

Sale of Groundnut in North Arcot District

by

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Out of a normal production of one lakh tons of groundnut kernels in North Arcot district about 5,000 tons are utilised for edible purposes. Nearly 12,000 tons of kernels are required for seed material and this quantity is sold as pods in the villages. The rest 83,000 tons are assembled in the various centres, as pods or as kernels and sold either directly or through commission mundies or have them auctioned in the decorticating premises to the consumers like the exporters and the oil crushers or to the merchants. The Statement I below, gives an approximate idea of the quantities involved in the different methods of marketing groundnut obtained in North Arcot district.

STATEMENT I

(In tons of kernels)

Assembling Centres	Quantity normally assembled	Sold directly to consumers or merchants		Sold through commission mundies as kernels	Sold in the decorticating premises as kernels
		as pods	as kernels		
(1)	(2)	(3)	(4)	(5)	(6)
<i>Thiruvannamalai Tq.</i>					
Thiruvannamalai	13,000	4,500	500	3,000	5,000
<i>Thiruppathur Tq.</i>					
Thiruppathur	10,000	7,000	500	500	2,000
Gajalanaickenpatti	1,000	1,000	..	..	..
Vaniyambadi	2,000	..	..	2,000	..
<i>Arni Tq.</i>					
Arni	9,000	5,000	..	..	4,000
<i>Vellore Tq.</i>					
Vellore and Katpadi	4,000	..	2,500	1,500	..
Ambur	500	..	500	..	..
<i>Wallajah Tq.</i>					
Arcot	7,000	2,000	4,000	..	1,000
Ammur	1,000	1,000	..	..	..
Kalavai	2,000	2,000	..	..	..
Thimiri	1,000	1,000	..	..	..
<i>Polur Tq.</i>					
Polur	1,500	1,000	300	100	100
Chotput	2,500	2,500	..	..	..
Kalambur	1,500	1,500	..	..	..
Santhavasal	1,000	1,000	..	..	..

(1)	(2)	(3)	(4)	(5)	(6)
<i>Gudiyatham Tq.</i>					
Gudiyatham	8,000	6,000	2,000	..	..
Poranambut	1,500	1,500	..	..	..
<i>Cheygar Tq.</i>					
Choyyar	3,500	3,500	..	..	..
Kovilur	1,000	1,000	..	..	..
<i>Wandiwash Tq.</i>					
Wandiwash	2,000	2,000	..	..	..
Desur	1,000	1,000	..	..	..
Other centres	21,000	21,000	..	..	..
	(12,000 for seed)				
Total	95,000	65,500	10,300	7,100	12,100

It is seen that most of the sales is as pods direct to the consumers are merchants. Of late, the auction sales in the decortiating premises is coming into prominence. This has affected the business of the commission mundies. The relative merits of these methods are discussed in the following paragraphs.

Nearly two-thirds of the production of groundnuts in North Arcot district (65,500 tons) is generally purchased during the season as pods, by the big merchants or the consumers like the exporters of kernels or oil crushers, in the assembling centres like Tirupattur, Arni, Thiruvannamalai, Gudiyatham, Cheyyar, Chetput and Kalavai. When better prices are offered later in the season, they are sold or exported. In this system of sales, the merchants mainly depend upon the possible rise in prices, with the advancement of the season and hence stake their all, by outright purchases at the beginning of the season in October to December. The poor agriculturist is unable to withhold his stocks till better prices are offered and hence sells his produce to the merchants, soon after harvest. Sale as pods (65,500 tons) is more prevalent than sale as kernels (10,300 tons) and the author has already drawn attention to the losses incurred by the agriculturists in such transactions (*Madras Agric. J.* Vol. XLII, p. 85). Formation of growers' co-operative societies, which can advance monies on produce pledged and market the produce at advantageous prices at a later date would go a long way in improving the income of the agriculturists.

The system of sale through "commission mundies" is prevalent in certain places like Vellore, Thiruvannamalai and

Vaniyambadi where nearly 7,000 tons of kernels get marketed this way. The villagers bring their produce to known "mundies", from which they might have taken advances for cultivation or for other family expenses. If not already taken they would take some advance, at the time the produce is brought to the mundy. The commodity is left at the mundy for sale which may take place at times even after about a month or two. Mostly the sales are effected within a fortnight. The commission mundy owner gives advance loans, supplies empty gunnies for bringing the produce and accommodates the bags in his godowns till sales are effected. For all these services, he charges some commission which is readily paid by the agriculturist as it saves a lot of worry for him. Thus, the commission mundy owners play an important part in financing, assembling and storing groundnuts. In this system, the agriculturists are compelled to market their produce, through the commission mundies only, though they know fully well that the mundy owners are exploiting them and are making large profits at their expense. Aid by the Reserve Bank of India to give loans to the agriculturists in advance for cultivation, through the State Banks or the Co-operative Societies on their executing a bond, to bring their produce for sale to the recognised places of sale like the regulated markets or the co-operative sale societies would be of great advantage to the agriculturists.

Of late, the system of decorticator owners finding purchasers, for the decorticated produce in their mills, is prevalent in places like Tiruvannamalai, Arni, Tirupattur and Arcot. Nearly 12,000 tons of kernels are being sold in this manner at present, and is likely to be more popular at the expense of the commission mundy business. At all these places except Tiruvannamalai, the decorticator owners send word to the traders and oil mill owners intimating the availability of kernels for sale. Persons interested, peep in at their leisure and strike a bargain, if favourable. The villager, being new to the current conditions expects the decorticator owner to assist him in disposing off the produce quickly and at a favourable price. A commission is charged for such a service and some times it is done free also. In this system, the villager is entirely dependent on the honesty of the decorticator owner. This method can be improved by establishing a regulated market where all the produce can be assembled and sanctioned to fetch the best price.

At Tiruvannamalai, the method of sale in the decortivating premises, is a little improved. In this place, there are more than

a dozen decorticators, daily shelling pods and offering the kernels for sale. The oil crushers and the exporters of this district and form outside, daily start during the season, at about 4 p.m. from one end of the town in a group. When they enter a decorticator premises, the lots there are auctioned one by one by the decorticator owner following the close bid system. For each lot, the would-be purchasers offer their price in writing to the decorticator owner. The bid chits are arranged according to the price offered and a second chit increasing the price, is allowed if a purchaser finds that his chit has gone down in the order. The highest bid offered, is considered by the decorticator owner and the owner of the produce jointly and is either accepted or rejected. The next lots are auctioned one by one on the same pattern. After finishing the lots available in one decorticating premises, the would-be purchasers move on as a body to the other decorticating premises one by one till they finish all the available lots in the town. In this system, there are some defects. The decorticator owner is able to choose the purchaser, by refusing to part with a lot, for a particular price and selling the same, the next hour, to a man of his choice, without auction, for the same price. This kind of manipulation is very unhealthy, as no sanctity is attached to the auctions held. The most important objection to this system is that the price levels of each purchaser, is liable to be disclosed, even in the first few bids, in a decorticating mill. In order to avoid exciting the market, the best bids would not be forthcoming in the first rounds, and hence, the price fetched in the first few mills visited are mostly low. As the purchasers move on, the tempo increases and the parties would have sensed the market position and the bids in the end places would be fashioned after that day's existing conditions. In a rising market the end mills would get better prices than the first mills while in a falling market the first mills may sometimes have the advantage. It was observed on one day that while the first bids in the first two mills was only Rs. 95/- per candy, it rose up to Rs. 109/- in the end mill, for 'pucca' quality of kernels, per candy of 531 lb. as there were favourable advices from the Madras market that day. On another day, the bid started at Rs. 110/- and came down to Rs. 95/- per candy of kernels as the market advices were weak. The information given in the day's morning papers, the advice given in the letters received by the parties that day, the availability of the stocks, the study of the requirements of the various parties assembled, and the rivalry of the concerns, play a great part in deciding the prices and their trend. Perhaps

this defect may be partly rectified, by asking the bidders to go round all the decorticating premises and give their close bids all at a time in a central place. Better still, an arrangement where all the lots of groundnuts offered for sale, could be assembled in a central place for auctioning by the close bid system would be welcome. This is just the idea of a regulated market. The purchaser can go round and estimate the arrivals and [the quality and then declare his maximum prices for each lot in a slip according to his requirements. In this system the maximum bids would have to be given by all at the same time, being in the dark about the market conditions. The grower would thus get the best price for his produce. Perhaps the defect in this system may be that the purchaser is not sure of the quantity he would be getting, as the acceptance of his bid depends upon the other bids. At times, he gets more stocks than he wishes for, while at other times, he is not able to cover his requirements. Yet another defect that may be pointed out is the cart-fare involved in transporting the groundnuts from the decorticating premises to the central market. This can be rectified, if bids are allowed on samples or on standard specifications.

The above kind of assembling groundnuts in a central place called the regulated market, and auctioning the produce daily by the close bid auction system, has been successfully adopted by the South Arcot Market Committee for the past fifteen years. The growers themselves bring their produce to the regulated markets for sale, and the consumers like the oil mill owners and the exporters find it extremely easy to have their purchases effected expeditiously and according to their requirements. The commission mundies have mostly gone out of trade in South Arcot district and at present nearly 95% of the produce grown is marketed by the growers themselves through the eight regulated markets established by the South Arcot Market Committee throughout the district. The North Arcot Market Committee, started about an year back, has also arranged for such a system of assembling and auctioning of groundnuts in North Arcot district at the regulated markets of Vellore and Tiruvannamalai. Three more regulated markets would be started at Tirupattur, Arni and Arcot in the near future.

While the market committees are able to effectively dispose of the produce at an advantageous price to the agriculturists and also be of service to the traders by assembling them at a place for their close scrutiny and appraisal of the market conditions, the problems of long duration storage and financing remains untackled,

as these functions are beyond the the scope of these regulated markets as envisaged by the Madras Commercial Crops Markets Act 1933. The co-operatives can step into this gap and be of great service to the groundnut trade. The starting of bonded warehouses conforming to the Madras Warehouses Act, under the management of the co-operatives would be a useful step in tackling the problem of storages. It is stated that the Reserve Bank of India contemplate provision of loans to the agriculturists even for meeting the cultivation expenses. Such a move would solve the problem of financing.

The combinatison of the co-operative movement and the market committees can be expected to wean the agriculturist from the obligations of the commission merchants. This does not mean that the commission merchants should not exist. They have also got their functions in the marketing of groundnuts. They can advance monies to the few needy agriculturists that cannot pledge any produce but would require capital for cultivation. Such produce brought to their mundies can be sold at the best prices, comparable to the prices obtained in the regulated markets. For the services rendered, they can charge a reasonable commission. Under the Madras commercial Crops Markets Act, in the notified areas the maximum commission charges are fixed by the market committees. They can also advance monies temporarily on the produce pledged by the traders, after purchase in a regulated market. When the outside purchasers hook in large quantities than their requirements, they necessarily fall short of the money required for payment immediately and also may find it difficult to move their produce expeditiously from the regulated market. The co-operatives may take time to accomodate such urgent cases, and the commission merchants, can be useful in this direction.

There cannot be prescribed any hard and fast system of sale for each commodity or place. The best policy would be to improve the existing conditions, by slowly organising regulated markets and bonded warehouses so that the growers may get fair prices for their produce, while the traders may be enabled to gauge the situation and offer remunerative prices for the quantities required by them.

Crop and Trade Reports

Cotton—1954-'55 Fifth and Final Forecast Report, Madras State: The area under cotton upto 25th March 1955 for the Madras State is estimated at 8,71,700 acres. Compared with the finally recorded area of 8,59,000 acres for the previous year and an average area of 7,84,200 acres calculated for the five years ending with 1953-'54, this is an increase of 1.5 per cent and 11.2 per cent respectively. An increase in area is estimated in all the districts of the State except in North Arcot, Maiabar and South Kanara and the Nilgiris. The area estimated is the same as that last year in North Arcot, Malabar and South Kanara districts and the area in the Nilgiris district is little and negligible. Pickings of cotton is in progress. The crop was affected by insufficient water supply in the later stages of its growth in the districts of North Arcot and Ramanathapuram. It was also affected by pest attack in the districts of Coimbatore. The condition of the crop in the other districts is generally satisfactory.

The yield per acre is estimated to be slightly higher than that of last year. The seasonal factor for the State as a whole works out to 92 per cent of the normal as against 91 per cent for the previous year. On this basis, the total yield works out of to 2,70,500 bales of 392 lb. lint for the previous year and an average yield of 2,61,000 bales for the five years ending with 1953-'54, representing an increase of 2.2 per cent and 3.6 per cent respectively. It is however too early to estimate the yield with accuracy as much will depend upon the future weather conditions and their effect on the second crop.

The estimated area and yield of cotton by varieties in the current year, together with the corresponding figures for the previous year are given below:

Variety	Area in '00' acres yield in '00' bales of 392 lb. lint				
	1954-55	1953-54	1954-55	1953-54	
Madras American (Cambodia)	{ Irrigated ..	1101	1390	729	938
	{ Unirrigated ..	1047	1290	279	338
Madras American (Cambodia-Uganda)	{ Irrigated ..	477	170	319	119
	{ Unirrigated ..	758	461	188	110
Total Cambodia ..		3383	3311	1515	1503
Uppam in Central districts ..		641	632	104	127
Nadam and Bourbon ..		5	5	*	*
Total Salem ..		646	637	104	127
Tirunelvelies (a) ..		1075	1065	265	228
Karunganni ..		3613	3577	281	788
Total ..		4688	4642	1080	1016
Grand Total ..		8717	8590	2705	2646

*Less than 50 bales.

(a) Includes mixed country cotton grown in the South.

The wholesale price of cotton lint per standard maund of 82 2/7 lb. or 3,200 tolas as reported from certain market centers on 30—4—55 was Rs. 88—12—0 for Coimbatore Cambodia Rs. 73—7—0 for Coimbatore Karunganni, Rs. 84—11—0 for Cambodia at Erode and Rs. 65—10—0 for Tirunelvelies. Compared with the prices which prevailed in the corresponding period of last year, these prices reveal a decrease of 21·4 per cent in the case of Tirunelvalies, 18·7 per cent in the case of Coimbatore Karunganni, 10·0 per cent in the case of Cambodia at Erode and 9·8 per cent in the case of Coimbatore Cambodia.

Ginger—Third and Final Forcaste Report—1954-'55—Madras State: The area under Ginger in 1954-55 in the Districts of Madurai, Malabar, South Kanara and the Nilgiris is estimated at 14880 acres. Compared with the area of 15250 acres estimated for the corresponding period of last year it shows a decrease of 2·4 per cent. Compared with average area of 13490 acres calculated for the previous five years ending with 1953-'54 the present estimate reveals an increase of 10·3 per cent. An increase in area is estimated in the districts of Madurai, South Kanara and the Nilgiris and a decrease in the district of Malabar. The yield per acre is estimated to be normal in the districts of South Kanara and the Nilgiris and slightly below the normal in the districts of Madurai and Malabar. The total yield is estimated at 5090 tons of dry ginger. Compared with the estimated yeild of 5440 tons of dry ginger for the corresponding period of last year it is an decrease of 6·4 per cent. Compared with the aveage yield of 4530 tons of dry ginger calculated for the previous five years ending 1953-54, the present estimate reveals an increase of 12·4 per cent.

The wholesale price of dry ginger per maund of 82 2/7 lb. or 3200 tolas on 5—3—1955 was Rs. 91—14—0 at Mangalore. Compared with the price in the corresponding period of last year this is an increase of 85·2 per cent.

Sugarcane Fourth and Final Forecast Report—1954-'55—Madras State: The area under Sugarcane in Madras State during 1954-55 is estimated at 1,10,700 acres (95,930 acres under planted crop and 14,770 acres under ratoon crop). Compared with the finally recorded area of 90,020 acres (78,190 acres under planted crop and 11,830 acres under ratoon crop) for the previous years, this is an increase of 23·0 per cent. Compared with the average area of 98,130 acres for the previous five yeares ending with 1953-54, the present estimate is an increase of 12·8 per cent. The increas in area this year is due to favourable seasonal conditions at the time of planting. A decrease in area is estimated in the districts of Ramanathapuram, Tirunelvely, Malabar and South Kanara and an increase in the other districts of the State except the Nilgiris where the acreage under the crop is little or negligible. The crop has been harvested or is being harvested in many districts. The yield per acre is slightly lower than that of last year.

The seasonal factor for the State as a whole works out to 95 per cent of the normal as against 96 per cent of the normal estimated for the previous year. On this basis, the total yield works out to 28,61,180 tons of cane, gur equivalent of which is 3,12,310 tons as against 23,39,010 tons of cane with a gur equivalent of 2,54,900 tons estimated for the previous year representing an increase of 22·5 per cent. Compared with an average yield of 24,12,810 tons of cane with a gur equivalent of 2,64,830 tons calculated for the previous five years ending with 1953-54, the present estimate shows an increase of 17·9 per cent. Tha average wholesale price of jaggery per maund of 82 2/7 lb. or 3,200 tolas at important market centers on 7—5—1955 was Rs. 14—11—0 in Mangalore, Rs. 8—0—0 in Tiruchirapalli, Rs. 6—4—0 in Salem, Rs. 7—9—0 in Cuddalore and Rs. 7—4—0 in Vellore. Compared with the prices which prevailed in the correponding period of last year, these prices show a fall of 60·0 per cent in Salem, 46·3 per cent in Vellore, 45·3 per cent in Tiruchirapalli, and 14·2 per cent in Mangalore.

Chillies—First and Final Forecast Report—1954-55—Madras State: The area sown with chillies in the Madras State in 1954-55 is estimated at 1,39,500 acres. Compared with the actual area of 1,37,700 acres for the previous year and an average area of 1,25,700 acres calculated for the five years ending with 1953-54, this is an increase of 1.3 per cent and 11.0 per cent respectively. A decrease in area is estimated in the districts of Chingleput, Coimbatore, Tiruchirapalli and Ramanathapuram and an increase in area in the other districts of the State except in South Arcot, North Arcot and the Nilgiris where the area estimated is the same as that of last year. The crop has been harvested or is being harvested in parts of the State. The crop is reported to have been affected by pest in Ramanathapuram district. The condition of the crop is reported to be generally satisfactory in the other districts of the State. The yield per acre is estimated to be normal in Salem, Tiruchirapalli, Tanjore, Tirunelveli and South Kanara districts and slightly below normal in all the other districts of the State.

The seasonal factor for the State as a whole works out to 97% of the normal which is the same as that for the previous year. On this basis, the total yield for the State as a whole works out to 73,900 tons of dry chillies. Compared with the yield of 72,800 tons of dry chillies estimated for first year, this is an increase of 1.5 per cent. Compared with the average yield of 59,200 tons calculated for the previous five years ending with 1953-54, the present estimate is an increase of 24.8 per cent. The average wholesale price of chillies per maund of 82 2/7 lb. or 3,200 tolas as reported from important market centres on 12-3-1955 was Rs. 65-14-0 in Coimbatore, Rs. 61-11-0 in Mangalore, Rs. 52-0-0 in Tiruchirapalli, 51-11-0 in Tuticorin, Rs. 50-15-0 in Madurai, Rs. 49-3-0 in Tirunelveli and Rs. 44-7-0 in Cuddalore. Compared with the prices which prevailed in the corresponding period of last year, these prices show a decrease of 44.9 per cent in Cuddalore, 34.2 per cent in Tirunelveli, 33.8 per cent in Tiruchirapalli, 31.1 per cent in Madurai, 25.4 per cent in Madurai, 25.4 per cent in Tuticorin, 22.8 per cent in Coimbatore and 8.8 per cent in Mangalore.

ERRATA

Madras Agricultural Journal — Market Committees Chronicle for June 1955, page 253, item V of the statement on prices of Arecanut in South Kanara District — please read as "Price per Cwt in Rs." instead of "Price per candy of 700 lb. in Rs."

Retirements of Some of Our Members from Active Government Service

The following gentlemen have retired from Government service during the year 1954-55. We wish to place on record our sincere thanks to them for all the help they have rendered to the Madras Agricultural Students' Union, either in their official capacity or as functionaries of the Union. We wish them long life, health and happiness during their retired life. We fervently hope and trust that they will continue to evince the same keen interest in the activities of the Union and do all in their power to further the prospects of the Union and the Madras Agricultural Journal.

The Management.

Sri M. Kanthiraj	— Formerly Dy. Director of Agriculture, Madras, retired as Director of Agriculture and Fisheries, Andhra State.
,, G. V. Narayana	— Formerly Vice-Principal and Oil Seeds Specialist, Coimbatore, retired as Principal, Agricultural College, Bapatla, Andhra State.
,, C. S. Krishnaswami	— Retired as Plant Protection Officer (Mycology), Coimbatore.
,, C. Rajasekhara Mudaliar	— Retired as Systematic Botanist and Professor of Botany, Agricultural College, Coimbatore.
,, S. M. Kalyanaraman	— Retired as Cotton Specialist, Coimbatore.
,, A. Kunhikoran Nambiar	— Retired as Millets and Pulses Specialist, Coimbatore.
,, T. S. Ramakrishnan	— Retired as Government Mycologist, Coimbatore.
,, K. Ramaswami	— Retired as Superintendent, Central Farm, Coimbatore.
,, K. S. Krishnamurthy	— Retired as Special District Agricultural Officer, Tanjore.
,, P. K. Natesa Iyer	— Retired as Farm Manager, Ambalavayil, Wynad.
,, C. V. Sankaranarayanan	— Retired as Assistant to the Paddy Specialist, Coimbatore.
,, S. V. Doraiswami Iyer	— Retired as Special Officer, Agro-Economic Research Unit, Madras University.
,, M. Sanyasiraju	— Formerly Government Agricultural Chemist, Coimbatore, retired as Agricultural Chemist, Bapatla.