Comparison between Marketing cost, Marketing margin, Marketing efficiency and Price spread in channel I and channel II in marketing of 1 kg bag of Black tea (ctc).

S. No.	Particulars	Value in Rupees / 1 kg bag of Black Tea (CTC)	Value in Rupees / 1 kg bag of Black Tea (CTC)
		Channel I	Channel II
1	Price received by the producer	153.5	153.5
2	Consumer paid price	250	253
3	Total marketing cost	42.5	50.5
4	Total marketing margin	55	66
5.	Marketing Efficiency	2.56%	3.15%
5	Price spread	97.5	99.5

The Table 4 reveals that comparison of marketing cost, marketing margin, marketing efficiency and price spread in marketing of 1 kg bag of black tea (ctc) in channel I and channel-II. In channel I the price received by the producer is Rs. 153.5, consumer paid price for 1 kg bag of black tea (ctc) is Rs 250, the total marketing cost incurred in channel I is Rs 42.5, the total marketing margin in channel I is Rs 55.0, marketing efficiency of channel -I is 2.56% and price spread in channel I is Rs 97.5 and in channel II price received the producer is Rs. 153.5, the consumer paid price for 1 kg bag of black tea (ctc) is Rs. 253, the total marketing cost incurred in channel II is Rs 50.5, the total marketing margin in channel II is Rs 66, marketing efficiency of channel-II is 3.15% and price spread in channel-II is Rs 99.5.

### CONCLUSIONS

In the study it was found that there are two marketing channel which were involved in marketing of black tea (ctc) in Jalpaiguri district of West Bengal is channel-I (Producer/Processor-Wholesaler-Consumer) and channel-II (Producer/Processor-Wholesaler-Retailer-Consumer). With 83 responses, channel II is the most widely used marketing channel for black tea (ctc) in the Jalpaiguri district. In Channel-I, the total marketing cost over 1 kg bag of black tea (ctc) in channel I is Rs 42.5 and total market margin in marketing of 1 kg bag of black tea (ctc) through channel-I is Rs. 55, marketing efficiency of channel -I is 2.56% and price spread while marketing of 1 kg bag of Black tea (ctc) through channel-I is 97.5 and in Channel-II the total marketing cost in marketing of black tea (ctc) 1 kg bag is Rs 50.5, the total market margin is Rs 66, the marketing efficiency of channel-II is Rs 3.15% and the prices spread in Channel-II is Rs. 99.5.

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