

Alternative Worker Deployment Models for Corporate Sector Tea Plantations

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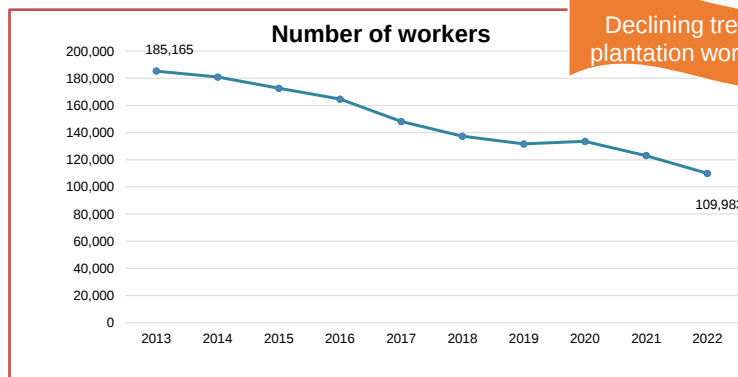


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Worker Scarcity - Plantation Sector in SL



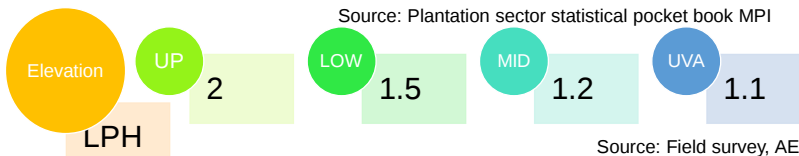
Extended
plucking
rounds

Low
involvement in
development
activities

Abandoned
pluckable tea
lands

Abandoned
tea nurseries

Source: Plantation sector statistical pocket book MPI

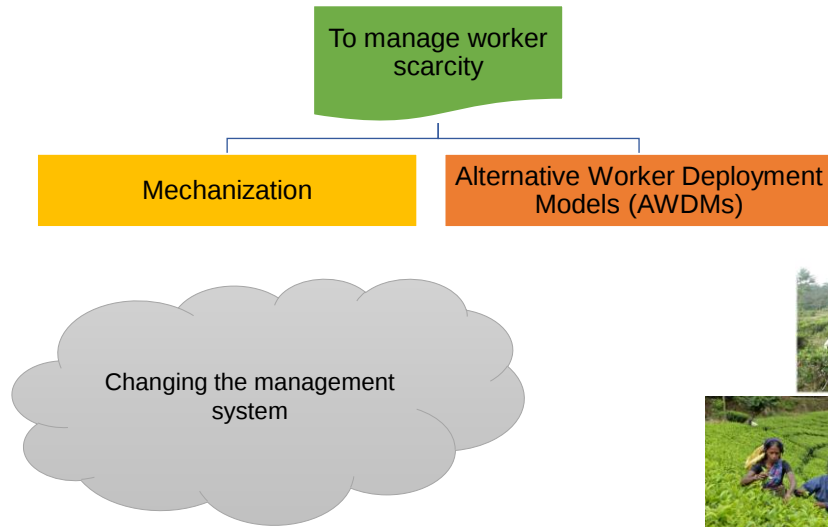


Decrease land productivity



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Managing Worker Scarcity



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Changing the Management System

Traditional estate practice

- Task based
- Different gangs are trained to a certain task
- Working hours are limited or task-oriented
- Totally dependent from the monthly estate income

Implementation of an AWDM should be a well-planned gradual process

Alternative worker deployment

- Take over the responsibility of managing allocated plot of tea land.
- Develop their skills in managing & carrying out different field activities.
- Decision-making for planning work arrangements



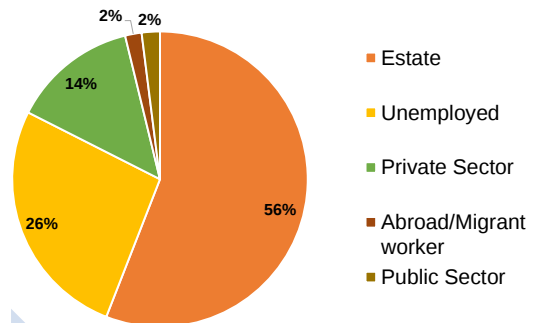
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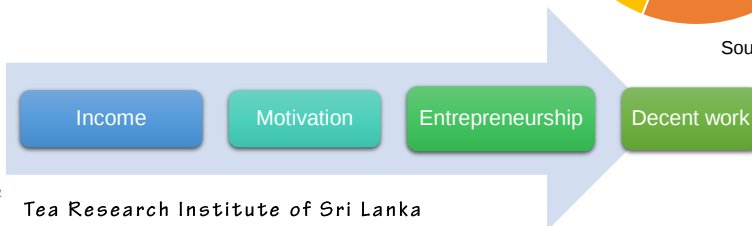
AWDMs Focus Should Be

- Improve worker out turn
- Increase working time
- Manage COP
- Reduce underemployment
- Increase worker availability

Employment pattern of estate community



Source: Field survey, AED



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Studies Conducted on AWDMs (Since 2011)

1 –Pilot study- Contract farming system in Selagama estate, Matale district

- Compare socio-economic status & livelihood security of contract growers & normal estate workers

2 – Pilot study- Contract farming system in Pettigala estate, Balangoda

- Identify economical & manageable block size for a worker family

3 – Pilot study- Out grower system in St. Coombs estate, Talawakelle

- Identify impacts of introducing out grower system to estate & estate community

2011- 2017

4-Island wide survey in all large-scale tea estates

- Explore adopted range of AWDMs

5. Detailed survey in selected tea estates (30) which practices different types of AWDMs

- Investigate the social & economic impacts of AWDMs in large-scale tea plantations

2019- 2023



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AWDMs in Practice

	Up	Mid	Low	Uva	Total
No. of estates	131	51	93	62	337
% Estates adopted AWDMS (as % of total estates)	73	71	44	56	61

Source: Field survey, AED

- Cash plucking, block plucking, contract farming & out grower system are the AWDMS currently practiced by tea estates
- Different modalities –spatial distribution, contract arrangements, extension services & quality requirements

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Characteristics of AWDMS

Cash Plucking

- Plucking is done by pensioners/casual workers
- Selected tea fields
- Seasonal

Block Plucking

- Block of land is allocated to a registered/casual worker
- Plucking only
- After working hours/Holidays

Contract Farming

- Manageable no. of tea bushes are allocated to estate workers/families
- Sign an agreement with estate management
- Supply green leaf to the estate
- Engage in agricultural practices except land development programs
- Non working days/After working hours
- Inputs should be provided by the estate

Out Grower

- A block of land is allocated to non- worker/families
- Sign an agreement with the estate management.
- Supply green leaf to the estate
- Act as small holders
- Inputs should be provided by the estate

Benefits & Obstacles of AWDMs

	To estate		To worker/ worker family	
	Benefits	Obstacles	Benefits	Obstacles
Cash plucking	- Increased working hours (early plucking) - Increased worker availability (Pensioners/casual workers)	- Seasonality should be manage properly - Supervisory time & cost increased	- Additional income for family - Only income Source for pensioners	
Block plucking	- Able to manage plucking rounds in all pluckable lands - Solution for worker scarcity & absenteeism	Supervisory time & cost increased	Additional income for the family	Increased workload



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Benefits & Obstacles of AWDMs

Cont.

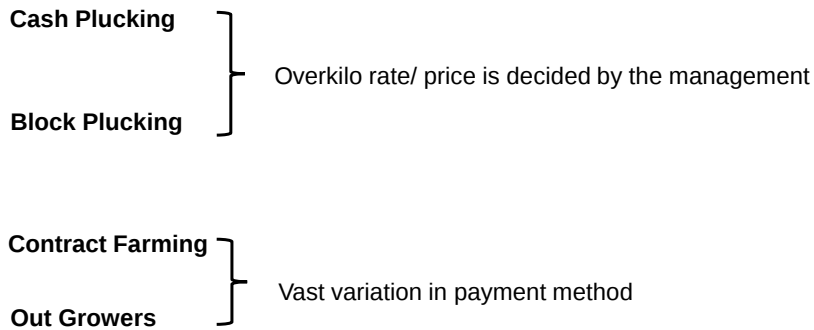
	To estate		To worker/worker family	
	Benefits	Obstacles	Benefits	Obstacles
Contract Farming	- Increased worker availability - Utilize holidays & extra time - Manage COP - Reduce worker mobilization & migration	- Increased supervisory time & cost - Managerial issues - Issues in contract agreements .	- Additional income - Opportunities for unemployed members. - Reduce male mobilization & migration	- Increased workload - Issues due to tea price fluctuations
Out -grower	- Able to address severe worker scarcity - Save cost	- Land ownership problems - Union objections	Income for pensioners and out siders	Risk due to tea price fluctuations



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Methods of Payment for GL



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Calculation of GL Rate (Contract farmers & Out growers)

E.g. Upcountry estate
COP= Rs 950/MTkg

Bought leaf rate

At Break-even NSA=COP

Growers' share (68%) for MT = $950 \times 68 / 100$
For green leaf = $(950 \times 68 / 100) / 4.65$
= Rs.138.9/GLkg

COP breakdown (Plucking & Field Operations)

	% from COP	BL rate of 138.9	
General Charges	18	On estate account	
Plucking	51	70.38	70.38
Weeding & other	16	22.08	92.46
Fertilizer	15	20.7	113.16

← Plucking only

← Plucking + Weeding

← Plucking+Weeding+Fertilizer



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Income for Different Yield Categories

If an estate pays Rs-113/GLkg for a contract farmer

Yield Category	Bush Count			
	500	1,000	2,500	5,000
Low	28,250	56,500	141,250	282,500
Medium	42,375	84,750	211,875	423,750
High	56,500	113,000	282,500	565,000

Contract farmers would be benefited with 2500 bushes (Additional income)

Assumption:

- Productivity of a bush -
- Low yield -500g/yr
 - Medium yield -750g/yr
 - High yield -1000g/yr

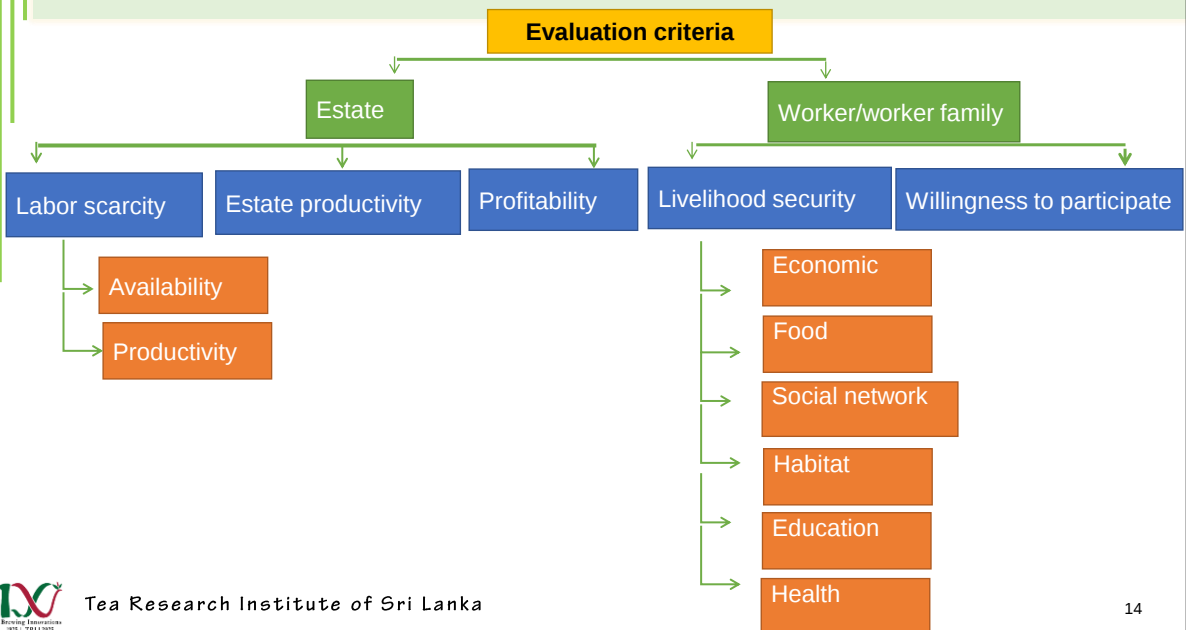
Out growers could be benefited with More than 5000 bushes



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Performance Evaluation of AWDMs

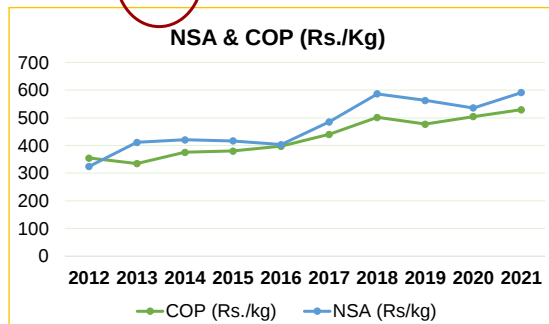
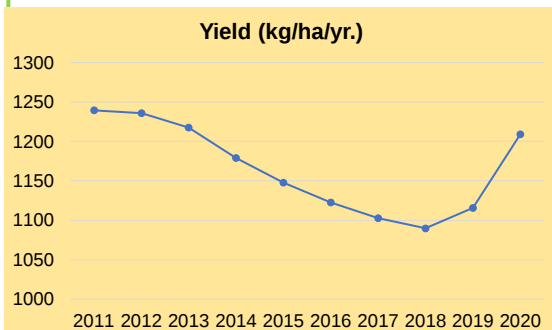


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Estate A- Contract Farming

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
LPH	1.66	1.62	1.42	1.51	1.68	1.44	1.23	1.3	1.34	1.22



Average income per worker (Rs./month)	
Division A	25,976
Division B	16,341
Division C	35,284

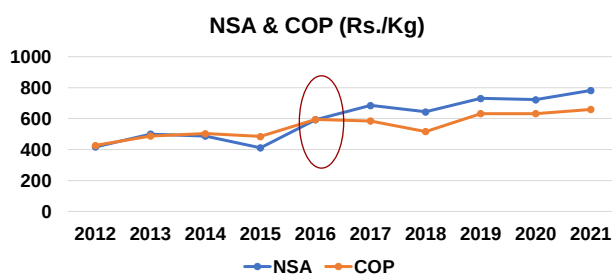
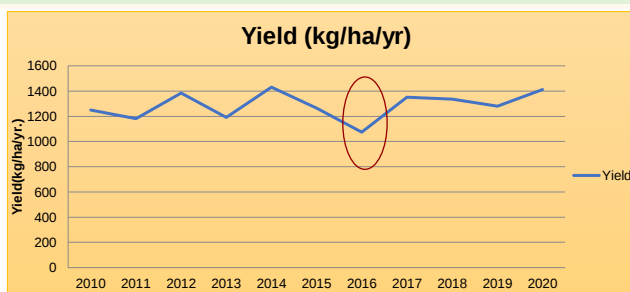


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Estate B – Outgrower Model

	LPH
2012	0.98
2013	1.02
2014	1.00
2015	0.92
2016	1.04
2017	0.99
2018	0.73
2019	0.78
2020	0.64
2021	0.54
2022	0.29



Increased plucking rounds

Worker outturn increased

Average income range:
Rs.35,000-90,000

Flexible working hours

Dignity as block managers

Reasons for Failures

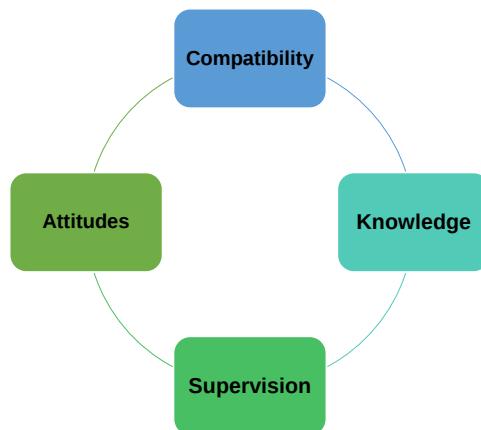
- Selected AWDM does not align with estate situation (Worker scarcity, family worker availability)
- Selected fields do not meet worker's expectations (Low yielding tea lands)
- Managerial policies (Price & agreement)
- Worker demotivation



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Success of a AWDM



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Summary

Compatibility

- ✓ Worker availability
- ✓ Worker conditions (Physical condition, age, family labour, etc.)
- ✓ Field conditions
- ✓ Financial aspects (company, worker)

Attitudes

- ✓ Estate management
- ✓ Field staff
- ✓ Worker/ worker family

Knowledge

- ✓ Workers: GAPs
Time & financial management
- ✓ Estate management: Different kinds of AWDMs & applicability

Supervision

- ✓ Field maintenance
- ✓ Leaf quality

Training

Knowledge sharing



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Acknowledgment

- CEOs of all RPCs
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Thank you



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