



Marketing of Turmeric

by

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Turmeric (*Curcuma longa* L) is an important cash crop largely grown in the districts of Coimbatore (4,000 acres) Tiruchirapalli (1500 acres) and Salem (900 acres) in Madras State. It is grown mostly as a pure crop under canal or lift irrigation, in well manured, fertile and well drained soils. The yield of processed and dried turmeric is about two tons per acre. The yield of green rhizomes are about four time greater. Both the finger ("virali") and round ('Kizhangu') turmeric is used as seed material, though there are different ideas about the final yield of the crop in terms of fingers and rounds. Generally in the harvested crop the proportion of bulbs to fingers is about 1:4 by weight. The cost of cultivation of turmeric is roughly about Rs. 1,200/- per acre. The produce is harvested between January to March and is in the market after processing from February onwards. It is mostly exported to Calcutta, Bombay, Delhi, Colombo and other places outside the Madras State.

The wet turmeric tubers, soon after harvest are boiled in cowdung water. The boiled tubers are dried in the sun. The shrunken dried tubers are polished in baskets, rolling them along with stones, or in mechanical polishers, peeling off the outer dirty coloured skin, by friction. These cleaned tubers are treated with castor seed powder, alum and turmeric powder so that the turmeric gets a glistening golden colour. Most of the agriculturists bring the produce after boiling it in cowdung water and polishing it slightly in the baskets. The rest of the processing takes place in the trader's premises, after purchase from the agriculturists.

The important assembling centres for turmeric are Erode, Salem and Karur. At Salem and Karur, there are mostly Commission merchants only, and the produce assembled in these places is brought to Erode for

ultimate export. Hence Erode is the most important assembling and trading centre for turmeric in Madras State. At Erode there are 40 commission merchants and 35 exporters involved in turmeric trade. The arrivals of turmeric into the Erode market are from different sources. The turmeric grown in Coimbatore district in Gobichettipalayam and Erode taluks from within a radius of about 30 miles around, arrive for marketing at Erode to the extent about $1\frac{1}{2}$ lakhs of bags (1 bag = 140 lbs.) from January to April mostly. The produce of the Tiruchirapalli district from the Karur area, to the tune of $\frac{1}{2}$ lakh of bags and from Salem area to the extent of $\frac{1}{2}$ lakh bags are in the market between February and April. Some quantities from the Andhra and Kerala States also find a sale at Erode between May to September. Roughly 15,000 tons of turmeric are handled at Erode annually. The quality of turmeric coming from the Gobichettipalayam taluk is considered to be the best, having a core of sparkling yellow with a fine scent. As between the fingers and the rounds, fingers always fetch a decidedly higher price.

The growers themselves bring their turmeric to the Erode market. It has to be taken to any one of the forty commission merchants, who are all members of the Erode Commission and mundy merchants Association. No direct sales to exporters are permitted, as the Commission merchants wish to recover their loans, at the time of the sale of the produce. The agriculturist takes the produce to the commission merchants, from whom he would have taken a loan for cultivation or other expenses. The commission merchant arranges for the sale of the produce to the exporters. Generally, each grower would be getting about 3 to 5 bags (140 lbs) of turmeric in a lot for sale. A commission on an advalorem basis at Rs. 0—0—6 to 0—1—0 per ruppe is charged from the agriculturist. Weighing charges of Rs. 0—4—0 per bag of turmeric are also charged. Sometimes weighing charges are taken in kind at the rate of about 50—70 lbs of turmeric per 50 bags weighed. These weighing charges in kind include the labour for unloading the bags from the carts or lorries after weighment. An extra $1\frac{3}{4}$ lb is allowed to the purchaser while weighing each bag of turmeric (140 lbs). A 'Takka' of Rs. 0—12—0 per Rs. 100/- is collected from the grower in addition to the commission to compensate the loss sustained by the mundy owner if the value is not paid by the purchaser within three days of the sale. No storage charges are collected separately. Sometimes, a broker is also employed and is paid at 0—0—6 per bag by the grower. It will be seen, from the above, that the commission merchants have organised themselves very securely under the Association. The method of sale, as fixed by the Association, changed considerably, with experience. At first, the lots were auctioned by shouting, exhausting mundy after mundy. As this procedure took a lot of time, each mundy got a chance once in 15 to 20 days only. Later tender system of sale was adopted. In this system, a Kalasi from the Commission mundy took samples of 14 lbs turmeric from the lots and

accompanied by the owners of the produce, took them to the exporters, one by one. The price offered by the exporter for each lbt, was written up by him in the book brought by the Kalasi, wherein separate pages were allotted to the individual exporters, so that the prices offered by them may be kept a secret, from one another. If the grower was prepared to accept the price offered in writing by the exporter, he should do so on the spot, at the exporter's premises itself. When the grower left the exporter's premises without accepting the offer, the offer made, was deemed to have been cancelled then and there. In this system, the sales were quickly made, but the grower, had no opportunity to accept the highest price. At present a central place has been provided where commission merchants with the growers exhibit their stocks through samples of 14 lbs each and the purchasers come and offer prices as they like. It is left to the owner or the commission merchant to accept the price offered or not. Thus sales are quickly effected, every day between 10 A. M. to 12 noon, depending on the arrivals. This system is an improvement, in the sense that the grower has an opportunity to accept the highest price offered. Still there are some defects to be rectified further. A part of the sample is taken away by the purchaser, and when the goods actually arrive at his premises there is scope for the purchaser to bargain further, on the plea that the bulk is not according to the sample. The actual stocks are not exhibited for sale. The weighments are not made correctly and impartially. The grower is not at liberty to sell his produce without the intervention of a commission agent. The commission and other charges are exorbitant.

The ideal method of sale should be to afford opportunities to the agriculturist to sell his produce on fair terms for the best price, without much of expense. This can be possible only if the produce is marketed through the regulated market of a market committee. It would not cost anything for the agriculturist, as all the services given by a market committee are free to the producer. The expenditure incurred by a ryot while marketing his turmeric through the commission mundy and through a regulated market is given below.

Expenses per bag of 140 lbs.:

		Marketing of turmeric through	
		A commission mundy at Erode	The regulated market at Erode
1	Brokerage (on sale price of Rs. 25/ per bag)	Rs. 0.75 nP.	Nil
2	Commission (On sale price of Rs. 25/- per bag)	„ 1.56 „	Nil
3	Weighing charges	„ 0.25 „	Nil
4	Extra allowances in weighing	„ 0.30 „	Nil
5	Takka	„ 0.19 „	Nil
		Total Rs. <u>3.05 „</u>	<u>Nil</u>

The purchaser pays the weighing labour in the committee.

Against an expense of about three rupees per bag costing of Rs. 25 for the ryot while he sells his turmeric through the Commission mundy he need not incur any expenditure if he should sell his produce through the regulated market.

Further the prices obtained in a regulated market would be the best, as the method of sale adopted is the secret tender bid system, where the purchasers have to offer their prices to the lots exposed for sale in writing and then take the chance of getting the lots; only if their price offered, was the best for the lot. Hence in the sale of a commercial crop like turmeric involving transactions amounting to more than a crore of rupees annually at Erode, it is essential that the interests of the grower is protected by giving him all the marketing facilities, establishing a regulated market at Erode. It would be a great satisfaction to note that the turmeric in Coimbatore district has been declared by the Government as a commercial crop under the Madras Commercial Crops Markets Act and that the Coimbatore Market Committee has been taking steps to establish a regulated market for turmeric at Erode. The day of deliverance for the ryot from the tight grip of the commission merchant is fast approaching.