

MARKETING OF ARECANUT – NEED FOR A PLANNED STRATEGY

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Arecanut or Betel nut, described as Tamboola in Vedic literature, has several medicinal properties. It is cultivated on a large scale in India. The other producers include China, Indonesia, Mynamar, Thailand, Malaysia, Bangladesh and Srilanka. According to FAO estimation, the total area under this crop in the world is 5,59,846 hectares and the production is 6,68,680 tonnes. Of this India's share in production is around 50 percent and that of China around 25 percent followed by Mynamar, Bangladesh and Indonesia respectively¹.

Marketing of Arecanut

The chali and the red are the two main varieties of arecanut consumed by the people mostly as a habit. Chali or the white supari is used mainly in the pan or beedas and the red variety is used both in the preparation of pan and value added products like pan masala, ghutka, sweet supari etc.,

From production to consumption level both private traders and the co-operatives play an important role in India. Here, the share of the cooperative is around 15 per cent and remaining is under the control of the private traders. Among the cooperatives The CAMPCO, a nodal agency has its own purchasing and sales centres throughout the country.

Price Behaviour

The price of arecanut varies from market to market according to the variety offered for sale and time of sale. The wholesale price of chali during the 1950's was Rs. 2,600 per tonne, which went upto Rs. 6,600 per tonne in 1970. However, it went down from 1971 onwards and reached to Rs. 4,500 per tonne in 1973.

The CAMPCO was started in 1973 to stabilise the price. Since then the price of arecanut started picking up and reached the peak of Rs. 160,000 per tonne by 1999-2000. However, from then onwards it declined sharply and at present it ranges in between Rs. 50,000 to Rs. 62,000 per tonne.

Reasons for the fluctuations

Several reasons were pointed out by the traders as well as cooperatives for this ups and downs such as surplus production, declining pattern of consumption, impact of W.T.O. and frequent change in the policy of government on ghutka. However, as per the Market Survey conducted by the AIAGA in Jan. 2001², this fluctuation is mainly because of trade manipulations.

It is observed that, since 1970, the fluctuations were there because of the prevalence of the Speculative Traders in the market and non-availability of correct information on supply pattern, demand conditions and about policy implications for both the producers and traders.

Suggestions to Improve the market

As arecanut is consumed by the people as a habit and the volume of its consumption has been increasing over these years, there is every scope to expect a bright future for this. However, so as to encash this there is the need for a planned strategy in this sector. In this regard the following suggestions will be useful.

These are:

- ❖ Need to strengthen the Cooperative Marketing Institutions.

- ❖ Coordination among the Areca Marketing Cooperatives in the need of hour.
- ❖ The cooperative agencies should train the farmers on aspects like grading.
- ❖ The farmers should have a strong organisation of their own and there should not be the involvement of political parties.
- ❖ There is an urgent need to establish a Research and Development centre on various aspects of areca, especially on marketing aspects.
- ❖ The cooperative should spent at least 10 percent of their turnover for market oriented studies.
- ❖ Immediate steps are needed for value addition of arecanut.
- ❖ There is the need to identify the alternative markets both domestically and externally. Future value addition should be on the basis of taste and preference, age-wise, sex-wise etc.,
- ❖ Need to popularise the medicinal values of arecanut through the medias.
- ❖ The Government should fix the minimum and maximum price on arecanut yearly and once in a year that too during the time of harvest it has to enter into the market under MIS.
- ❖ The Government can make arrangements for coordination among the production and consumption centres cooperatives to overcome the middlemen in marketing.

As arecanut is the main crop in Karnataka and Kerala and several lakhs of farmers, labourers and people are depending upon this for their livelihood over centuries, there is an urgent need to work out a planned strategy. This strategy should be a market oriented one and has to be implemented properly. As the planners and policy makers have been giving importance for production oriented technology over these years, now they have to look towards market oriented activities. Otherwise the whole areca sector may vanish within a short period. So it is the right time to prepare and adopt a planned market strategy for the welfare of this sector.

REFERENCE

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2. AIAGA: Report of the committee constituted by All India Areca Growers Association (R) 2001.
3. Varmudy Vigneshwara: Adike Marukatte Andu-Indu-Mundu – Varmudy Publications 2001.