

A Study of Marketing of Arecanut in Jalpaiguri District of West Bengal

R. K. Singh* and M. M. Bhalerao**

Abstract

The study indicated that marketed surplus in arecanut accounted for about 96 per cent of the total production. It exhibited negative relation with the size of farm. Further, the arecanut producers received only 61 per cent of the price paid by the consumers while the price spread was 39 per cent of the consumers price. Items included in the price spread were commission, octroi, market fee, weighing and handling charges, storage charges, processing charges, transport charges, village traders' margin, wholesaler's margin and retailer's margin.

Introduction

India is the largest producer of arecanut in the world, with 1.83 lakh hectares of area and employing about 4 million persons in its production, processing and marketing. Until recently, India used to import large quantities of arecanut, such imports amounting to Rs. 26 crores during the period 1951-'60. However, India became self-sufficient in arecanut during the 70s. Marketing of arecanut in India suffers from a number of imperfections. It is, therefore, necessary to conduct micro-studies in various aspects of marketing of arecanut in India. The present study is an attempt in this direction.

Main objectives of the study are to analyse the pattern of disposal and marketed surplus of arecanut and to find out the price spread in arecanut for the sample

farmers. The details about the sample farmers and the period of study are given in the paper "Profitability of arecanut cultivation in Jalpaiguri areas" by the authors.

Results and Analysis

Disposal of arecanut

The study reveals that marketed surplus accounted for about 95 per cent of the total production of arecanut in the sample holdings and it exhibited positive relation with the size of farm. Around 52 per cent of the produce was sold in the village and this percentage declined with the increase in the farm size. Nearly 43 per cent of the produce was sold in the market, this percentage registering increase with the size of farm (Table 1).

Price spread for arecanut

Price spread (Table 2) refers to the difference between the price received by the producer and that paid by the consumer. It includes the cost of transport, storage,

* CPCRI Research Centre, Mohitnagar, West Bengal

** Institute of Agricultural Sciences, Banaras Hindu University, Varanasi

Table 1. Consumption and disposal of arecanut by sample farmers (Quintals per farm)

Sl. No.	Particulars	Size group			All farms
		Small	Medium	Large	
1.	H	0.34 (8.02)	0.43 (6.39)	0.37 (3.23)	0.35 (4.13)
2.	V	2.70 (63.68)	3.85 (57.21)	6.30 (54.92)	4.49 (52.95)
3.	M	1.20 (28.30)	2.45 (36.40)	4.80 (41.85)	3.64 (42.93)
4.	TP	4.24 (100.0)	6.73 (100.0)	11.47 (100)	8.48 (100.0)

H= Home Consumption

V= Sold in Village

M= Sold in Market

TP= Total Production

(Figures in parentheses indicate percentage to total production)

Table 2. Price spread in arecanut

Sl. No.	Particulars	Rs./quintal	Percentage
1.	Producer's price	800.00	61.07
2.	Commission	19.50	1.49
3.	Octroi	3.25	0.25
4.	Market fee	19.75	1.50
5.	Weighing and handling charges	6.50	0.50
6.	Storage charges	18.00	1.37
7.	Processing charges	65.00	4.96
8.	Transport charges	36.00	2.75
9.	Village trader's margin	115.00	8.78
10.	Wholesaler's margin	105.00	8.02
11.	Retailer's margin	122.00	9.31
12.	Consumer's price	1310.00	100.00

processing, handling and weighing commission, octroi, market fee, margins of the village trader, wholesaler and retailer. The arecanut producers in the area under this study received only 61 per cent of the price paid by the consumers, while the remaining 39 per cent of the consumers' price was spread over the marketing charges, commission and the related costs.

Conclusion

The above analysis reveals that the producer's share in the consumer's rupee for arecanut is quite low and there is considerable scope for increasing this share in favour of the areca growers. For this, cooperativisation of storage, transport, processing and marketing of arecanut needs to be done progressively as found in Karnataka and Kerala.