

**“AN ECONOMIC ANALYSIS OF ARECANUT PRODUCTION IN CHANNAGERI
TALUK OF DAVANGERE DISTRICT”**

KUBERAPPA.K B¹,

Principal,
ARG college, Davangere

BASAVANAGOWDA.T²,

Research scholar,
Department of studies in economics Davangere university, Davangere.

Dr. VEERABHADRAPPA.B P³

Associate professor,
Department of studies in economics Davangere university, Davangere

ABSTRACT

Areca nut is an important commercial crop in India. Areca nut is the seed of the areca nut palm. It plays a prominent role in the religious social and cultural functions and economic life of people in India. The economic produce is the burst called “Betal nut” in India million people depend on areca nut industry. Areca nut is one of the main ingredients of “Thambula” chewing of which habit is farming luxury of the rich and poor alike. In India use of Thambula is known from pre-Vedic times having been very popular with the tantric cult. This study is based on both primary and secondary sources of information collected. The study is used tabular analysis, ratios, percentages and statistical tools were used.

Introduction

The word agriculture means productions of crops of various types. The agriculture allied activities encompass horticulture, sericulture plantation products. The modern idea like irrigation time cycle and productivity per hectare are sweeping the villages. Job mobility is an increase. The main rural occupation is still agriculture and will continue to be so as agriculture provides basic food grains.

Meaning of Agriculture Marketing

Agriculture marketing involves its simplest from the buying and selling of agricultural products. This definition accepted in olden days, but in modern times, marketing of agricultural produce is different from that of olden days.

In modern marketing agricultural produce has to undergo a series of transfer or exchange from one hand to another before it finally reaches to the consumer.

Marketing is a new branch of science but many economists and marketing specialists have developed much of their attention towards the study of production and marketing of various commodities.

Generally market is refers to a place where there are three elements such as, buyers, sellers, and a commodity. Any place where these three elements are available could be called market. It may be a city, a house, a commercial enterprise. In the subject of agriculture marketing the products by the farm sector and the inputs required for farm sector are purchased or sold. So many agriculture products are necessities of life. The commodities are consumed by everyone throughout the world.

Definition of Agriculture Marketing

According to Faryque “Agriculture marketing composes all operations involved in the movement of farm producer to ultimate consumer”.

Profile of Channagiri Taluk and of TUMCOS

Channagiri taluk was established in the year of 1870. It was a part of Shivamoga district until 15-1997. But after 15-1997 when Davangere district is established it will join part of Davangere district.

Now Channagiri is in east part from Shivamoga in south Tarikere taluk, from west is covered by Shivamoga district and Honnali, Bhadravathi, Davangere taluk.

Channagiri is look like an dry land region. The total Channagiri taluk are 1212 square km and it was covered by the soil, black soil, stone mixed red soil and in some part of black and red soils.

From the south and east side of the Channagiri taluk was covered by mountain regions. North part Haridhra River flows. Shanthisagar (Sulekere) is situated in center of the Channagiri taluk. The average rain fall in Channagiri taluk is 749.75 millimeter per year. 131 big lakes, 29 small lakes, totally 160 lakhs were found in Channagiri taluk.

In eastern part of the taluk we found forest region and other parts we found grass lands. Joladahal, forest region is very famous in taluk. Sulekere is one of the important source for the purpose of irrigation in the taluk .number of crops like sugarcane, paddy, areca nut were ingood position and sub crops like cotton, ragi, maize, were also producing this area.

For the purpose of administration Channagiri had four Hoblies these are;

- 1) Channagiri Kasaba
 - a) Basavapattana.
 - b) Santebennur.
 - c) Ubrani.

Channagiri taluk had 249 villages according to 2001 census. Population of Channagiri taluk is 37,972. In rural area 35,534 and in urban area 2,168. Channagiri taluk 63 Grama Panchayathi members were elected. These members were selected from 6 wards through the election.

In 1980 at first time municipality was started in Channagiri and the first election was helded at 1973. In 1946 at the first time electricity power introduced to the taluk. Channagiri is an business area in 1966 regulated market committee was established.

History of Channagiri

From inscriptions it would appear that in early times. This part was in the possession of the Gangas and was governed from Asandi. Which is in the present Chikkamagalore district. In the 12th century, it formed a part of the Chalukyan dominions and was included in the Nolambavadi, 32,000 province over which the Pandyas of Uchchangi ruled. Under Vijayanagar it was part of the Uchchangi district and was attached to Santebennur. Later it passed into the hands of the Keladi Nayakas. It was named channaigiri after granted the place as an estate to her sister.

Major crops in Channagiri

Agriculture is one of the important occupations in Channagiri taluk here we found numbers of crops were growing . Channagiri taluk is facilitated both irrigated and un irrigated Land, major crops are paddy area nut coconut ragi maze hybrid maize, cotton, chili, onion.

Table-3.3(1)

Types of crops	Total Area in Hectare
Paddy	27410
Areca nut	13890
Coconut	3357
Ragi	4607
Maize	3997
Cotton	1503
Chili	1490
Onion	636
Vegetables	571

Source: Davanagere Jilla Anki Amshagala Nota 2008

Here both paddy, and areca nut are irrigated crops and remaining other crops are un irrigated.

Population

The population of the Channagiri taluk according to 2001 census 37972 the male population is 19566 and female population 18406. In rural population is 35354. The male population is 18146. Where female population has is 17158.

Population - Rural and Urban

Area and Population	Male	Female	Total
Rural	18196	17158	35354
Urban	1370	1248	2618
Total	19566	18406	37972

Nota Source: Davanagere Jilla Anki Amshagala Nota

Population Ratio of Scheduled Caste and Scheduled Tribe in Channagiri Taluk

Area and Population	Rural		Urban		Total
	Male	Female	Male	Female	
SC Population	34096	32631	1059	879	68665
ST Population	18166	17502	509	426	36603

Source: Davanagere Jilla Anki Amshagala Nota

Percentage of Literacy Rate in Channagiri Taluk (2001 Census)

Area of Literacy Rate	Male	Female	Total
Rural	74.2	55.6	61.1
Urban	85.5	76.4	81.1

Source: Davanagere Jilla Anki Amshagala Nota

TUMCOS – A Profile

Karnataka is one of the major in producing marketing of areca nut. Some of the districts which are producing areca nut. Such as Mangalore, shivamoga, Chikkamagalore, Davangere and Chitradrga at major level. Channagiri is one of major areca nut producing taluk, it produce huge amount of areca nut compare to other taluks.

Main marketing structure of Channagiri are CAMPCO, MAMCOS, TUMCOS ad private traders CAMPCO is one of the government sectors. TUMCOS is semi government sector. It comes under co-operative society.

History TUMCOS

The history of this organization may be read a fairy tale, but then it is exactly the all member's feels of the transformation that has come to their individual identities. In corporate in the era recession in the areca nut market, this organization has comes a long way from its origin to us fully fledged performance today. It is largest supplier of areca nut and its products center of Karnataka.

This cooperative survey "TUMCOS" was established influenced by co-operative society Sirsi and CAMPCO. TUMCOS this word coming from there "Kannada" letters "TM" and three English letters COS. The Kannada Letters "TUM" means "Thota Utpannagal Mrata" and the English letters "COS" means "Co-operative Society". TUMCOS means "Thota Utpannagala Marata Co-operative Society (Sahakara Sanga).

It market area for Channagairi talu only. Further plan being done to widen market area. The enhance the present market area TUMCOS has under taken many research an alternative uses of areca nut in Collaboration with some of the leading research institute of India.

This co-operative society "TUMCOS" was established on may 21.1984 by the founder president late, R. Marulappa (B.Sc. Agri) supporting the founder committee member are Dr. Basavanya (Aggihalli), Siddappa. Nagendrappa (Haronahalli), Basappa(Pandomatti) and some other founders.

Various measured were thought for organized marketing management and leaders among growers together to find way that state government of Karnataka on the advice of an export committee, recommended organizing a central agency in the public or co-operative sector. Thus with the blessing and support of the Government of Karnataka. The central areca nut marketing co-operative limited popularly known as the TUMCOS was born and registered on 30th July 1999 with the multi-cooperative society's act 1984.

Management of TUMCOS

The management of "TUMCOS" vest e board of directors. These directors are elected by members of the society i.e., share holders of the society one in 5 years. The government also appoints 4 government nomine.

The president conducts the day-today activities. The executive committee and business committee devote more time to scrutinize and decide about the finance and business transaction the institution. System It's worked o only commission basis. It is not involving directly marketing. It is middleman of the traders and farmers. Providing Loan: It gives a easy loans to only its members. Its getting a 9%interest for over members. This system very useful to farmers. Its gives a short term loans only one year.

Karnataka Scenario

Karnataka is the largest producer of arecanut in India covering about 180.7 thousand hectares with a production of 269.2 thousand tonnes constituting about 45.8 per cent of total area

and 51.3 per cent of total production in the country in 2009-10. The area under arecanut in Karnataka has almost doubled during the last 15 years.

Importance of Arecanut

India is traditionally an areca growing country. In the early fifties, the internal demand for arecanut went up and had to be made good by way of imports. The government of India decided to encourage large scale arecanut cultivation in India and institutional finance was provided through co-operatives and scheduled banks with an intention of harnessing the potential of arecanut cultivation as well as to avoid foreign exchange drain. Consequently, the production steadily increased and import was stopped. The emergence of new products such as pan masala and gutkha further gave a fillip to demand for arecanut and has resulted in remunerative prices for farmers leading to rapid expansion in area, not only in traditional belts, but also to non-traditional plains of Karnataka.

Scope of the study

Channagiri taluk of Davangere district in Karnataka states is selected for this study. The study covers the arecanut market and its structure and role of these societies. Channagiri taluk is the main arecanut growing area in Davangere district and is noted as a leading assembling market for arecanut. The study covers mainly Tumcos, channagire market as commission agents vis.

Review of Literature

Dilip Kumar Mund's (1985) study was conducted on agricultural marketing and prospects. He concludes that a marketing system which protects the interest of both producer and consumers is the backbone of agricultural of development. It must have true support price for various agricultural commodities adjusted from time to time in the light to farmers,

Acharya S.S. and N.L. Agarwal (1991) observed that agricultural marketing plays an important role not only in stimulating production and consumption but also in accelerating the pace of economic development. Its dynamic functions are of primary importance in promoting economic development.

Vidyashankar (1973) in a survey conducted in the villages of kasaragod taluk of kaerla. Reported that, areanut yield per acre ranged from 5 to 8 quintals and the cost of production varied from Rs.3 to 6 per kilogram. The cultivator indicated that the then existing output price of Rs. 3 per Kg barely covered the cost of production.

Mruthyunjaya (1975) estimated the crop expenditure for arecanut farms of Malnad region in Karnataka. He classified the holdings into three categories viz., large farms having 4.50 acres and above, medium farms having 1.75 to 4.49 acres and small farms having less than 1.75 acres. The estimated expenditures were Rs. 1,350, Rs. 1,144.00 and Rs. 1,550.80 per acre for large, medium and small farms, respectively.

Krishnaraj (1981) found that the establishment costs for small, medium and large arecanut growers in Dakshina kannada district were Rs. 30505.09, Rs.30085.00 and Rs.28,864.22 per ha. Respectively. Similarly the operational costs were Rs.7, 81.88. Rs.7030.92 and Rs. 7709.62. The net returns were Rs. 18363.99 and 21,974.86 per ha, respectively for the small, medium and large forms.

Chinnappaand and Umesh (1997) worked out the establishment and production cost of arecanut for the canal-irrigated areas of Bhadravathi and channagiri taluks of shimoga district, Karnataka. The per acre establishment cost (up to 7 years) and production were found to be Rs.1,50,581.98 and 31,429.30, respectively. The net returns over cost of production were RS.35,473.70. they also discovered that the arecanutfarmers were averse to fertilizer application, which formed just 1.63 per cent of the totalcost of production.

Govindankutty and Kurup (1955) observed that, the stem splitting disease of arecanut due to the exposure of stem to the afternoon sun in summer months could be avoided by growing intercrops in arecanut garden, the opinion was that the young arecanut trees would be given protection from the sun by growing a fairly, closely spaced intercrop of banana.

Bhat (1974) reported that the profitability of growing intercrops with arecanut based on number of field on number of fields experiments conducted at CPCRI, vital of South Canara district, Karnataka. The result showed that by growing banana and pineapple, the the additional incomes that could be expected were Rs. 1500 to 1800 and Rs.3000 to 3500, respectively. Further, it was suggested that if the intention of the grower was to get additional income in view of the fall in price of arecanut a mixed crop like pepper or cardamom could be chosen based on the agro-climatic conditions, which would fetch an additional income of Rs.800 to 1000. However, it was indicated that inter of mixed cropping with a perennial crop like areca was to be considered primarily as a safeguard against the uncertainties of income from the produce of pure monoculture gardens due to the reason beyond the control of the planters.

Bhandari (1974) conducted an experiment at arecanut research station at Thirthahalli from 1961 to 1965 using five intercrops viz., banana, pineapple, pepper, cardamom and betelvine. The experiment showed that growing intercrops did not pull down the yield of arecanut, but betelvine and pepper were found to be relatively more suitable for Malnad region.

Objectives

1. To study the arecanut marketing in Channagiri.
2. To study the role of TUMCOS in arecanut marketing at Channagiri.

Hypothesis

1. There is no difference in cost and return structure of arecanut cultivation between farm size groups

1.3: Methodology

This study is based on both primary and secondary sources of information collected. The primary sources included the interview of the TUMCOS members and interactions with various authorities in people related with the market. Guide etc., the survey was totally based on the primary sources. Direct personal interview was the method used in primary source, secondary sources collected from reference books, journals, magazines, annual reports of the TUMCOS and website. The study is used tabular analysis, ratios, percentages and statistical tools were used.

Yield per acres

Yield per acre (in quintal)	Number of respondents	% of respondents
5-6		
6-8	10	25.00
8-10	12	30.00
10-12	14	35.00
Total	40	100.00

This table explains that the majority of the sample respondents produce 10 to 12 quintals of arecanut per acre.

Marketing center for the arecanut

Marketing centers	Numbers of respondents	%of respondents
TUMCOS	38	95.00
Private traders	02	05.00
Total	40	100.00

From the above data we can say that the role of TUMCOs as a marketing center for arecanut in channagiri is enormous. Then the role with TUMCOS of private traders. So the majority of farmers were like transactions

Profit of TUMCOS in 2000-08

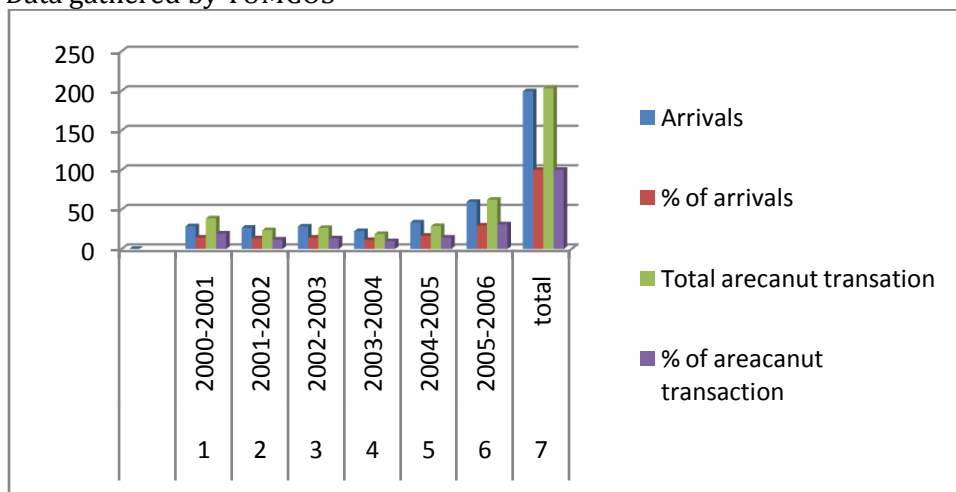
Sl.no	Year	Profit(in lakh)	% of profit
1	2000-2001	138.05	17.43
2	2001-2002	138.17	17.45
3	2002-2003	140.53	17.75
4	2003-2004	80.97	10.23
5	2004-2005	142.08	17.95
6	2005-2006	150.95	19.10
7	TOTAL	791.6	100.00

The above table shows the profit of TUMCOS for the period 2000-06. In the period of 2005-06 profit id 19.10 when compared to 2003-04 profit has increased at rate of 8.84%.

Arrivals and transaction of TUMCOS

Sl.no	Year	Arrivals (in lakh per)	% of arrivals	Total arecanut transation	%of areacanut transaction
1	2000-2001	28.70	14.46	38.79	19.47
2	2001-2002	26.84	13.41	23.78	11.94
3	2002-2003	28.42	14.26	26.53	13.32
4	2003-2004	22.53	11.30	19.01	9.69
5	2004-2005	33.63	16.87	28.88	14.50
6	2005-2006	59.61	29.70	62.20	31.22
7	Total	199.33	100	203.19	100

Data gathered by TUMCOS



The above table shows that the year in 2005-2006 arrival of arecanut to the market was 59.21% where was 28.70 in 2000-2001.

Findings

The primary data collection for evaluation of various functions provided by TUMCOS, made through most commonly used method through survey.

Data are systematically gathered from 40 respondents through questionnaires about the loan facilities, infrastructure, price of areca nut and how TUMCOS officials react with farmers, remunerative prices, warehouse facilities, price behavior of areca nut are gathered from these data availability.

The findings of the study are the following

Most of the farmers are of the age group of 60 years. They have enough experience in agricultural and also know areca nut farming.

- 1 The farmers who responded were areca nut farmers and also member of TUMCOS
- 2 most of the farmers were less literate and we could hardly find any post graduates.
- 3 only 5 to 6 farmers had very large land holdings of about 24 to 25 acres remaining farmers had only small land holding
- 4 TUMCOS only limited to channagiri taluk we don't find its branches anywhere in Karnataka.

Conclusion

Today marketing system plays an important role in all economics. Nowadays most of all farmers will use this facility of the marketing system through the government, semi-government and co-operatives. Areca nut is one of the major commercial crops in India. Regional co-operative societies like TUMCOS, MAMCOS, were supporting to the CAMPCOS and APMC in areca nut marketing system.

Channagiri is one of the taluk which produce which produce huge amount of areca nut in Davangere District. the major areca nut marketing is Done in Channagirei, CAMPCOS, MAMCOS, and TUMCO.

TUMCOS plays an vital role in channagiri in transaction of areca nut. Through marketing it provides various facilities to the farmers, those who are the members of the society. So in channagiri we found the number of areca nut farmers or members of the TUMCOS, TUMCOS is on a commercial basis but it is directly involving in the marketing system. It transacts on the basis of commission and through commission agents. TUMCOS will provide various facilities to the farmers like loan, share bonds. Money death policy and it also provides agriculture.

From the above study of areca nut marketing and TUMCOS we learn that it helps the members and give suggestions and information to the farmers about the proper areca nut growing. The give information about the wide spreading diseases " mytes, kole roga". Root rot diseases, pod falling etc. also how to control those disease by using injecting, and spraying endosulphon etc. we can conclude by saying that TUMCOS helps farmers to improve their crops and also its marketing.

References:

Shanmugavelu K.G., Kumar N. 7 Peter K.V. (2012), Production Technology of Spices & Plantation Crops, AGROBIOS (INDIA) Publication, Jodhpur-315-342

Bhandari, D.K., (1974), Study of Inter & Associated Crops in Areca Gardens of Malnad Tract of Karnataka, Arecanut & Spices Bulletin, 5(3):76-77.

Government of India (2003), Indian Horticultural Database, National Horticultural Board, Ministry of Agriculture.

Arega Mefsin, 2000, Supply response of maize in Karnataka state –An econometric analysis, *M.Sc. (Agri) Thesis*, Univ. Agric.Sci., Dharwad (India).

Basavaraja, H., 1982, Supply response of cotton in Karnataka state-An econometric analysis, *M.Sc (Agri) Thesis*, Univ. Agric. Sci.,Dharwad (India).

Indira Devi, P., Thomas, E. K. and Thomas, J. K., 1990, Growth and Supply response of banana in Kerala. *Agric.situ., India* 45 (4):239-242.

Jagadish Lal and Katar Singh, 1981, Determinants of sugarcane acreage fluctuation in Uttar Pradesh, *Indian J. Agric.Econ.* ,36(1): 101-109.

Parmod Kumar and Anil Sharma, 2006, Perennial crop supply response functions : The case of Indian rubber, tea and coffee. *Indian J.Agric.Econ.*, 61(4): 613-646.

Rajesh Gurikar, Y., 2007, Supply response of onion in Karnataka state– An econometric analysis, *M.Sc. (Agri) Thesis*, Univ. Agric.Sci.,Dharwad (India).