CHAPTER VIII SUMMARY AND CONCLUSION

In an agrarian economy like India, agriculture occupied bedrock in the programme of economic and rural development. For rural Indians, agriculture is a way of life. The rate at which agricultural production expands, the pace of agricultural development is determined, while the growth in the marketable surplus determines the pace of economic development. The rapid economic development is a process by an increase in the gross national product and percapita income of the country, which makes it possible for the people to have a higher and rising standard of living and welfare. Its objective encompasses productivity of the natural base and market-oriented mechanism. Hence, the levels of sustained production are significant in determining the level of income of an individual economic unit or the economy as a whole.

Indian agriculture predominated with small and marginal farmers and may face varied challenges in the next millenium. The challenges to be faced in the agricultural sector of the country are more daunting to the National Agricultural Research (NAR’s), which has to be revitalised and integrated for the solution of location-specific problems of increasing and sustaining the productivity of the natural resource base. This would demand re-outlook of the present strategy followed by the NAR’s of the country.

Agricultural researchs organised traditionally along with disciplinary or commodity lines and without adequate involvement of social scientist lack the farming system perspective as they are mostly conducted in research stations under conditions that are not representative of farmer's field.

The role of economists in Farming System Research is well brought out by Kartar Singh in the following words: “Agricultural Economics as a discipline originated as a highly practical field of study at farm level. Costs and returns of farm enterprises, and farm plans and budgets were the major aspects studied by the early farm management economists. But overtime complexity become fashionable and many researchers and teachers began to talk about mathematical and econometric models than farm people, to substitute tools for insights and to look at computer printouts.
rather than observing farm producers, consumers and entrepreneurs. In a nutshell, teachers and researchers working in this field began to suffer from “lab coat syndrome”. But farmers and agricultural policy makers still have problems that need practicable solutions. Hence economists working in the field of agriculture should not hide in their offices and computer laboratories but should go out and visit rural areas and talk to rural people, observe their farms and their livestock. They should understand their problems, aspirations and constraints and give a patient listening to what they have to say. They should also study the process of policy making and the factors that affect them and identify the gaps in knowledge that they should fill in”.

Moreover, the earlier studies were mainly based on annual/seasonal crops and the methodologies used for performing the economic analysis in these studies cannot be used as such for perennial crops. For performing the economic analysis in case of perennial crops, their distinct features such as (i) long economic life span (ii) multiphase of growth and bearing (iii) continuous flow of costs and returns over a number of years with varying magnitude (iv) long gestation period between the investments in the initial years and pay-off in later years and (v) influence of present inputs on output, necessitates definite approach.

The level of agricultural production is significant in determining the level of income of farmers as a whole. But the production is complete only when the product is marketed at a price remunerative to the farmer. If the momentum of production transformation is to be sustained it could be made possible through streamlining the marketing system.

Marketing is an infrastructure facility that is capable of accelerating the economic development of a country through its effects on want creation, time, place, income generation and on employment. Marketing has a significant role in economic development of our country where resources are primarily agricultural. Increasing demand for money to purchase other goods leads to an increase in relative prices on the part of the farmers and specilisation in the cultivation of those crops on which brings
greater returns, subject to socio-cultural, ecological and economic constraints. It is the marketing system makes opportunity for the products by taking them to remote corners both within and outside the country. Hence, it transmits the crucial price signals, resulting in micro and macro view of the benefit of the country.

The marketing in rural areas, which may be called the rural marketing system of India, is basest with certain serious problems that make the system inefficient. The high cost of production incurred by the farmers in the course of marketing and high margin of profits intercepted by chain of process. Most of the investigations on the marketing of agro-commercial, cash and horticultural crops have revealed the facts of monopoly of the market functionaries on the trade, or accounts of which, the producers were forced to accept much less than what they really deserve. This has led to a considerable research in the area of marketing, in identifying the structure of costs incurred at different levels of production, processing, marketing and market efficiency in particular.

As production transformation takes place, the market-oriented agriculture assumes grater significance in our country. India continuous and dominates its position as a largest producer and consumer of arecanut in the world. Karnataka ranks first in respect of area, production and yield accounting for 39% of the total production of the country. It is a major crop of South Canara district, which speaks about economy and commerce of the district. Hence, the stepping up production and marketing would certainly overcome the various hurdles and there by accelerate the process of rural development in the district.

The present study was undertaken to overcome the limitations of the earlier studies. This study was attempted to understand the production pattern, cost of production, marketing structure and constraints faced by the farmers. The authorised studies relating to production and marketing aspects of arecanut in our country are very few. Similar studies in Karnataka are still negligible. The study undertaken on production and marketing of arecanut in South Canara district is one of the first sincere attempt beyond having any doubt. Therefore, a humble and noble enquiry on the problems and prospects of production and marketing in South Canara district is undertaken in the best interest of the Nation, Karnataka State, Agricultural Marketing, Areca Growers, Traders,
Marketing community, Consumers and Areca Industry in general, South Canara district in particular.

After having a study of the subject it is customary to call out the important conclusions that emerge from the study chapter by chapter. We would prefer to emphasise, however, that this chapter is not meant to replicate all the inferences and conclusions in each of the previous chapters. We would rather accept the course of final resume of the production pattern and system of marketing of arecanut in South Canara and other consumption centres.

Areca nut is one of the important conventional necessities of large mass of Indian population. India ranks first in both area and production of arecanut in the world. In India this crop mainly produced in small geographically concentrated areas of Karnataka, Kerala and Assam. Since arecanut is a plantation and ecological oriented crop, the performance in area and production and productivity among the state wise is widely uneven and volatile in nature. The dominance of Kerala and Assam in area and production of arecanut over the years has shown a declining trend due to failure of crop and diversification. It is only Karnataka state in the country, which emerged as a major belt of arecanut in terms of area and production. Among the various districts in the state of Karnataka, South Canara district traditionally dominant in the production of Chali type of arecanut, which is the lifeblood of people as well as district.

It has been observed that in South Canara district, the growers of all the taluks are extremely cultivating the arecanut crop and predominated with small and medium farmers. Areca nut is a durable and perennial, which requires more labour and capital for the production. The study has investigated that cost of production per hectare in the selected taluks like Puttur, Sullia and Bantwal were found to be dearer. The percentage increase of labour (including family members) over arecanut is exorbitant. In South Canara, where the preference for white-collar job is rather pervasive, labour supply is often below than the demand. In this crop, skilled labourers are required more for various operations. As labour has become both scarce and costly, a major proportion of family
members are engaged in their full time or part time agriculture. Under this condition, people of the study area would prefer off farm employment over farm employment.

Since arecanut crop of a long-gestation period, it involves greater expenses on establishment and operating cost like organic manures, chemicals, spraying, cow shed, irrigation, plant protection etc. This has found out that greatest grower in Sullia taluk. Further, the average yield, which was found to be lowest in the same taluk under the study area. Though average cost of production in all size groups in Puttur taluk is highest, the greatest average yield was maintained when compared to other taluks, over a period of 10 years. A comparative analysis of cost and return under arecanut garden in the farmer’s field was unfruitful because the technical feasibility and economic liability of cultivation were not followed systematically. In spite of this, it is gratifying to note that under the study area, small size farmers were incurred heavy loss of investment by securing lowest yield and return. Another major observation made by this study is that in most of the farms, the planting density of different component crops of inter crops were far below than their optimum level and hence, the realised returns from inter crops are negligible than their potential. However, the economic analysis of this pre-harvesting period of arecanut study confirmed that farmers in the district face and several constraints. The constraints faced by the farmers are- varied cost structure for cultivation, problems of non-availability of labour, inadequate inputs, pest problems, mystery disease, irrigation difficulties, lack of labour saving appliances, problems in maintaining yield appliances, problems in maintaining yield and level of production, inter crop, management and poor department guidance etc.

As arecanut is a location specified crop, its consumption is widespread in the entire country. And arecanut is purely a marketable surplus produce, which can be made available to the non-cultivating population of the country. The final consumption of arecanut takes place only after considerable process. In the view of these considerations, the role of marketing assumes greater significance.

In the marketing of arecanut, the Chali variety and Red variety are the classified categories in the marketing centres. Traditionally, South Canara district Producing Chali
type of arecanut, which will have unique demand in the consumption centres. Hence, the marketing channels for arecanut is wide and more. All these situations give scope for the services of middlemen and intermediaries. As per the analysis, there are 10 marketing channels, which are in existence from the place of production to the place of consumption. The number two (Producer-Retail traders-village merchants-Secondary merchant traders-wholesale traders) gets a large share by touching 30.6% of total quantity marketed. The price spread under different channels, channel third (Producer-trader- Cooperative institutions-Selling representatives-wholesale traders) offers maximum price to the growers. Another peculiar situation is the pace and pattern of markets indicated the seasonality of the arrivals over 72-83% of the arrivals was concentrated in the five months of harvest period from January to May.

In the case of co-operative societies, an age-old commission agent, SKACMS has fulfilled the vital feature of co-operative market. In addition, its strategy and performance in the marketing of arecanut has shown negative trend. Though the CAMPCO is an apex and nodal agency in the marketing of arecanut, its procurement and the market intervention approach did not achieve long term stability in the economy. The total quantity of arecanut purchased out of total production by CAMCO is just 9%.

This study also observed that price of arecanut varies from market to market. The tendency of arecanut price is seasonal and cyclical in the farming sector. The co-efficient of seasonal and monthly price has shown greater cyclical movements over the years. Under the study area, the selling behaviour and intelligence of farmers were exploited by the various market intermediaries like traders, commission agents, exporters, processors etc., which are prescribed in chapter 6, in the taluks of South Canara. It indicates the dominance and supremacy of intermediaries at primary and secondary levels over the handling of arecanut.

The degree of price spread, margin, shares of intermediaries and producers were also undertaken from the producer to the consumer through the analysis in various stages. The producer receives around 30.21% of the price paid by the consumer and the remaining greater percentages of the consumer rupee was appropriated towards the
expenses and margins of the intermediaries. This situation brings out the idea that as distance widens and market intermediaries expands; the share of the consumer price to the growers goes on falling. This implies the major role and share enjoyed by the intermediaries at the cost of growers.

It is interesting to note that the farmers of healthy and wealthy regions, having invested so much time and treasure resulted in the low net return. The medium farmers receives a minimum net returns of Rs.305.09 per quintal and large farmers with of Rs.155.41 per quintal and the small farmers with a loss of Rs.1,418.50 per quintal. So, as a whole, the medium farmers are getting comparatively higher returns than the small and large size farmers. Therefore, it is clear that marketing of arecanut is basically in the clutches of intermediaries, the poor peasants are in their octopus grip and the arecanut farming sector is in a state of crisis.

It is ironic to note that the arecanut farmers are meeting various challenges and constraints in the marketing aspects. They are - poor packaging, storage, transport, lack of holding capacity, channels of marketing, market intermediaries, method of sale, malpractices, grading, export-import, Co-operative societies, price fluctuation, publicity etc.

Areca nut plays an important role in religious, social, cultural, political and economic life of our people irrespective of caste, creed, or social status. In the district of South Canara, the movement of arecanut crop determines the development of banking, transport, educational and commercial transactions. Hence, any disturbance in production and marketing in this sector means, whole natural, human resources and economical prospectus would be deteriorated.

Opportunity opened is the core of marketing, which designs the prospectus of marketing and expects committed market oriented philosophy, strategy, practice and tactics to secure better gain. As India is already on the driver’s seat in the production and consumption of arecanut in the world, areca prospectus could be identified on the basis of thorough knowledge of the alternative uses of arecanut. It is essential to develop technologies for value added products, product diversification in terms of pharmaceutical,
Industries and cosmetic items. Proper utilisation will result in increased return to the farmers. It would provide job opportunities to the educated and semi-educated youth of the district. Further, the prospectus of alternative uses of areca will bring new look to district by encouraging many small-scale rural industries.

The study therefore, concludes that, arecanut sector in spite of having several problems in pre-harvesting and post harvesting it has bright prospects. For this purpose, implementing the suggested measures in the analysis must over come the hurdles of the sector. This process should be first identified by the farmers and then think about their environments, resources, method of production, problems and opportunities, aspiration at how they react to change. Further, there is a need to have Farming System Research and Institutional Credit Agencies must come forward for the welfare of farmers. Efforts are needed to break the role of intermediaries at the primary level by providing credit linked co-operative marketing societies. There is a need to reduce the greater channel of marketing from producer to consumer. For the growth of consumption and prices, pan beeda shops should be encouraged and installed. There is a need to amalgamate the inter-state co-operative movement and strengthen the hands of CAMPCO through these arrangements. The market oriented arecanut strategy has to be worked out by setting up a separate department not only dealing with domestic but also external market. Once farmers follow the concept of unity, cooperation and commercial consciousness for their own welfare by encouraging the various strong co-operative marketing institutions at primary and terminal centres, then existing buyer’s market can be converted into a producer-seller’s market to the interest of the poor sons of the wealthy soil.

Finally, to keep the health and wealth, our farmers, planners, Co-operatives, policy-makers, researchers as well as traders have to work in a positive manner and their efficiency and efforts in production and marketing for tapping the unexplored potentialities of arecanut, which will certainly bring charm to Chali sector and the country.