

MARKETING OF ARECANUT IN RATNAGIRI DISTRICT OF MAHARASHTRA

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Arecanut (*Areca catechu* Linn.) is one of the important commercial crops in India. People all over India use arecanut for chewing in tender, dried or processed form. It is also extensively used in the indigenous system of medicines both for human beings and animals. India is the largest arecanut producing country in the world. The major arecanut growing states in India are Karnataka, Kerala and Assam, which accounts for about 88.29 per cent of the total area under this crop and 85.89 per cent of production. It is also grown to a small extent in Meghalaya, West Bengal, Tamil Nadu and Maharashtra.

As regards export, India seemed to export between 100 and 350 tonnes of arecanut annually till 1972-73. With the establishment of Central Arecanut Marketing and Processing Co-operative Ltd., the exports increased to 513 tonnes in 1996-97. The exports have increased further in the later years, reaching to a level of 4401 tonnes during 2004-05.

In Maharashtra, arecanut is cultivated in the Konkan region mainly in Ratnagiri, Raigad and Sindhudurg districts. Total area under this crop in Maharashtra is 1900 hectares with total production of 7500 tonnes. Ratnagiri is the important district contributing about 900 hectares of area under this crop (47.37%). About 26.31 per cent of the total area is in Raigad and Sindhudurg district (i.e. 500 hectares in each

district). The productivity is highest in Ratnagiri district (2667 Kg/ha.) followed by Sindhudurg (2580 Kg/ha.) and Raigad (1932 Kg/ha).

It is said that the production is incomplete until the produce reaches the final consumers. The production is efficient not only on the basis of how best one produces, but also on the basis of how well one markets the resultant products. Thus, marketing occupies and forms an integral part of the successful production process.

A study was conducted in Ratnagiri district of the Konkan region. Out of nine tahsils of the district three tahsils viz., Dapoli, Guhagar and Mandangad were selected. Two villages from each tahsil having maximum area under arecanut were selected purposively. Fifteen arecanut growers from each village were selected randomly. Thus the sample comprised of 90 arecanut growers. On the basis of size, arecanut orchards were classified into small, medium and large size group.

It was observed from the analysis that average number of arecanut palms per hectare was ranging from 1885 in small size group to 1985 in large size group. The overall average number of palms per hectare was 1943. Average plants/ha in all size groups of orchards was higher than that recommended (1660 plants/ha) by Konkan Krishi Vidyapeeth, Dapoli. The percentage

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of bearing palms was 74.69 and that of non-bearing palms was 25.31. Number of non-bearing palms per hectare was decreasing from small size group. The average area under arecanut orchards varied from 0.29 hectare to 0.94 hectare. The overall average size of orchard was 0.60 hectare. All the sample cultivators were equally distributed into three groups (30 cultivators in each group).

i) MARKETING OF ARECANUT :

Per farm disposal of arecanut for various purposes such as home consumption, preparation of seedlings and sale of arecanuts is given in Table No.1. Per farm production of unhusked dried nuts was 299.79 kg in small orchard, 977.97 kg in medium and 1066.57 kg in large size orchard. Overall per farm production of arecanut was 781.44 kg.

The quantities of marketable surplus varied from 98.90 per cent in small orchards

cent and the quantity retained by the farmers for home consumption and preparation of seedlings was only 0.55 per cent. The quantity for home consumption in absolute terms was maximum in small size groups i.e. 3.40 kg. But the percentage of home consumption decreased as the size of orchard increased. In other words, it exhibited inverse relation with the size of farm. The quantity of arecanut used for preparation of seedlings was maximum (1.63 kg) in medium size group followed by large and small size groups i.e 1.05kg and 0.21 kg respectively.

Sale of Arecanut through different agencies (per farm sale of arecanut through different agencies) is given in Table 2.

It is observed from the table that, arecanut growers sold their marketable surplus through two agencies i.e. direct sale to commission agent cum wholesaler and sale through village merchant (husked and

Table 1 : Per farm production and disposal of unhusked dried arecanut :

Sl. No.	Particulars	Small	Medium	Large	Overall
1.	Per farm average production	299.79	977.97	1066.57	781.44
	Per farm disposal				
i.	Home consumption	3.10 (1.03)	3.40 (0.34)	3.50 (0.33)	3.33 (0.43)
ii.	Preparation of seedlings	0.21 (0.07)	1.63 (0.17)	1.05 (0.10)	0.96 (0.12)
iii.	Sale of Arecanut	296.48 (98.90)	972.94 (99.49)	1062.02 (99.57)	777.15 (99.45)
	Total	299.79 (100.00)	977.97 (100.00)	1066.57 (100.00)	781.44 (100.00)

(Figures in parentheses indicate the percentage to total)

to 99.57 per cent in large size orchards. Overall marketable surplus was 99.45 per

unhusked nut separately). Further, it was observed that there is regional speciality in

Table 2 : Channel wise marketing of arecanut

Sl.	Name of Operation	Small		Medium		Large		Overall	
		No.	Qty.	No.	Qty.	No.	Qty.	No.	Qty.
I.	Producer-Commission agent cum wholesaler - retailer - Consumer	1	840.39	10	8403.89	7	5882.72	18	15127 (20.00) (16.82)
II.	(Husked nuts)								
a.	Producer - Village merchant - Commission agent cum wholesaler - Retailer - Consumer	6	5838.83	18	17516.48	5	4865.69	29	28221 (32.22) (31.37)
b.	(Unhusked nuts) Producer - Village merchant - Commission agent cum wholesaler - Retailer - Consumer	23	24929.32	2	2167.77	18	19509.91	43	46607 (47.78) (51.81)
Total		30	31608.54	30	28088.14	30	30258.32	90	89955 (100.00) (100.00)

(Figures in parentheses indicate the percentage to total)

sale of arecanut. Maximum cultivators from Dapoli and Mandangad tahsil sold their arecanut in unhusked and dried form. Guhagar and Vada villages sold their produce directly to commission agent cum wholesaler in graded form. Remaining 40 per cent (Palghar, Velneshwar villages) sold their husked and dried nuts to village merchants.

The maximum quantity was sold by the producers through village merchants who purchased husked nuts (31.37%) and lastly direct sale to commission agent cum wholesaler (16.82 per cent). Out of 90 cultivators, 43 (47.78 per cent) cultivators sold their produce through village merchant (unhusked nut) followed by village merchant (husked nut), 29 (32.22 per cent) cultivators sold their arecanut through this agency and 18 (20.00 per cent) cultivators directly to commission agent cum wholesaler.

ii) MARKETING CHANNELS OF ARECANUT

It was observed that the commodity passed through two different channels of trade namely :

- I. Producer - Commission agent cum wholesaler - Retailer - Consumer.
- IIa. Producer - Village merchant (husked nut) - Commission agent cum wholesaler - Retailer - Consumer
- IIb. Producer - Village merchant (unhusked nut) - Commission agent cum wholesaler - Retailer - Consumer.

Direct sale to Commission agent cum wholesaler :

This channel offers an opportunity to the cultivators to retain for themselves the share of village merchant. In this channel producer took great care while grading and thereafter sold to commission agent cum wholesaler at distant markets like Mumbai. Cultivator carried out the operation like dehusking, grading and transportation to sell their produce in distant market.

Sale through village merchant (husked nut) :

Cultivators sold their nuts through village merchants who purchased the dried and husked nuts. The village merchants have collected the nuts directly from the farmers and incurred the cost of assembling and transport. The functions like grading, packing and transportation were performed by the village merchants and finally sold whole quantity through commission agent cum wholesaler at Mumbai.

Sale through village merchant (unhusked nut) :

This is the most common channel for the sale of arecanut in Dapoli and

Mandangad tahsils. The village merchant purchased dried and unhusked nuts from the cultivators and bears the cost of assembling and transportation and finally sold whole quantity through commission agent cum wholesaler at Mumbai.

iii. CONSTRAINTS IN MARKETING OF ARECANUT

The frequency distribution of arecanut sample growers regarding constraints faced by them in marketing of arecanut is given in Table 3.

In marketing major constraints reported were payment recovery from commission agent cum wholesaler (20.00%)

Table 3: Frequency distribution of arecanut growers regarding constraints in marketing of arecanut :

S. No.	Constraints	Small (n=30)	Medium (n=30)	Large (n=30)	Total (n=30)
A. Production					
1.	Non availability of credit from commercial banks	7	8	11	26 (28.89)
2.	Non availability of skilled labours in time	4	6	7	17 (18.89)
3.	Non availability of improved variety seedlings	2	8	6	16 (17.78)
4.	Low quality of nuts	7	10	3	20 (22.22)
5.	Non availability of agro-chemicals in villages	12	9	8	29 (32.22)
6.	Water scarcity during summer season	10	6	14	30 (33.33)
7.	Any other				
	i. Disease occurrence	0	6	4	10 (11.11)
	ii. Fruit cracking	2	6	5	13 (14.44)
	iii. Pinkish tinge to nuts	4	3	5	12 (13.33)
B. Marketing					
1.	Monopoly of village merchants	6	3	2	11 (12.22)
2.	Payment recovery took long period	5	6	7	18 (20.00)

(Figures in parentheses indicate the percentage to total)

and monopoly of village merchants in purchase of the produce (12.22%). In Mumbai market, arecanut arrived with a specified code (Mharka), which denotes either specified region or person. If a new individual enters in the market, he has to struggle for long time to obtain his payment from commission agent cum wholesaler. As the credit is not available from commercial banks for cultivation of arecanut, the only source of finance is village merchants. The producer who took finance from village merchant on very low interest or without interest has to sell his produce at low prices. Sometimes village merchants play a monopoly regarding purchase of produce and purchase a commodity at fixed range of price and in the fixed regions.

Suggestions

Arecanut is an important cash crop in the Konkan region. It is observed from the study that the sale of arecanut is done through the various intermediaries like village merchants, wholesalers, commission

agents and retailers. Due to large number of intermediaries; producers do not get proper value for their produce. Hence, it is suggested that the arecanut growers for their own benefits should form co-operative marketing societies.

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Continued from page No: 143

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