

## PRODUCER'S SURPLUS AND MARKETING PATTERN OF GROUNDNUT

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### ABSTRACT

The journey to increment advertised excess prompts ranchers to request high-yielding harvest assortments. Understanding the ranchers' difficulties to increment advertised excess would add to strategy mediation estimates that increment crop yields. Utilizing an Endogenous Exchanging Probit relapse (ESP) model, the review examined the impact of advertised excess on-interest for further developed groundnut assortments and decided the variables that influence showcased excess. The review utilized information gathered from 416 ranch families in a few chose locale of focal and northern Malawi. The ESP gauges showed that promoted excess decidedly affected the interest for further developed groundnut assortments. The interest for further developed groundnut assortments expanded by 40% among smallholders with a showcased excess. Alternately, the interest for further developed groundnut assortments among ranchers with no promoted excess declined by 14%. Different discoveries recommend that expanded harvest efficiency, smallholders commitment to off-cultivate monetary exercises, and upgraded admittance to showcase data are basic in expanding promoted excess. Subsequently, strategy mediation estimates that experience the ranchers' difficulties in the result market are basic for the expanded advertised surplus to upgrade the interest for further developed assortments.

**KEYWORDS:** Endogenous switching probit, High yielding crops, Marketed surplus, Smallholders.

This chapter explains the extent of producers surplus and the pattern of disposal of groundnut in the command area of Ganagpur city market of Sawai Madhpur district of Rajasthan state. Gangapur tehshil of Sawai Madhpur district was selected for this analysis because it ranks high in acreage under groundnut oilseed crop. The results are based on data obtained from 72 groundnut growers spread over in six villages of two zones viz zone-I and zone -II. The chapter is divided in two sections:

### INTRODUCTION

The interest for further developed groundnut assortments expanded by 40% among smallholders with a showcased excess. Alternately, the interest for further developed groundnut assortments among ranchers with no promoted excess declined by 14%. Different discoveries recommend that expanded harvest efficiency, smallholders commitment to off-cultivate monetary exercises, and upgraded admittance to showcase data are basic in expanding promoted excess. Subsequently, strategy mediation estimates that experience the ranchers' difficulties in the result market are basic for the

expanded advertised surplus to upgrade the interest for further developed assortments.

- (i) Marketable and marketed surplus of groundnut.
- (II) Disposal pattern of marketed surplus.

### MARKETABLE AND MARKETED SURPLUS OF GROUNDNUT

The quantity of marketable and marketed surplus of different products produced in the area is the one of the important parameters of economic development of that area, region or country. The extent of marketable and marketed surplus of different commodities helps in policy formulation of the size of the markets and development of different market infrastructures necessary for efficient marketing system in an economy. With the help of the knowledge of such surplus a sound price policy can be framed by having various programmes viz. Price control, Price support, input subsidization etc.

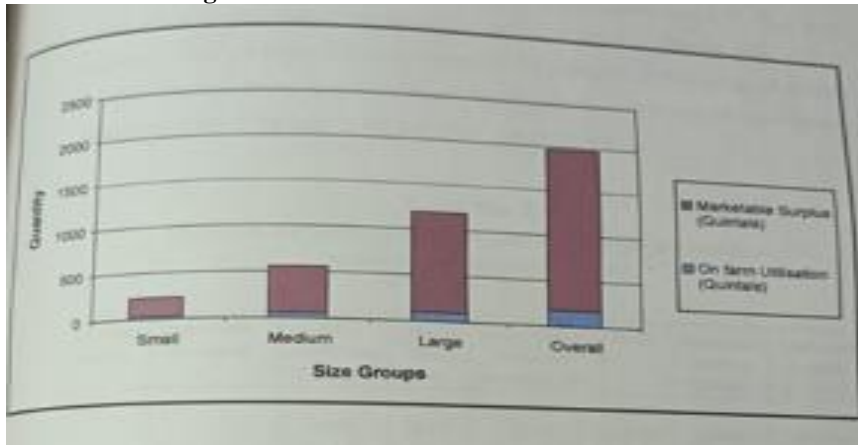
Ground nut being a cash crop for majority of the farmers in the state, affects the prosperity of the farming

community through the prices obtained by its sale on one hand and the overall development of the economy of the state on the other. It is, therefore, imperative on the part of the Government to safeguard the interest of groundnut growers, by having a price policy conducive for their wellbeing.

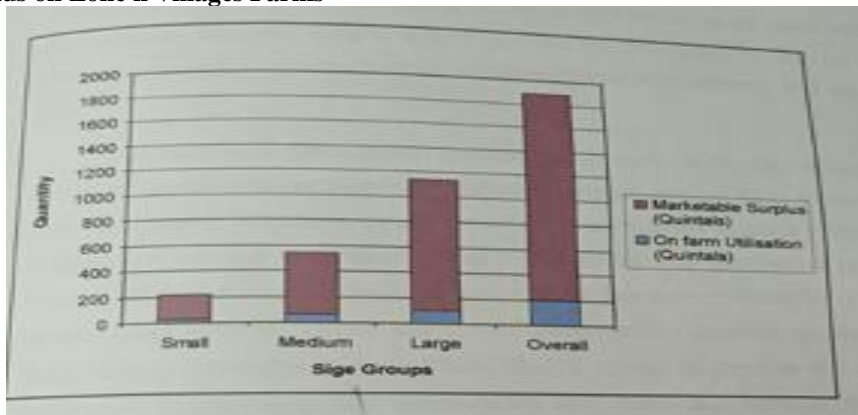
Marketable and marketed surpluses of groundnut crop were worked out separately for the farmers of villages

located in zone I and zone II. villages located within a radius of 15 kilometers from Gangapur market and beyond 15 Kms from Gangapur market were categorized as zone I and zone II villages respectively. From each zone three villages were selected and total 72 farmers, 36 from each zone were selected for the study by selecting 12 farmers from each village.

**Marketable Surplus on Zone I Village farms**



**Marketable Surplus on Zone II Villages Farms**



The Marketable surplus of groundnut varied from 85.94 to 91.04 percent on different sized farms. The surplus increased in absolute as well as in percentage terms with the increase in farm size being 85.94, 87.47 and 91.04 percent on small, medium and large sized farms, respectively, with an average of 89.45 percent. The extent of Marketed surplus found to be equal to marketable surplus on all the farm size groups, because of the tendency of using home grown produce as seed in the next season and not retaining any surplus for next year except limited home consumption due to the fear of deterioration in oil content, and weight loss.

The results of Marketable and marketed surplus of groundnut pods of the two zone reveals that the surpluses ranged around 89 to 91 percent and were higher on farms of zone I villages compared to zone II villages. Farmers of zone II villages retained more quantity of groundnut

pods to meet their seed requirement on account of the non-availability of good quality seed in time. These surpluses were having positive relation with farm size in both the zones. Thus, Ho(2) (Size of farm is not having significant relationship with marketable and marketed surplus) has got rejected.

**DISPOSAL PATTERN OF MARKETED SURPLUS**

The variation in the pattern of the arrivals of different agricultural produce overtime in the market causes fluctuations in their prices over the months. Here disposal pattern of produce indicates the sale of the produce by the farmers at different times, places and quantity of produce sold. There are several factors which affect the farmers decision with respect to place, time and agency for sale of a commodity like mode and availability transportation and storage facilities, distance and location of markets. price of the produce, economic

condition of the farmers, market awareness of the farmer etc. This part of the chapter presents farmers behaviour in respect of place of sale, time of sale and number of lots in which groundnut pods have been disposed off.

### PLACE OF SALE

The relationship between the price of groundnut pods and place of sale has been analysed and discussed in this

#### Table.

Place of Sale	Farm Size groups		Overall	
	Small	Medium	Large	
Village sale	1210	1227	1250	1221
Mandi sale	1240	1255	1271	1260
Average	1229	1245	1263	1244

in the mandi compared to the sale in the village (Rs. 1221/quintal). Prices received per quintal of groundnut pods by large sized farmers was higher followed by medium and small sized farmers was height due to higher surplus better bargaining power and surplus retaining capacity.

The results presented envisaging the performance of place for groundnut sale reveal that the farmer producers of Zone I village were more aware of market, perhaps due to nearness to mandi and maximum quantity of the surplus by them was taken to mandi for sale. Proper transportation facilities also favoured them. The extent of village sale by the farmers of zone II villages was higher except large sized farmers. The small sized farmer because of having low marketable surplus with them sold off their maximum production of groundnut pods in villages. Market sale increased with the increase in the farm size or the quantity of surplus. The per quintal price received was higher in sale in the maket compared to the village sale. The distance of market from the villages affected the place of sale by the farmers. The extent of village sale was higher in remote villages as compared to villages nearer to mandi. The prices received by the farmer for their produce also affected the place of sale. The study by Sharma' for Rajasthan revealed the similar results.

It can be seen from the above table that 44.14 percent of the total quantity was sold off during the first quarter (October to December) followed by in the second quarter from January to march where it was 35.64 percent. There is a wide variation in the sale pattern according to time among the size groups. Small sized farmers marketed more than three fourth of total surplus in the first quarter as against of 53.19 percent and 33.79 percent quantity by the medium and large sized farmers, respectively. The disposal of groundnut pods in percent terms decreased in the first quarter with the increase in farm size. The quantity marketed in the second quarter varied from 21 percent on small farms to 37.5 percent on medium and large farms. Only 20.21 percent quantity was marketed by the farmers in the last two quarters (April to

sub-section. There is a general feeling among the farmers that they get lower price by the sale of their produce in the village (to village trader) as comparison to the sale in the mandi (regulised market) Price Received for Groundnut pods According to plaxe of sale in zone 1 villages (2000-01) reveals that farmers received higher prices (Rs. 1280 per qt) by selling groundnut pods

September). Large sized farmers marketed 28.71 percent surplus in these two quarters as aginst 9.19 percent by the medium farmers. Thus, the tendency of sale in larger quantity immediatly after havest was more pronounced among the small sized farmers compared to the medium and large sized farmers.

The price of groundnut pods was Rs. 1217 in first quarter, Rs. 1249 in second quarter. Rs. 1361 and Rs. 1418 per quintal in the third and fourth quarter. respectively (see table No. 6.8) The prices has thus, showed an increase in the subsequent quarters following the post harvest quarters. The small sized farmers could not take the advantage of higher prices prevailed in the subsequent quarters because they disposed off as high as 77 percent of their surplus in the first quarter due to their poor retaining capacity for the surplus. In one lot. 47.22 percent in two lots and remaining 16.67 percent in more than two lots The quantities sold by the farmers in respective lots were 13.99 percent, 60.34 percent and 25.66 percent of the total surplus quantity marketed. As far as size groups are considered, 75 percent small farmers marketed more than 66 percent of their surplus in one lot while 33.33 percent medium sized farmers sold off 23 percent of surplus in one lot. Large farmers did not sell their surplus in only one lot and like this there was no sale by the small farmers in more then two lots. As high as 50 percent medium sized farmers sold 59.1 percent quantity of their surplus and 66.67 percent large farmers sold 66 percent of their surplus in two lots. Only 16.66 percent medium farmers and 33.33 percent large farmers marketed 17.9 percent and 34 percent of their surplus quantity of produce in more than two lots, respectively.

The study of the farmers of zone II villages reveals that fifty percent farmers sold off 30.69 percent groundnut surplus in one lot, 38.89 percent farmers sold off 51.25 percent quantity in two lots while only eleven percent farmers marketed 18.06 percent of their surplus in more than two lots. If the farmisize groups are compared. The tendency of sale is one lot was, thus more is case of small sized farmers where 72.13 percent quantity had

been sold by 83.33 percent farmers in comparison of medium and large sized farmers where 41.66 percent farmers sold sized sold 27.66 percent and 25 percent farmers sold 24.72 percent surplus in one lot respectively. The medium and large sized farmers exhibited their interest in marketing the surplus quantity in two lots where 50 percent of medium farmers offered 59.2 percent of their surplus and 50 percent of large farmers offered 51.75 percent surplus for sale. Only 8.33 percent medium sized farmers marketed 13.13 percent quantity in more than two lots as against 25 percent large farmer who sold off 23.58 percent of their groundnut surplus. Farmers of zone I villages offered higher quantity of surplus for sale in two or more than two lots compared to farmers of zone II villages, perhaps due to the nearness from mandi, Thus, the null hypotheses no.2. Le size of farm is not having significant relationship with marketing pattern of groundnut oilseed is not accepted.

#### The following results were inferred from the above analysis

1. The extent of marketable and marketed surplus of groundnut ranged between 85 to 92 percent of total production on different sized farms. The surplus increased with the increase in farm size in both the zones in absolute terms as well as in percent terms.
2. The extent of both these surpluses was greater by about two percent on farms in the villages of zone I compared to farms in villages of zone II. Farmers of zone II villages retained more quantity of groundnut to meet their seed requirement. Thus, the on farm utilization was 2 percent more in case of zone II villages farmers as compared to zone I villages farmers.
3. The farmers of zone I villages, marketed 77 percent quantity of their groundnut surplus in mandi against to 47.69 percent quantity marketed by the farmers of zone II villages. Thus, the farmers of zone I villages comparatively preferred the sale in mandi perhaps due to easy approach to mandi. The market sale increased with the increase in the farm size in both the zones. Prices per quintal of groundnut pods were higher in the market by 3 to 4 percent over the village level price.
4. Small sized farmers of both the zones marketed more than three fourth quantity of the groundnut surplus in the first quarter just after harvest while medium and large sized farmer carried their sales to third and fourth quarters of the year, to attain the advantage of increased price. The tendency of groundnut sale immediately after the harvest was higher among the farmers of zone II (48.49 percent) in comparison of the farmers of zone I villages (44.14 percent). The percent sale of the quantity in the first quarter decreased with the increase in the farm size.
5. As far as the quarter-wise prices of groundnut are concerned the price of groundnut increased in the quarters subsequent to post harvest season by 2.6 to 16.67 percent in both the zones. Large and medium

sized farmers could enjoyed higher income by selling more quantity in later quarters of the year.

6. The small sized farmers of both the zones. exhibited the tendency of sale in one lot where more than three fourth farmers sold off 66 to 72 percent quantity of surplus in one lot. Medium and large farmers generally expressed the tendency of sale their surplus in two and more than two lots. Farmer of zone I village sold off more quantity in more numbers of lots compared to the farmer of zone II villages.

#### CONCLUSION

In this article, we evaluated the potential government assistance effect of embracing new groundnut spacings among smallholder ranchers in northern Ghana. We utilized information from on-ranch tests, center gathering conversations, and a family study. We applied numerous logical strategies including money-saving advantage examination, reception expectation model, and monetary excess model. The consequence of our money-saving advantage examination shows that all separating choices considered in this study are more productive than the ranchers' training. Gross monetary edge increments from Ghc57/ha on account of ranchers' training (i.e., 9 plants/sqm) to Ghc1311/ha on account of the greatest establishing thickness (22 plants/sqm). The advantage cost-proportion increments from 1.05 under ranchers' training to 1.87 under the most elevated plant thickness choice. The most extreme reception pace of the greatest and the best-establishing thickness (22plants/sqm) is 62% as would be considered normal to be arrived at in the span of nine years after the underlying reception. Given such a greatest reception rate and expecting a little open-maker economy, the occurrence of neediness is supposed to decline by around 3.6%. The mediation will likewise lessen destitution hole and neediness seriousness which implies that unfortunate families will be nearer to the destitution line, and their disparity will be diminished. While the effect on government assistance stays positive under the shut economy situation, the extents are not quite so high as the instance of the open economy situation which suggests that smallholder groundnut makers will help more in the event that they gain admittance to the worldwide market. The open economy supposition is more conceivable than the shut economy one with regards to Ghana since the last option is an impermanent obstruction that will be lifted by bringing in nations on the off chance that conditions are satisfied. We certainly accepted in our examination that current groundnut producers would keep on developing the harvest, yet new cultivators wouldn't come in. Notwithstanding, given the high relative productivity of the new innovation, there is plausible that new cultivators will enter the market. This suggests that the government assistance effect of the new innovation can be much more prominent than the figures anticipated in this review.

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