



## A STUDY ON MARKETING AND PRICING OF GROUNDNUT IN CHEYUR IN TIRUPUR DISTRICT, TAMIL NADU

**Dr S Saravanan**

Assistant Professor Department of Economics PSG College of Arts and Science, Coimbatore

**ABSTRACT** Agriculture remains as the main stay of the Indian economy since times immemorial and one third population depends on the agricultural sector directly or indirectly. Indian agriculture contribution to the national gross domestic product (GDP) is about 18 per cent. With food being the crowning need of mankind, much emphasis has been on commercializing agricultural production. It is essential to provide the farming community with better marketing facilities with suitable infrastructures in order to enable them in getting remunerative prices for their produce. Regulated market is wholesale market where buying and selling is regulated and controlled by the state government through the market committee. It aims at the elimination of unhealthy and unscrupulous practices reducing marketing charges and providing facilities to producers and sellers in the market.

### KEYWORDS :

#### Introduction

India is an agricultural country and one third population depends on the agricultural sector directly or indirectly. Agriculture remains as the main stay of the Indian economy since times immemorial. Indian agriculture contribution to the national gross domestic product (GDP) is about 18 per cent. With food being the crowning need of mankind, much emphasis has been on commercializing agricultural production. For this reason, adequate production and even distribution of food has of late become a high priority global concern. Growth and development of agriculture and allied sector directly affect well-being of people at large, rural prosperity and employment; and it forms an important resource base for a number of agro-based industries and agro-services. While the total production and productivity is being constantly augmented, it is essential to provide the farming community with better marketing facilities with suitable infrastructures in order to enable them in getting remunerative prices for their produce.

#### Agricultural Marketing in India

Agricultural marketing is mainly the buying and selling of agricultural products. In earlier days when the village economy was more or less self-sufficient the marketing of agricultural products presented no difficulty as the farmer sold his produce to the consumer on a cash or barter basis. Today's agricultural marketing has to undergo a series of exchanges or transfers from one person to another before it reaches the consumer. There are three marketing functions involved in this, i.e., assembling, preparation for consumption and distribution. Selling on any agricultural produce depends on some couple of factors like the demand of the product at that time, availability of storage etc. The products may be sold directly in the market or it may be stored locally for the time being. Moreover, it may be sold as it is gathered from the field or it may be cleaned, graded and processed by the farmer or the merchant of the village. Sometime processing is done because consumers want it, or sometimes to conserve the quality of that product. The task of distribution system is to match the supply with the existing demand by whole selling and retailing in various points of different markets like primary, secondary or terminal markets.

Most of the agricultural products in India are sold by farmers in the private sector to moneylenders (to whom the farmer may be indebted) or to village traders. Products are sold in various ways. For example, it might be sold at a weekly village market in the farmer's village or in a neighboring village. If these outlets are not available, then produce might be sold at irregularly held markets in a nearby village or town, or in the mandi. In India, there are several Central government organisations, who are involved in agricultural marketing like, Commission of Agricultural Costs and Prices, Food Corporation of India, Cotton Corporation of India, Jute Corporation of India, etc. There are also specialised marketing bodies for rubber, tea, coffee, tobacco, spices and vegetables.

#### Regulated Market in India

Regulated market is wholesale market where buying and selling is regulated and controlled by the state government through the market committee. It aims at the elimination of unhealthy and unscrupulous practices reducing marketing charges and providing facilities to

producers and sellers in the market. The prevalence of various malpractice's such as short-weights, excessive market charges, unauthorized deduction, adulteration of produce and the absence of machinery to settle disputes between sellers and buyers were recognized as the main hindrances in agricultural marketing. These defects and malpractices can be recovered by the establishment of regulated marketing their country may be regulated either by local bodies or under state legislation was suggested first in 1928 by the Royal Commission on Agriculture. The movement of regulation of market gained momentum only after 1930. The Bombay Agricultural Produce Market Act of 1939 was passed in respect of all agriculture produces viz., cereals, fibres, fruits, etc. Regulated markets are established under the provisions of the Agricultural Produce Marketing Committee Act of state governments. The establishment of regulated markets helped in creating orderly and transparent marketing conditions. Main features of regulated markets are as follows.

#### Objectives of a Regulated Market

- (i) Ensure remunerative price of the agricultural produce to the farmers
- (ii) Narrow down the price differentials between the producer and the consumer, and
- (iii) To control the non-functional margins of the traders and commission agents.

In order to fulfill these goals, the Government has been extending the network of the regulated marketing system by setting up more and more regulated markets in different states of the country. These regulated markets have been generating a good amount of income for the marketing committees which are mostly raised for the development of rural infrastructure.

#### Methodology

The study describes the Pricing and marketing of Groundnut. Hence, the study is both descriptive and analytical in nature. In the Cheyur Regulated Market in Tirupur district commodities like Cotton, Coconut, Maize, and groundnut are purchased and sold. Among the Commodities, Groundnut was selected because of high production in the particular area. In the particular regulated market there were 250 farmers selling their groundnut in the market. Out of which 125 farmers that is 50 percentages was selected for conducting the survey. Farm size wise Groundnut Cultivation Details regarding the total land, farm size classification farm size classification with groundnut cultivation and mode of transportation were discussed in table 4.3.

**Table 1 Farm size wise Groundnut Cultivation**

Variables	Particulars	No of Respondents	Percentage
Land	Yes	120	100
	No	0	0
	<b>Total</b>	<b>120</b>	<b>100</b>
Farm size	01 to 10	61	51
	11 to 20	58	48
	21 and above	1	1
	<b>Total</b>	<b>120</b>	<b>100</b>

<b>Size wise (Groundnut) cultivation</b>	01 to 5	113	94
	06 to 10	7	6
	<b>Total</b>	<b>120</b>	<b>100</b>
<b>Mode of Transport</b>	Lorry	79	66
	Vehicles	41	34
	<b>Total</b>	<b>120</b>	<b>100</b>

From the table, it was revealed that all the farmers are having land. It also found that 51 per cent of the farmers are having 1-10 acres of land followed by 48 per cent of the farmers 11 to 20 acres and only one farmer having more than 20 acres of land. Regarding the cultivation of groundnut the majority of the farmers are growing groundnut from 1 to 5 acres of land. Regarding the mode of transport into the markets, 66 percentages of the respondents using lorry and 34 per cent of the respondents marketed through vehicles.

### Marketing and Pricing of Groundnut

To understand the marketing and pricing of groundnut during the peak season and slack season were discussed in the below table.

**Table 2 Marketing and Pricing of Groundnut**

Variables	Particulars	No of Respondents	Percentage
<b>Frequency of market</b>	Regular	101	84
	Irregular	19	16
	<b>Total</b>	<b>120</b>	<b>100</b>
<b>Prefer to sell your produce</b>	Regulated market	60	50
	private market	7	6
	Both	53	44
	<b>Total</b>	<b>120</b>	<b>100</b>
<b>Price in groundnut</b>	peak season		
	4000-5000	114	95
	6000-7000	6	5
	<b>Total</b>	<b>120</b>	<b>100</b>
	slack season		
	5000-6000	94	78
	7000-8000	26	22
<b>Total</b>	<b>120</b>	<b>100</b>	
<b>What does the grower seller normally do with the unsold merchandise</b>	Take back to home	2	2
	Storage for next market day	41	34
	Sell below market price	22	18
	Take them to the other markets	55	46
	<b>Total</b>	<b>120</b>	<b>100</b>

**Source:** Primary Data

The above table reveals that 84 percent of the respondents regularly visiting the markets. And also majority of them prefer to sell the produce (50%) in the regulated market. The price of groundnut during the slack season was high due to demand for seed for the cultivation. Regarding the unsold merchandise, 46 percent of the respondents revealed that take it to next market and 34 percent revealed that the produce which will be stored for next day marketing.

### Conclusion

From the study it was found that all the farmers are having land. It also found that 51 per cent of the farmers are having 1-10 acres of land followed by 48 percent of the farmers having 11 to 20 acres and only one farmer having more than 20 acres of land. Regarding the cultivation majority of the farmers are growing groundnuts from 1 to 5 acres of land. Regarding the mode of transport into the markets, 66 percentages of the respondents using lorry and 34 percent of the respondents marketed through vehicles In the regulated market. The price of groundnut during the slack season was high due to demand for seed for the cultivation. Regarding the unsold merchandise, 46 percent of the respondents revealed that take it to next market and 34 percent revealed that the produce which will be stored for next day marketing.

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