

MARKETING IN INDIA

- (1) *Report on the Marketing of Rice in India and Burma.* (Manager of Publications, Delhi), 1941. Pp. 626. Price Re. 1-4.
- (2) *Report on the Marketing of Groundnuts in India and Burma.* (Manager of Publications, Delhi), 1941. Pp. 446. Price Re. 1-4.
- (3) *Report on the Marketing of Potatoes in India and Burma* (abridged edition). (Manager of Publications, Delhi), 1941. Pp. 78. Price As. 8.
- (4) *Report on the Marketing of Jute in India and Burma.* (Indian Central Jute Committee, Calcutta), 1941. Pp. 301. Price Rs. 2-8.

RICE

(1) A handy authoritative reference book on the marketing of rice in India and Burma has been a long-felt need. The monograph of the Agricultural Marketing Adviser fulfils the need. Almost every aspect of the problem of marketing of rice has been considered in this volume. Each chapter contains a wealth of details and recommendations which will be very useful to the student, the trader in rice, the reformer and the politician.

The first chapter dealing with the supply side of rice gives an interesting history of paddy culture and a clear analysis of the different seasons for sowing, harvesting and marketing in various provinces of India and Burma. It also gives a valuable account of the different varieties of rice grown in the country. The chapter lays stress on the inadequacy of our rice supply to feed our growing population and on our regrettable dependence on foreign imports of rice.

The second chapter on "Utilisation and Demand" gives an evaluation of paddy and rice utilised for different purposes such as sowing, stock-feeding, manufacturing into products (e.g., murmura, keel, chura) for industrial uses, for export and by far the most important of all, for domestic consumption.

The third chapter under the caption "Wholesale Prices" begins by stating that Indian prices are entirely uninfluenced by world price trends and that even within the country there is no such thing as an average price of rice. It also points out the woeful lack of organisation for the sale of paddy in comparison with that of the relatively organised market for rice. After enumerating the methods devised by the

Government for the speedy dissemination of market news for the agriculturist through the radio and the press, the chapter gives a resume of the working of the Agricultural Produce (Grading and Marking) Act and of the pushing into wider use the AGMARK grades.

In Burma, there is not much disparity between the paddy prices and rice prices except for some premiums paid for old crops and for "boat" paddy coming from riverain tracts. The only disruptive tendency in Burma is the dealing in "futures" which instead of levelling seasonal fluctuations in prices aggravates them.

The succeeding three chapters deal in great detail with the preparation of rice for the market, assembling and classification, grading and standardisation. Rice passes through a long array of middlemen. In this process of assembling the produce and distributing it, as the chapter points out, there are involved much wastage of effort, unnecessary payments and the heavy economic loss resulting from the profiteering of a vast number of middlemen by which the actual price got by the grower for his produce is greatly depressed. The trade in rice is carried on only through a visual examination of samples of paddy and the rice contents of samples. This rough method is highly unsatisfactory. So the chapter lays it conclusively that full use should be made of the Agricultural Produce (Grading and Marking) Act, 1937, and the produce should be graded according to the specifications of the Act.

The next four chapters on "Conservation", "Handling and Transportation", "Wholesale Distribution" and "Manufacturing and Distribution of Rice Products" apart from dealing with the respective topics exhaustively, offer some valuable recommendations. For the bulk-storage of paddy it is recommended that growers in particular areas should by co-operation start central storage and marketing societies and thereby gain an extra-profit by selling stored grains only at the end of the seasonal glut. The greatest single addition to the marketing charge of rice comes under the head "freights" and any reduction of transport charges will not only expand the market for the grower in different regions but will confer a real benefit to the consumer. The operation of the "flat rate principle of rates" and "the telescopic scale of rates" in

the railways have not in any way substantially reduced the handicaps in the marketing of rice. A planned and drastic reduction of rates can alone minimise the handicaps. In the distributive trade of rice there exists a host of intermediaries between the grower and the consumer. The chapter does well in pleading for "a proper system of marketing and for a more direct participation in the marketing process by the grower himself."

In India, about 5.7 per cent. of the total crop production (2.41 million tons) is utilised for seed. Such a large utilisation of grains for seeds is due to faulty seed selection and faulty methods of cultivation. The eleventh chapter draws our attention to the immense good that can come about by the Agricultural Departments popularising the use of seeds of improved high-yielding strains. The absurd multiplicity of weights and measures current in the country leads to a good deal of foul play. The recommendations made in chapter XII favour the strict enforcement of the Standard of Weights Act, 1939, in the provinces and the adoption of the Imperial gallon as the standard of dry measure at least in wholesale transactions.

Wherever possible, explanatory diagrams and photographs are given. The appendices supply statistical data and information about the marketing acts in the country and practices obtaining elsewhere. The volume is a welcome addition to the long list of publications which the Agricultural Marketing Department has to its credit.

GROUNDNUTS

(2) Among the groundnut producing countries of the world India tops the list both in the area under groundnut cultivation and in the quantity produced. The average acreage and production during 1933 to 1937 were 7 million acres (36 per cent. of the world acreage) and 2.82 million tons, (34 per cent. of the world production). About 40 per cent. of the total production enter into international trade. India ranks first in the export of groundnut kernels and the average value of exports during 1933-34 to 1937-38 was 11 crores of rupees. Hence the importance of the study on marketing of this cash crop.

The first chapter contains a description of the chief varieties of groundnuts grown in India, the sowing, harvesting and marketing seasons of the crop and the outlets for the surplus kernels and oil-cake. According to the second chapter, the actual

quantity of the produce demanded is necessarily regulated by the relative prices of vegetable oils, animal fats and margarine and also by the size of the Indian crop. In the chapter on 'Prices' we find that the Indian producer is unable to reap the full benefit of the higher prices paid for his produce in the international trade due to the intervention of a host of intermediaries and the want of adequate marketing intelligence. Apart from these the essentials for better marketing are conspicuous by their absence. Besides promoting regulated markets, the establishment of organised trading in 'futures' in the chief ports exporting groundnuts will smooth out price fluctuations and give further security to the primary producers.

The chapter on the 'Preparation for Market' convinces us that a little more care given to the harvesting of the crop at the right time, and the decortication of groundnuts by machines instead of by the hand with the help of mallets and sticks will help to fetch higher price for the crops. In the chapter on 'Assembling' we come across all the shortcomings familiar to the Indian market in agricultural produce. Regulated markets and co-operative credit and sale societies, according to the Report, will mitigate these evils. The internal consumption of groundnuts is fast increasing, yet no organised trade bodies have been evolved to look after the interests either of the primary producers or of the sellers at the crushing centres.

The Report further deals with the 'grading standardisation' of groundnuts. The Report shows that the fatty acids, ordinarily found in Indian kernels, can be appreciably reduced by improved decortication, reduction of moisture, harvesting the crop when it is fully ripe and better storage. Freeing the kernels from impurities such as shells, nooks and broken kernels and castor seeds will also ensure better prices. If the grading of groundnuts is done according to the Agricultural Produce (Grading and Marking) Act, 1939, we can look forward to a bright future for the Indian producer of groundnuts. Storage of groundnuts has never been a great problem because storage for more than a year results in the deterioration of the kernels, and storage is also very risky on account of the wide price fluctuations which prevail in the trade.

The railway rates for groundnuts are higher than that for other oilseeds, and

the Report pleads for a revision of rates. If the railway is to hold its own position against cheaper motor transport and be of substantial benefit to the producers, the rates for the transport of groundnut should be the same as those for other oilseeds and there should be no discrimination shown against groundnuts.

It is mentioned that the export of groundnut oil to the foreign markets has got a great future. The Government must facilitate rapid progress by starting grading centres for oils and kernels. Our internal market can be vastly improved by making Vanaspati popular and by using groundnut oil for producing lubricants. The Report also warns us against looking with disfavour upon the crushing of groundnuts by 'chekkus' because the oil produced by this process has a premium over oil produced by mills. There is also much scope for the expansion of the use of groundnut cakes for feeding cattle and for manuring. Here again, heavy transport charges and the prejudices of consumers stand in the way of rapid progress.

The Report advances a case for a regional planning for growing different varieties of groundnuts according to the characteristics of different soils and climatic conditions and suited to the purpose for which the crops are raised. The distribution of better varieties of seed and the dissemination of the knowledge of scientific groundnut cultivation will go a long way towards increasing the yield per acre.

The curse of marketing in India is the use of a diversity of weights and measures. The sooner the Standard of Weights Act, 1939, is brought into force the better. The Imperial gallon is now used for measuring kerosene oil and its use as the basis of a provincial dry measure will be a welcome change.

The statistical data, the graphs and plates in the Report help to give a clear understanding of the problems concerning the marketing of groundnuts. We feel, however, that, instead of giving at the end of each chapter the conditions obtaining in Burma, a separate section could have been included dealing exclusively with the production and marketing of groundnuts in Burma.

The Indian consumption of groundnut oil has increased from 40 to 70 per cent. while exports have fallen from 55 per cent. to about 25 per cent. of the total production. The present time is opportune for India to

develop her groundnut crushing industry and the manufacture out of groundnut oil products like Vanaspati and lubricants. After the war, the export of raw groundnut kernels should be forbidden and encouragement should be given to the export of oil, oil-cakes and finished products. The recommendations of the Report for improving the marketing of groundnuts will be of immense use to agriculturists as well as to traders.

POTATOES

(3) Though the potato is not indigenous to India its cultivation as a vegetable has grown in importance in the course of a century. The average area under potato crop in India for the five years ending 1939 is estimated at 448,700 acres, which is about 1 per cent. of the world acreage. The Indian production is about 1 per cent. of the world production and the annual imports of potato, about 11½ lakhs maunds in recent years, are mainly for seed purposes and for meeting the seasonal shortages in supply.

The first chapter gives an account of the share of different provinces of India in the cultivation of potatoes, the area under winter and summer crops and the different varieties grown in the country. In the following chapter on demand, we find that the demand for potatoes in India is mainly for table purposes and that there is not much scope for the expansion of the use of potatoes for industrial purposes so long as rice is an economical substitute. In the chapter on 'prices' it is said that special researches about the storing of potatoes and the dissemination of market news through the radio can effectively offset the seasonal fluctuations in prices.

The Report is informative about harvesting and preparing of potatoes for the market and describes the gains that can be made by grading potatoes according to AGMARK specifications. It also deals at length with the various methods of storing potatoes. It points out the comparative advantages of the cold storage process and emphasises the need for a widespread use of cold storage facilities as the only way of regulating supplies and prices. Only potatoes intended for seeds can be preserved this way because they alone can bear such high cost of storage. The Report states that the damage of potatoes in transit can be considerably reduced by better packing and by the use of wooden waggons in place of steel waggons now supplied by railways for the transport of potatoes. Besides, attempts

should be made to check the power of monopolistic transport concerns fixing arbitrary rates for the transport of potato crop. The chapter on seed deals at length with the defects of faulty seed selection and assures us that the grading of seeds according to AGMARK rules will enable the grower to rely on the seeds he purchases. The chapter on the finance of the potato grower advances a plea for the starting of multipurpose co-operative societies which will supply the grower with all the help he needs, e.g., finance, improved seed, improved implements, market information, grading and marketing of the produce. Incidentally, it advocates the view that producers' associations and traders' associations can protect the respective groups from the inroads of outside vested interests. Besides this, it emphasises the need for research work for evolving a high starch-yielding variety for industrial uses and of a type of potato with short dormancy periods which will obviate the necessity of storing for long periods under the climatic conditions peculiar to India.

The Report will undoubtedly stimulate the desire among the growers, traders and commission agents to reorganise the potato marketing on the lines recommended by it. The present market for potato is capable of great expansion provided healthy propaganda is undertaken. The Report will be more exhaustive if some practical suggestions for market expansion are also incorporated in it.

JUTE

(4) The jute industry plays an important part in the economy of Bengal and the adjoining provinces such as Assam and Orissa. The Second Report of the Indian Central Jute Committee has dealt in detail in this comprehensive volume with the development of the industry in Bengal from the position of a cottage industry to that of a large-scale industry supplying the world's demand for gunnies, hessian and other jute products. The Report throws much light on the working of the Mill Owners' Association, the Brokers' Association and the tribunal set up for arbitration of complaints from buyers about the goods bought.

The first chapter gives a historical account of the development of the jute manufacturing industry in India and other countries. In the second chapter we find that the Indian industry is controlled by a group of manag-

ing agents and that the prosperity of many other industries such as coal mining, railway and steamer services, the steel and iron industries, etc., is dependent on the prosperity of the jute industry. The third chapter gives details of the internal organisation of the jute mills and the process of manufacture. The chapter on the 'Marketing of Jute Products' gives a critical account of the part played by speculative dealers, bazaar dealers, brokers and shippers in the sale and export of jute products. It further deals with the factors governing the consumption of jute products. The succeeding two chapters deal with the export trade of jute and the organisation of the export trade.

The Report concludes with a chapter on the trend of wholesale prices of jute and jute products during the decade 1930-40. This chapter enumerates a number of causes that may influence the wholesale prices of jute. The manner in which the prices react to stray events such as the sinking of a ship with a cargo of jute, to political developments, to rumours, etc., establishes beyond doubt that the jute market is highly organised and sensitive even though speculators often exploit it by their operations in the stock exchange. The section on 'Future Prices' analyses the factors that regulate the spot prices and future prices, anticipated supply and demand for a commodity in the future and its relation to the present supply and demand, the buyers' preference for spot commodities and the 'carrying costs'. As the Report itself mentions, the future market often becomes unbalanced owing to the operation of 'buyers who are not genuine merchants working for trading profits, but speculators actuated by gambling motives'.

The Report draws pointed attention to the dearth of statistics about the internal consumption of jute goods in India, and it pleads for the collection of statistics about the actual and potential home requirements for jute products. The foreign demand for Indian jute is for goods of superior quality and hence it will be highly profitable to cultivate superior qualities such as Fossa jute.

The Report is the result of the enquiry inaugurated by the Indian Central Jute Committee. The authoritative and useful information packed in the Report bears testimony to the excellence of the enquiry.

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