



**THIRST**

**BRIEFING:  
INITIAL IMPACT  
OF COVID19 ON  
TEA WORKERS**

April 2020

# THE INITIAL IMPACT OF COVID19 ON TEA WORKERS IN INDIA AND BEYOND...

## SUMMARY

Tea estates tend to be in remote, rural areas and as such, there have been few reports of infections in those areas to date. However, measures to combat the pandemic is having serious social and economic impacts on tea companies and their workers. Concerns facing the tea industry currently and potentially in the aftermath of the pandemic include:

- Loss of valuable crops – and wages – due to lockdown
- Inability to process tea due to factory closures
- Inability to sell tea due to closure of auction houses and reduced demand
- Inability to transport tea due to road, rail, air and sea restrictions, and ports closures
- Screening of returning migrant workers potentially carrying the virus
- How to manage the virus if it enters tea estates – insufficient access to clean water and healthcare facilities and overcrowded housing.
- Long-term economic impacts of current financial hit

## LOSS OF VALUABLE CROPS DUE TO LOCKDOWN

India's national lockdown began on March 25<sup>th</sup> and has recently been extended to May 3. Essential food production was allowed to continue, but tea was initially not included in this category. The tea industry lobbied against this; it was already suffering economic stress due to rising production costs and stagnant prices, and the lockdown has prevented the harvesting of the 'first flush' crop – the most valuable of the year. Each week of lockdown has a knock-on effect on the crop as young, tender leaves grow too big to pluck and have to be pruned in readiness for the next 'flush'. One West Bengal plantation owner complained that the prevention of work on the estates made no sense as workers and their families were still going to market etc.<sup>1</sup>

On April 3, the central government issued an order exempting the tea industry "with maximum of 50% workers" from the lockdown, although the final decision to open tea estates rested with the relevant district authorities. In some cases, the agreement of worker and their trade union representatives is required before work can resume. Factory closures and/or restrictions on numbers of workers on site have also hampered processing.

Although work on tea estates in Assam and West Bengal have now been allowed to resume, it is with restricted

workforce (25% in W Bengal and 50% in Assam) and other necessary health and safety measures which will inevitably slow down the work.

## LOSS OF WORKER PAY DURING LOCKDOWN

Tea workers' pay relies on attendance and, in the case of pluckers, the weight of tea plucked. The Indian government has mandated that permanent workers should be paid regardless, but no such protection is available for the thousands of temporary workers that help make up the workforce. Under lockdown, cash-strapped plantation owners are struggling to pay the wages, but some examples of good practice include a tea company who has sanitised cash before delivering it directly to workers' houses and another that has been providing food for destitute temporary workers.

Looking forward, the severe impact on tea company profits is also likely hit the annual bonus upon which many workers rely to repay debts incurred for expenses such as their children's education throughout the year.

## FEARS FOR WORKER HEALTH

Trade unions, NGOs and even some plantation owners have spoken out against reopening estates due to the risk to the health of workers. However, on April 12<sup>th</sup> the Assam and West Bengal state governments gave permission to resume work on tea estates under condition of precautions to protect workers from infection.<sup>2</sup> In West Bengal, some trade unions are filing police complaints for violations of infection prevention precautions on tea estates<sup>3</sup>. NGOs are raising concerns about plantation management not allowing workers to attend government health briefings during working hours.

Further fears were generated by the mass return of migrant and internal migrant workers from other parts of India where their employment was ended with no notice. Daily wage workers without any form of contract had no choice but to return home – in some cases home was tea estates – despite severely limited public transport. Tea estates have long maintained strict entry restrictions, so are well placed to manage the health checking of returning residents and quarantining those with symptoms.

However, if the virus does enter the tea estates, the lack of access to clean water and healthcare and the overcrowded housing on many estates will create challenges to restricting the spread of the infection. The Assam government has stated its intention to take over the healthcare facilities on tea estates.<sup>4</sup>

Accountability Counsel's Anirudha Nagar, explains<sup>5</sup> how health, pay and sanitation shortcomings make tea workers more vulnerable to coronavirus and urges the World Bank to honour its commitment to protect the workers on the Assam tea estates it has funded; "Grassroots groups active in organizing workers, suggest that funding is needed to:

- Pay workers full wages during the lockdown period;
- Provide a continuous supply of clean water and toilet facilities to each household so workers can maintain personal hygiene;
- Equip plantation hospitals to test and treat COVID-19 cases by procuring testing kits, medication, ventilators, and necessary personal protective equipment; and
- Conduct awareness-raising initiatives to help workers understand the symptoms of COVID-19 and the necessary precautions.

## CHANGES IN DEMAND FOR TEA

"Tea was one of the products that shoppers rushed to buy before the lockdown. In the week to March 21, tea sales

in the UK rose 55 per cent from the same time last year, according to Nielsen, the consumer data group.”<sup>6</sup>  
 But on the other hand, demand for tea from Gulf countries, Iran, Iraq and Russia - the main markets of the tea produce from South India - has plummeted and unsold tea stocks were reported to be piling up in Kochi harbour at the end of March.<sup>7</sup>

## LONG-TERM ECONOMIC IMPACTS

The Indian tea industry has long been facing a challenging economic situation, with production costs rising and leaf prices remaining stagnant. There are fears that the economic impacts of the pandemic could push it over the edge. Around a million people rely on the Indian tea industry for their livelihoods. Estate closures in W Bengal have shown the devastating impact that this can have on workers who have for generations been entirely dependent on the plantations, and have very few if any alternative skills or sources of income. The FT reports Nazrana Ahmed, a tea planter in Assam saying; “If it was not coming at the back of two successive terrible years, I think we would have been able to mitigate it, but now it's absolutely back-breaking.”  
**Some responses from tea companies/organisations**

**Tata** Trusts has announced a set of actions and committed Rs 500 Crores towards tackling the situation and Tata Sons announced an additional Rs 1000 Crores support towards Covid-19 and related activities. [However, it is unclear how much of this (if any) is targeted at its tea plantations/suppliers.]<sup>8</sup>

**Hindustan Unilever** is partnering with UNICEF to support India's fight against COVID-19 through a mass communication campaign to inform and empower the general public against the COVID-19 pandemic. The campaign brings together the marketing expertise and scale of HUL and the technical knowledge of UNICEF to create engaging communication tools that can help people change behaviours and stay safe during the pandemic, the company said in a release here. HUL had recently committed Rs 100 crore in donations to help India fight the coronavirus crisis.<sup>9</sup>

The **All Assam Small Tea Growers Association** have contributed Rs. 10 Crores from their Corpus Fund to Assam Govt for construction of a 300-bed hospital in the fight against COVID.<sup>10</sup>

## OTHER TEA GROWING AREAS

“**Kenya** this week entered its own 21-day partial lockdown, which includes the port city Mombasa, a large tea shipping hub. Curfews in **Sri Lanka** temporarily stopped production though it has since restarted. Trade has also been disrupted in **China**, the world’s largest tea producer.”<sup>11</sup>

The Mombasa tea auction, which channels much of East Africa’s tea trade, has been suspended. “The region’s tea sector stands to lose more than \$250 million weekly occasioned by the suspension of the weekly Mombasa tea auction... ‘More than 95 per cent of tea traded in Mombasa tea auction is for export and it will affect not only Kenyan tea traders, but also other traders in **Uganda, Rwanda, Tanzania, Malawi, Ethiopia** and the **DR Congo**,’ said Shaahid Gulamhusein, a tea dealer.”<sup>12</sup>

*Sabita Banerji, THIRST. 15 April 2020*

THIRST is The International Roundtable for Sustainable Tea

[www.THIRST.international](http://www.THIRST.international)



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