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Market linkage of arecanut growers in Karnataka

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Abstract

Agriculture is different from other industries as it deals with products that possess demand and price inelasticity and plays a significant role in economic development of the nation. The present trends towards rapid expansion of horticultural crops will have positive implications for improving the food and economic security of the hill farmers. Hence, agricultural marketing has special role in handling high value horticulture products which will help in increasing farmer's income. The efficient marketing system reduces costs, and benefits all the sections of the society, the objective of all the stakeholders must be in knowledge so that problems emerging from the conflicting objectives must be reconciled. Therefore, behaviour of the stakeholders needs to be assessed to understand and transform framework under which arecanut products are marketed. The study on market linkage of arecanut growers was conducted in four major arecanut growing taluks of Chitradurga and Davanagere districts, viz., Holalkere, Chitradurga, Channagiri and Davanagere taluks purposively selected for the study by considering these taluks were highest arecanut growing areas during the year 2021-22. A total of 120 respondents were selected from twelve major arecanut growing villages. The data was collected with the help of a structured interview schedule and it was presented using the frequency, percentage, mean and standard deviation. The study leads to the conclusion that considerable percentage (55.00%) of the respondents had medium level of marketing behaviour of arecanut. While in contrast, 31.66 and 13.33 percent of the respondents had low and high level of market linkage.

Keywords: Market linkage, arecanut, produced, distributed, and cultivation

Introduction

Arecanut (*Areca catechu*) is called as betel nut, supari and adike. It is a palm tree species that belongs to the family Arecaceae. Even though India has the large number of native arecanut varieties in its soil, India is a traditional arecanut-growing country in the world. However, the cultivation of arecanut can be traced back to the Vedic periods. It is evident that arecanut was even used in ayurvedic and veterinary medicines.

India ranks first in arecanut production with a total production of 8.53 lakh tonnes, which accounts for 52.30 percent of world arecanut production. The area and production of arecanut in India has been increasing since, 1992 onwards. The area under arecanut has increased to 5.18 lakh hectares in 2019-20, which is almost 2.35 times the area prevailing in 1991-1992 (2.2 lakh hectares) (fifth report of special scheme on the cost of cultivation on arecanut in Karnataka).

Arecanut is not a native crop of India. It is generally believed to be native to Philippines or Malaysia where it is grown in many varieties. It is a tropical crop grows from West Indies to the East Coast of Africa, Bangladesh, China and Sri Lanka. The practice of chewing the arecanut is attributed to Vietnam and Malaysia. It was from Southeast Asia that the crop spread to India where it is cultivated as a cash crop. It is presumed that ancient Indian literature provide information on betelnut and its mastication. The Indian ayurveda texts also refer to the arecanut as a traditional medicine. Arecanut

is extensively used as a masticator in south and southeast Asian countries, chewed with or without betel leaves. However, in India it has a special ethno-religious importance. Marketing behaviour now has added dimensions as marketing is not limited to when, where and whom to sell; rather, it also encompasses decision relating to which variety to produce and how to prepare product for marketing.

Arecanut is a crop whose production is concentrated in a few states, but consumption spreads throughout the country. The produce collected in the producing centres is distributed to the other areas after processing. In India, arecanut is marketed in the form of unhusked whole fruit, de-husked and dried nut, and boiled whole kernel. About 20 percent of the total arecanut production in the country is consumed as ripe fruit, and the rest in whole nut and processed forms. Nearly about 1/3 of total arecanut production in India reaches the consumers as ripe fruit and the remaining in processed form. Processed arecanut is popular and has demand in the market, the markets offer good price for processed arecanut.

Market linkage is operationalized as the identification of the farmers produce and linking with commercial and institutional buyers. Connecting the farmers organizations and the buyers to the supply chain through the aggregation of service providers. Facilitate the development and negotiation of contracts with buyers.

Marketing of semi-ripe, fully ripe or fermented arecanut has gained considerable value in Assam, Kerala and West Bengal. In the important arecanut markets in Karnataka, the

commission agents conduct auction and arrange for the sale of produce. In Karnataka, there are 23 regulated markets for arecanut growing regions. There are more than 16 major cooperative societies handling arecanut in Karnataka. Under the research area three cooperatives are functioning viz., Tota Utpannagala Marata Sahakara Sangha Niyamitha (TUMCOS) with its headquarter at Channagiri and The Malnad Areca Marketing Co-operative Society Limited (MAMCOS) with its headquarter at Shivamogga and The Central Arecanut and Cocoa Marketing and Processing Co-operative Limited (CAMPCO) with headquarters at Mangalore.

Methodology

The study was conducted during the year 2021-22 in Chitradurga and Davanagere districts of Karnataka state, 120 arecanut growers who growing arecanut for last ten years were selected randomly. Chitradurga, Holalkere, Davanagere and Channagiri taluks were selected for the study as they had the highest arecanut production in the districts. From these taluks, four villages from each taluk with the highest area under arecanut cultivation were selected for the study. The data was collected by personal interview method with the help of interview schedule developed for this purpose. The study was based on Ex post facto research design. Market linkage was taken as dependent variable for the study. The secondary data and related information were collected from Horticulture department, various publications, journals, magazines relevant text books, internet sources etc. The collected data were scored, tabulated and analyzed by using suitable statistical tools like frequency, percentage, mean and standard deviation.

Results and Discussion

Market linkage of the arecanut growers

Distribution of respondents according to their overall market linkage of arecanut

It was observed from Table 1 that 55.00 percent of respondents had medium level of market linkage. Whereas, 31.66 percent had low level and 13.33 percent of the respondents had high level of market linkage.

Table 1: Distribution of respondents according to their overall market linkage of arecanut (n = 120)

Sl. No.	Category	Frequency	Percentage
1.	Low (< 8.13)	38	31.66
2.	Medium (8.13-9.17)	66	55.00
3.	High (> 9.17)	16	13.33
Total		120	100.00
Mean:8.66 SD:1.04			

The probable reason for the data may be that market linkage emphasise all activities viz., product development, processing, marketing and distribution. With respect to processing and marketing of arecanut, farmers might had fair knowledge about these activities.

Farmers' perspective about arecanut market linkage

Table 2 reveals farmers perspective about arecanut market linkage. Majority (93.33%) of respondents expressed about arecanut market linkage creates good platform among the farmers, market functionaries and stakeholders. With respect to agriculture commodities, the buyers play a major role in fixing the price.

Table 2: Farmers perspective about arecanut market linkage (n = 120)

Sl. No.	Statements	Frequency	Percentage
1.	Market linkage system traditionally create platform for arecanut growers and buyers	105	87.50
2.	Market linkage usually attempts cut the middlemen to create direct relation with producers	110	91.66
3.	Market linkage identify the arecanut growers and link with suitable buyers	103	85.83
4.	Market linkage connect farmers organizations and the buyers	108	90.00
5.	Market linkage educate farmers and create value through development of packing and branding	36	30.00
6.	It increases sales through Cooperatives and famer owned business (HOPCOMS, FPOs, SHGs, CGIs etc.,)	96	80.00
7.	It improves monitoring returns to arecanut growers	80	66.66
8.	Market linkage system improve relationship of small holders with industries	8	06.66
9.	Market linkage will control arecanut price fluctuation	7	05.83
10.	Market linkage intervention increase the arecanut sales	68	56.66
11.	Market linkage connects the Farmers Organizations and oversees buyers to supply chain	111	92.50
12.	Market linkage will increase arecanut sales, distribution and consumption by selling through appropriate channel	95	79.16
13.	It creates good platform among the farmers, market functionaries and stakeholders	112	93.33

Many times, farmers are face huge loss during selling of their produce, to overcome this problem, the farmers may felt that market linkage creates a good platform to minimise such problems. Further, 92.50 percent of the respondents inferred arecanut market linkage connects the farmers organizations and buyers to supply chain. The reason for this may be majority of farmers were big landholders who produce arecanut in large quantities. Further, they experienced about benefits of farmer organizations which helps them to do transparent marketing activities. Followed by 91.66 percent of respondents indicated market linkage usually attempts to

cut the middlemen to create direct relation with producers, Market linkage connect farmers organizations and the buyers (90.00%), market linkage system traditionally create platform for arecanut growers and buyers (87.50%), market linkage identify the arecanut growers and link with suitable buyers (85.83%), market linkage increases sales through cooperatives and farmer-owned businesses (80.00%) such as HOPCOMS, FPOs, SHGs and CGIs. Further, (79.16%) of the respondents inferred market linkage increase the arecanut sales, distribution and consumption by selling through appropriate channel, market linkage improves monitoring

returns to arecanut growers (66.66%), market linkage intervention increase the arecanut sales (56.66%), market linkage educate farmers and create value through development of packing and branding (30.00%), market

linkage system improve relationship of small holders with industries (6.66%), and (5.83%) of respondents inferred market linkage will control arecanut price fluctuation.

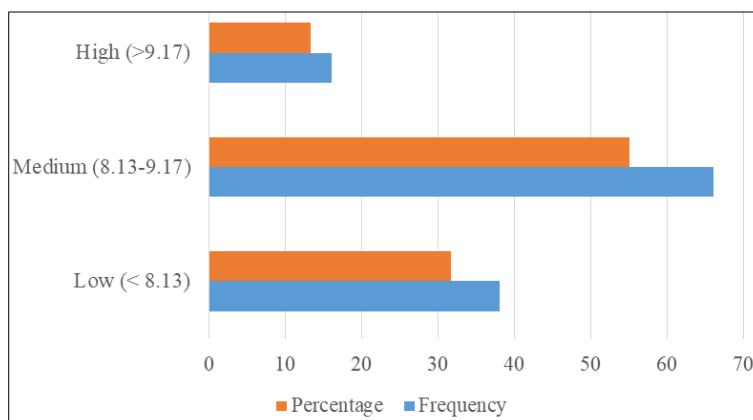


Fig 1: Distribution of the respondents according to their overall market linkage of arecanut

Conclusion

Since, the study shows that majority of the farmers had medium level of market linkage. Hence, need to improve good market linkage among arecanut growers, the appropriate awareness and training programmes need to conduct. Further study shows the limited control over arecanut price fluctuation by market linkage. So, there is need to improve the identification of the farmers producers and linking with commercial and institutional buyers and connecting the farmers organizations and the buyers to the supply chain through the aggregation of service providers.

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