



AN ANALYSIS OF FARMER'S MARKETING PRACTICES WITH SPECIAL REFERENCE TO RAW JUTE IN ASSAM

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ABSTRACT This paper tries to analyze the existing scenario of raw Jute marketing in Assam from grower's perspective. The study is based on primary data collected through field survey of the researchers carried out in the Central Brahmaputra Valley zone of Assam. A total of 300 farmers were interviewed with the help of a structured schedule selected through multi-stage sampling procedure. It was observed that primary market, locally known as *haats* are still relevant as the major avenue of disposing of raw Jute by the growers. Traders are playing a vital role in the Jute marketing scenario of the region. It was also observed that small and marginal farmers are unable to get the benefits of price rise by storing the fiber due to weaker cash position.

KEYWORDS : Raw Jute, Marketing, Primary Market

Introduction:

Marketing is a crucial linkage in the entire chain of production and consumption. Agricultural marketing plays an important role in augmenting the production and accelerating the pace of economic development of an agrarian economy. It covers all the services involved in the movement of an agricultural produce from the farm to the consumer. Several interrelated activities are involved in this process, such as planning the production, growing and harvesting, grading, packing, transport, storage, agro- and food processing, distribution, advertising and sale. Jute is one of the major cash crops of luxuriant soil of South Asia more particularly India and Bangladesh. India is the largest producer of raw Jute in the world with more than 50 per cent share of production. Like other Jute producing states, Jute farming in Assam is also dominated by marginal and small farmers. The state is the third largest producer with 7.87 per cent of area and 6.68 per cent of national production in the crop year 2014-15. The state economy is agrarian in nature, where 75 per cent of the population is still dependent on agriculture for their livelihood directly as well as indirectly. Jute farming contributes significantly in the socio-economic transformation of these farm families by supporting their livelihood in the region. It is estimated that the demand for natural fiber will rise in the future due to increasing environmental awareness among the people. In spite of such promising prognosis farmers shows apathy towards farming this crop mainly due to un-remunerative nature in the last decade. Hence an attempt is necessary to analyze the contemporary Jute marketing scenario and its constraints from grower's perspective to have a holistic view of the market structure.

Literature review

Jute is the versatile fiber mainly grown in South Asian nations of India and Bangladesh. Jute farming plays a vital role in the agricultural as well as industrial growth of these developing nations. As stated by Rahman (2008), Jute has remarkable impacts on social and economic development and plays a pivotal role in reducing poverty and hunger in the Jute producing nations of South Asia. The cash derived from sales of Jute fiber and the wages received by workers are an important contribution towards food security for these segments of the population as stated by the researcher. Parthier (2007) stated that the Jute sector has been playing an important role in the economy of the country in general and the eastern region in particular by engaging about 4 million farmers and about 2.60 lakh workers as employed in the Jute industry spread across the country. Chapke (2013) stated that the demonstrated technologies increased the fiber yield and provided surplus income to the farmers. This additional income was utilized by the farmers with 50 per cent more than earlier on food, health of the family members, education of the children and in the participation of various social and entertainment programs. Thus the income arising from the disposal of raw Jute has a significant impact upon the livelihood of the farm families as well as on their growth. Jute is primarily a market oriented crop and about 95 per cent of Jute fibers are sold out by the growers while only 5 per cent is retained by them for domestic consumption (De, 2002). In the marketing of raw Jute, the movement of fiber from the producer to the consumer (Jute mill) takes place in three distinct stages through a chain of middlemen. The first

stage is from village to primary assembling market, the second stage is from the rural areas to the secondary market, viz. baling centers, and the third stage is from the baling centers to the terminal market of Kolkata or to the concerned Jute mills of other states (Adhikary *et al.*, 1990). As stated by Rao & Ramaswamy (1974) primary markets or *haats* constitute the first important link in the long channel of marketing of raw Jute. About 60 per cent of the marketable surplus is disposed of by the growers at their doorsteps and about 30 per cent is taken by them to the primary markets for sale. Adhikary *et al.* (2005), stated that on an average 37 per cent of the marketable surplus is sold by the growers at the village, 56 per cent at primary markets and *haats* and only 7 per cent at secondary market. According to Chapke (2013) most of the Jute growers, having only a small quantity to market, prefer to dispose either in the village itself or in the nearby *haat*. Sinha *et al.* (2009) stated that the fluctuating market price often affects the farmers. Khan (1961) stated that dependency on the middlemen; price fluctuation and absence of storage facility repeatedly affect the farmers. As, the price instability is very high in case of Jute other than food crop Rahman (1987).

North-eastern region of India has its peculiar physical set up with unique socio-cultural and economic characteristics. These geographical features and traditional nature of the market economy influence the market set-up and thereby the market growth of the regions. As stated by Kakoty & Bora, (2011) lack of adequate infrastructure facilities, lack of proper market information, absence of grading and storage facilities are some of the problems associated with the regulated marketing system in the state. Yadav (2012) stated that 71 per cent of the farmers are having accessibility of primary market within a distance 5 km. However, the physical access to market is constrained by the bad condition of the road and high transportation cost. Das & Chanu (2016) observed two major marketing channels in Jute marketing structure of Assam where farmers depends on intermediaries for disposing their produce. The involvement of middlemen reduces the profit margin of the growers and currently farmer's share in consumer's price after deducting the cost of production, is reduced to 31.4 per cent as stated by the researchers. In the light of the above literatures following objectives were taken for the present study.

Objectives

The main objective of this paper is to study the existing scenario of raw Jute marketing in Assam from grower's perspective

Methodology

The study is based on both primary as well as secondary data. Primary data were collected through field survey of the researchers. The study is carried out in the Central Brahmaputra Valley zone of Assam. Nagaon district was selected purposively based on Jute acreage as well as volume of production. 5 ADO (Agricultural Development Officer) circles were selected from the district purposively in consultation with the officials of Department of Agriculture, Government of Assam. In the next stage 20 per cent VLEW *elaka* (Village Level Extension Workers) were selected from each of the selected ADO circles. Finally

30 Jute growers were interviewed from each selected VLEW *elaka*. Growers were selected through non-probabilistic convenience sampling procedure in consultation with the respective ADO and VLEW. Thus, the total sample size becomes 300. Responses of the farmers were taken on nominal scale and Likert scale. Data were analyzed with the help of diagrams, simple percentage and chi square test. Diagrammatic representation of sampling procedure is given below.

Analysis and discussion

Table 1: Demographic profile of the sample respondent

Demographic Variable	Frequency	Percentage
Gender		
Male	100	100
Female	0	0
Age		
21-40	114	38
41-60	156	52
Above 60	30	10
Education		
Illiterate	60	20
Can read only	7	2.3
Can read and write	5	1.7
Primary Education	110	36.7
Middle education	27	9
High school	76	25.3
Graduate/ Post graduate	15	5
Types of family		
Nuclear	118	39.3
Joint	164	54.7
Land holding		
Marginal	171	57
Small	82	27.33
Semi-Medium	37	12.33
Medium	10	3.33
Large	0	0
Annual Farm income		
Upto 30,000	0	
30,000-60,000	66	22
60,000-90,000	36	12
90,000-1,20,000	89	29.7
120000-180000	57	19.0
180000-240000	21	7
Above 240000	31	10.3

Raw Jute marketing in Assam

The marketing practices of cash crop has vital significance as it influence the entire process of the crop production, including the farming decision as well as acreage allotment and thereby the volume of production. The major point where farmers interact to dispose their raw Jute in the study area is the Primary market of the region. Therefore, prices of these rural periodic markets have a prolonged impact on the overall fiber supply.

The following points where farmers interact to disposal their raw Jute in the study area as observed by the researchers

Channel: 1. Farmers - Primary Market

Channel: 2. Farmers - Faria / traders (bepories)

Channel: 3. Farmers - Jute Corporation of India (JCI)

Channel: 4. Farmers - Others (others include godown operated by some traders)

Table2: Frequency of different channels used

	Frequency	Percent
Primary Market	136	45.3
Faria(trader)	107	35.7
JCI	5	1.7
Others	52	17.3
Total	300	100.0

45 per cent of raw Jute is disposed through the periodic markets. These are the primary market, locally known as *Haat* held once or twice in a week. Another 35 per cent of raw Jute is marketed through traders at

the door step of the farmers. Only 2 per cent of the surveyed farmers sell their produce directly to JCI. The 4th channel in the other category is the godown operated by local businessman in the nearest center of Jute growing areas. Farmers sell their small amount of produce depending upon the cash requirement to this godown operator at the prevailing market price after adjusting the transportation charges.

It was observed that marginal framers prefer to sell their small amount of raw Jute at nearest periodic market, whereas medium farmers having large stock of fiber prefer to take the services of the traders (intermediaries) at the door step or from the farm itself mainly to save the carrying charges or the transportation cost. Due to lack of cash, lack of finance for *Rabi* crops and to meet other livelihood expenditure as well as labour payment of washing the fiber, the marginal and small Jute growers sell their produce immediately after harvest without storing. Due to comparative, healthier cash position, the medium and semi-medium farmers are able to store their fiber till the price rise in the market within the next one or two months of the harvest. Thus, it was observed that only medium farmers with better cash position are able to take the benefit of price rise by storing their fiber. Absence of storage facilities and additional risk of storing the fiber, also influence the phenomena. Jute traders rarely visit the villages of char areas (mid channel bar) due to inferior road conditions and in those areas primary market is the only avenue for disposing the fiber by the farmers. Again, several other factors like cash requirements for meeting the festival needs like Durga Puja, Kali Puja also affects the choice of channels selection as reported by the sample farmers.

Distance to the nearest primary market

Distance to the nearest periodic market plays an important role in selection of a marketing channel by the producers. It was found that 66 per cent farmers having primary market with a distance of 0 to 5 km

Following hypothesis were attempted to tested by the researchers

H0: There is no significant association between education of the farmers and adoption of marketing channels

Chi Square-test

	Value	Df	Asymp Sig 2sided
Pearson Chi Square	35.203	18	.009
Likelihood Ratio	35.496	18	.008
Linear-by-Linear Association	.033	.1	.856
N Valid cases	300		

As sig value $0.09 > 0.05$ so we could not reject the null hypothesis and concluded that farmers adopt marketing channels irrespective of their educational level

H0: There is no significant association between age of the farmers and adopted marketing channels.

Chi Square-test

	Value	Df	Asymp Sig 2sided
Pearson Chi Square	7.452	6	.281
Likelihood Ratio	7.435	6	.282
Linear-by-Linear Association	.885	1	.347
N Valid cases	300		

As the P value $0.281 > 0.05$ so null hypothesis could not be rejected and it is concluded that age does not have any significant impact on adoption of marketing channels.

H0: There is no significant association between distance to the nearest primary market and adopted marketing channels.

Chi Square-test

	Value	Df	Asymp Sig 2sided
Pearson Chi Square	106.847	15	.000
Likelihood Ratio	90.943	15	.000
Linear-by-Linear Association	39.500	1	.000
N Valid cases	300		

As P value is $0.00 < 0.05$ so we reject the null hypothesis and conclude that there is a significant association between distances to the nearest primary market and adopted marketing channels.

Thus, distance to the nearest market and adoptions of channels are associated. Marketing of cash crop holds critical importance as the entire produce finds its way to the market unlike food crops. The contemporary Jute marketing structure shows farmers dependency on the middlemen for disposing their raw Jute. Thus, due to involvement of intermediaries which extract a large portion of farmer's share in consumer rupee, the crop is becoming non-remunerative and the growers lost their enthusiasm for raising the crop.

Conclusion

A well-organized agricultural marketing system plays a crucial role in the transformation of an agrarian economy. The efficiency of the market structure is the foremost condition for ensuring sustainability of cash crop farming. Besides, it ensures farmers welfare as well as growth and development

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