

ECONOMIC ASPECTS OF OPIUM CULTIVATION IN SELECTED VILLAGES OF UDAIPUR, RAJASTHAN

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In the present study comprising representative villages and opium cultivators, it was found that opium cultivators need special attention for increasing production. Their problems are mainly administrative, lack of resources, inadequate technical knowledge and training. Apart from these, the present criteria of determination of opium price is not suitable, because on the one hand it leads to exploitation of producer and on the other hand the country or the State is not able to get the benefit of whole production. Taking the monopoly position of India in the opium cultivation and growing importance of the crop in the context of diverse use of the crop, it becomes necessary to study the problems related to present state of production, marketing system and price determination as sufficient attention has not been given to these aspects as yet.

The drug queen opium is one of the most important cash crops of India which, so far, has been contributing about Rs 50 crores worth foreign exchange to the exchequer every year. Moreover, more than one million people are dependent directly or indirectly for their livelihood (Makhija 1979). So far, India enjoyed monopoly position in meeting the world demand but at present it is fast losing its monopoly in the world market due to competition from the newly emergent poppy growing countries (Indian Express 1981). Such new countries like Australia, France, Holland and Poland have joined the ranks of poppy growers and their sophisticated technology and improved farming methods have posed a new challenge to India's opium production and market prospect. In the present paper this is an attempt to study some economic aspects of opium cultivation in some representative

villages of Udaipur district, Rajasthan as it is important to know the conditions and problems that are existent there.

MATERIAL AND METHODS

Among about 250 villages of Udaipur district who are cultivating opium, four representative villages have been selected on the basis of (a) largest number of cultivators (b) where new technology has been applied (c) where land is most fertile and most close to the city of Udaipur (d) which is situated in the interior, far from roads and backward. The cultivators in these villages have been divided in three groups i.e., A, B, and C on the basis of land holdings.

Group A- cultivators having more than 25 bighas of land

Group B- cultivators having land between 10-25 bighas

Group C cultivators having land less than 10 bighas.

The local measurement of land is in terms of Ari; 1 bigha is equal to 25 Ari and 1 hectare is equal to 37 Ari, or one and half bighas. The base year of the survey is 1978-79. By using random sampling method from each village, 9 cultivators have been selected. On the basis of this land holding, 3 cultivators from each group were selected and interviewed.

RESULTS AND DISCUSSIONS

Peculiarities

Opium production has several peculiarities. Firstly, unlike cultivation of any other commercial crop, there is no freedom in taking up the production of opium. It is limited and controlled following the Indian Opium Act of 1857. Licences are issued by the government for its cultivation which necessitates fulfillment of certain conditions on the part of the cultivators and every year certain changes are made in the conditions. The main condition for giving licences is the yield per hectare and the minimum of 25 kg/ha has to be there so as to be eligible for renewal of license and this may be related in special cases. Second feature is that of appointment of Lambardar or Mukhiya or Headman in the village. The functions of Lambardar are given on the back of appointment letter of Mukhiya. The appointment letter is issued by the District Opium Officer, Narcotics Department, Government of India. The function of the Lambardar is different

from other Mukhiyas of the village. Where the number of cultivators is more than 60, then in that case 2 Mukhiyas are appointed. As given in the appointment letter, the Headman gets a commission on the total production. The payments of commission is adopted as measure for increasing average productivity of the village. On the other hand the the cultivator who gives the highest yield per hectare is appointed Lambardar and the Mukhiya changes from time to time. The Lambardar acts as Supervisor of production, as an agent of giving information regarding distribution of licence, is to maintain the register of collection of opium after every operation, and also to look after any leakage of the total produce. He is to assist the officers in tracing smugglers. It is his concern to inform District Opium Officers about any loss that may occur due to natural or any other cause.

The third peculiar feature is the price and marketing system of opium. The price is fixed by the government according to the quality and consistency, besides production per hectare and no one can challenge in any court the order of Standard Price of opium and the order of confiscation, if any. There is great difference between the price that is given by government or that is prevailing in the controlled market, and the other which is given by the smugglers to the cultivators, which is determined by demand and supply of produce. The highest price that is given by the government highest average yield is Rs. 220/-. The price given by the

smugglers has been analysed by Makhija (1979). The smugglers pay Rs. 500/- in the producing areas and in the Punjab, Jodpur, Delhi, and Varanasi it is sold from Rs. 800-1000/- per kg and when it reaches a shore town, it even fetches Rs. 1500-1800/- per kg and as it reaches border areas to reach foreign land its price may become anything between Rs 5000-8000/. Presence of duality in the marketing system leads to a loss to the country. Due to the high price differences the cultivator is encouraged to sell more to the smugglers after fulfilling the minimum that he is required to sell to the government for its licit trade, thus leading to a divergence between social benefit and private profit. The problem of price and marketing of opium has been pointed out and analysed in an earlier communication (Tank and Chakravarti 1982).

Our study of 4 representative village of Udaipur district regarding land use (Table 1) would indicate that the cultivators belonging to the third category i.e., c use more of their land for opium cultivation than any other group.

Group C cultivators use 16.48% of total land for cultivating opium, while Group B cultivators use 4.95% and Group A 1.97% of total land respectively for opium cultivation. But when we take the land used for opium by different categories, we find that there does not exist such difference among the 3 categories, because its cultivation is limited and controlled by the government. In Udaipur district the maximum

area for opium cultivation per farmer is about 1 hectare and in local measurement it is 37 Ari or $1\frac{1}{2}$ bighas. The average holding of Group A cultivators is 37.5 bigha and it cultivates opium on 0.73 bigha of land; Group B cultivators cultivate 0.81 bigha where the average holding is 17.5 has while Group C cultivators cultivate opium on 0.65 bighas of land when their average holding is 4.87 bighas (Table 1). Group B has the highest acreage of land with him for opium. It is thus also evident that in distribution of licence no distinction is made regarding the holding of land, whether it is small or big. All the cultivators were found to own their land irrespective of categories and none was found to practise share-cropping.

Cost of cultivation of opium is much higher than most of the crops. It requires heavy doses of fertilizers and organic manures. During the operation season a high demand for labour persists. Apart from this, the crop is more susceptible to diseases for which there are yet no effective and economical control measures. About 50% of total cost is made on fertilizers. The next important item is labour. Regarding the cultivation cost, the medium group (B) incurs the highest expenditure for opium cultivation on its total land. Average cost incurred by the Group B cultivators is highest i.e., Rs 1174/- as compared to Rs 1072.5 and Rs 962.25 of Group A and Group C cultivators respectively. Group B spends most on manures and fertilizers. As the cost of cultivation is high, the resultant

Income is also high in comparison to income from other crops. In Udaipur district, the main objective for taking up opium cultivation is higher profit in a short span of time. This may possibly explain as to why the small cultivators belonging to Group C devote more of their land to opium. In total income of Group C, opium contributes 41.7% of income per cultivator, in case of Group B it is 27.5% and for Group A it is 23.45%. If one goes by the return that each group gets from its use of land, it can be said that Group B reaps the highest income compared to other groups.

This is a pointer to the fact that for opium, factors other than land are more important in determining the optimum scale of operation. Contrary to common belief, cultivator in the highest strata is not necessarily the one operating on a scale which can be said to be ideal or optimum. Productions per cultivator also shows that Group B has the highest productivity i.e., 9.9 kg where as it is 6.5 kg for Group A and 6.9 kg for Group C (Table 1). As a result the price fetched by Group B is Rs 173/—, Group A Rs 145/— and Group C Rs 158/—.

Comparative low performance on the part of Group C cultivators can be realized when one considers that this group needs loans and advances more than any other class and naturally share in the total loans and advances is the highest. Taking all the 3 groups of cultivators, the major source of their loan is the private source and only cultivators of Group A have access to the Cooperative Credit which is also only 25% of the total loan while the

other 2 groups viz., B and C have to totally depend on private source. The problem before these two groups is that of inadequate finance. In case of Group C their need for advance finance is highest, lack of timely finance at times leads to late sowing of the crop as result of which yields fall about 2 kg per bigha. The cultivator's sole dependence on private agency for loan is also due to the fact that the cooperatives do not provide loan for other than production purposes. But the farmers are not yet free from the traditional demands of incurring high expenses on marriages and other social customs. Here the agents of smuggler step in as the benevolent financier providing part of the payment in the form of advance on the crop which is yet to be harvested. In this way the agent provides the farmer with necessary liquidity, i.e., There advantages reasonably lure the cultivators to save most of his produce by keeping aside the minimum requirement that has to be given to the government. It has also been found that in some cases the smugglers have provided advances 5 years prior to harvest of crop. Naturally the farmer gets in hooked somewhere in the net of the smugglers. Thus it can be said that on the basis of land, cost, productivity, price and income, Group B is operating on a scale of production which is optimum in the given conditions of production. But there are problems which are generally acting as constraints for reaching the optimum position. They are related to administrative, inputs, technical knowledge, price etc.

Problems

The study found several problems with respect to opium cultivators.

- (a) Lack of technical knowledge and training
- (b) Inputs : The problem

of inputs are related to fertilizers, credit and labour, As the cost of cultivation is high, credit requirement is also high. Credit need is specially high in case of Group C cultivators. Due to paucity of fund they can not cultivate in time and yields are thus lowered. They fall to easy pray of smugglers and smuggling gets encouraged. During the operation and collection season the demand for labour is high; and engaged on a higher rate. (c) Administrative problem : In course of survey the cultivators in some of the villages pointed out that officials did not visit their villages. The appointment of Mukhiya is primarily made on the basis of opium produce. From the survey, it was apparent that very often the Mukhiya lacked quality of leadership and character and it has to be viewed in the context of the fact that the Mukhiya is the administrative unit in the village. The Mukhiya is often alleged to be in league with the smugglers and in the present set up there is no such provision where other producers can put check on him which can curb his monopoly power. (d) Legal Problems : According to the opium Act of 1857, the District Opium Officer or any other officer in entrusted with the responsibility of giving permission for opium cultivation in an area. It also restrains anyone from cultivating opium. It has been reported by the cultivators that often these powers were misused. The fixation of Standard

Price can not be challenged in the court resulting in discontent and doubt among cultivators, against concerned officers. Thus the situation arising out of the legal system has led to exploitation of the producer to a certain extent. (e) Absence of Insurance Scheme Taking the question of risk involved in its production due to natural factors as the crop is very much susceptible to diseases, lack of insurance arrangement is felt strongly, especially in boosting the morale of the cultivators.

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TABLE 1. Land use and production of opium in 4 representative villages of Udaipur district, Rajasthan

Group	Total land (Bigha)	Per Capita total land (Bigha)	Total irrigated land (Bigha)*	Total land for opium (Bigha)	Per capita land for opium (Bigha)	Share of land for opium (%)	Total opium yield (kg)	Per capita opium production (kg)
A	451	37.5	152.5 (33.8%)	8.56	0.73	1.97	78.0	6.5
B	210	17.5	105 (50.0%)	9.79	0.81	4.59	119.0	9.9
C	58.7	4.87	52.5 (89.4%)	7.56	0.63	16.48	83.5	6.9

*1 hectare is equal to 1.5 bigha