

Original Research Article

“An Economic Analysis of Marketing and disposal pattern of Groundnut in Surguja district of Chhattisgarh, India”

Abstract

This study is confined to an economic analysis of marketing and constraints of groundnut in the Surguja district of Chhattisgarh, India. The study was undertaken by 90 respondents during the year 2015-16. The main objective of the study is to analyze of groundnut marketing cost, price spread and constraints in marketing of groundnut. Major findings of the study reveal that there were three marketing channels identified for the groundnut marketing in Surguja district were Channel – I: Producer → Consumer, Channel – II: Producer → Village Merchants/ Retailers → Consumer, Channel – III: Producer → Commission Agents/ Wholesaler → Retailer → Consumer. The total marketing cost was higher in channel III (Rs. 365.38) Compared to channel I and channel II. And the total marketing margin and price spread were also seen higher in channel III Rs. (1457.22 and 635.00) because in the channel III there are two intermediates, whereas in channel I and channel II there is only one and two intermediate. The producer share in the consumer rupee was higher in channel I 97.55 percent. The market efficiency was higher in channel I 40.98 percent.

Key words: Groundnut crop, Economic analysis, Marking, Price Spread, Marketing Channel, Marking Margin.

Introduction

The cultivated groundnut or peanut (*Arachis hypogaea* L.) originated in South America. The term *Arachis* is derived from the Greek word "arachos" meaning a weed and "*hypogaea*" meaning underground chamber i.e. in botanical terms a weed with fruits produced below the soil surface. The world groundnut (in shell) harvested area in 2007 (FAO, 2007) was 23.4 million ha with a total production of 34.9 million metric tons (Mt). The total harvested area in 2007 increased by 3.7 million ha when compared to 1990, while production increased by 11.7 million Mt. The world's average productivity in 2007 was about 1490 kg/ha. It is cultivated in as many as 90 countries. Groundnut is therefore an oilseed crop on a global scale. The contribution of total oilseeds in Gross Domestic Product (GDP) was 4 per cent and it accounts for 10 per cent of the total value of Agricultural Commodities produced in the country. Oilseeds cover about 10 per cent of total crop area engaging about 7 million cultivators in the production process and 50 lakh persons in processing industries. Besides a substantial work force is employed in various other intermediate sectors like marketing and transportation etc. (Singh, 1996).

Groundnut and rapeseed-mustard are two important crop which together account for about 78 per cent of the total oilseed production. The groundnut ranks first with 32.35 per cent contribution to total 15 oilseed production followed by rapeseed-mustard (26.35 per cent), soybean (21.56 per cent) and sunflower (6.17 per cent) together accounting 86 per cent of the total oilseed production in the country. The groundnut crop contributes about 25 per cent area to the total area cover under total oilseed in the country. Under normal weather condition, seven reason reasons are producing 93% of the total groundnut output, as follows Gujrat (26%), Andhra pradesh (19%), Rajasthan (18%), Tamilnadu (10%), Karnataka (8%), M.P. (7%) and Maharashtra (5%). Because of it high dependence on the south west monsoon, Groundnut production is kharif season fluctuates from year to year depending on the spatial and temporal distribution of rains, will rabi harvests hold fairly steady at 1.5 to 1.6 million tons. The Agriculture Ministry had maintained Minimum groundnut support price unchanged from the past season, at 23.2 US\$/ton.

Materials and Methods

Collection of data

The study is based on both primary and secondary data. The primary data was collected from 90 selected respondents with the help of pre-tested interview schedule by the personal interview method for the year 2015-16 and secondary data was collected from Chhattisgarh agriculture statistics, land record office, annual districts statistics and other published and unpublished reports.

Methodology

In this study Ambikapur block of Surguja district of Chhattisgarh was purposively selected. A multistage simple random sampling technique (SRS) was adopted to select the block market and different farmer involved in Groundnut marketing in Surguja district of Chhattisgarh. Guturma and Sitapur market was selected purposely for the present study. All market functionaries bring their commodity for the sell from to the different part of the Surguja district. The details of the sampling techniques at various stages are given as under:

Marketable Surplus

The quantity of produce left after meeting out the requirements of the producer for family consumption, cattle feed, paid as wages, used for seed purpose etc. In mathematical equation, the marketable surplus of the produce may be expressed as:

$$MS = P - C \{C_p + C_f + W + S\}$$

Where,

MS - Marketable Surplus

P - Total Production

C - total consumption

C_p - Family Consumption

Cf - Quantity use for cattle feed

W - Quantity use for wage

S - Quantity kept for seed

Price spread

The price spread in marketing of groundnut data pertaining to cost and margins were analyzed as under:

Marketing cost:

$$C = CF + C_{m1} + C_{m2} + C_{m3} + \dots + C_{mn}$$

Where,

C = Total cost of marketing

CF = Cost borne by the produce farmer from the time at which the Produce leaves the farm till the scale of the produce and

C_{mi} = Cost incurred by the ith middlemen in the process of buying and selling

Marketing cost

Per quintal marketing cost of groundnut is obtain as-

$$C = Cf + C_{mi} + C_{mii} + \dots + C_{mn}$$

Where,

C = Total marketing cost of produce (Rs/Qt)

Cf = Cost paid by farmer (Rs/Qt)

C_{mi} = Cost incurred by ith middlemen in the process of buying and selling.

Market Margin

(a) Gross margin

The following formula is used to work out the per kg gross margin for each marketing agency.

$$Mg = Si - Pi$$

Where,

Mg = Gross margin

Si = Sale value of produce for ith intermediaries

Pi = Purchase value of ith intermediaries

(b) Net margin

The net margin of ith type of market agencies are calculated as under:

$$Nmi = Pri - (Ppi + Cmi)$$

Where,

Pri = per kg price received of produce by ith type pf intermediaries.

Ppi = per kg purchase price by the ith type intermediaries.

C_{mi} = per kg marketing cost incurred by ith type of intermediaries.

N_{mi} = Net margin of ith type of market intermediaries.

Producer's share in consumer's rupee

To calculate the producer's share in consumer's rupee, following formula is applied.

$$Ps = (Pf \div Pc) \times 100$$

Where,

Ps = producer's share in consumer's rupee

Pf = Net price received by farmer

Pc = price paid by consumer.

Marketing efficiency

Marketing efficiency was measured through shepherd's formula. The ratio of total value of goods marketing to the marketing cost was used to measure the sufficiency. The higher the ratio, higher efficiency and vice versa.

$$\text{Marketing efficiency} = (V/I)$$

V = Value of goods sold (consumer's price), I = Total marketing cost (cost + margins)

Result and Discussion

Disposal pattern

In Surguja district there was no regulated market for groundnut, that's why the study for marketing of groundnut was conducted at farmer's level. There were three market functionary were engaged in marketing of groundnut in the study area those were village merchant Commission Agents/ Wholesaler and Retailer.

Marketing channels

There were three marketing channels for the groundnut marketing in Sitapur and Guturma market given below:

Channel – I: Producer → Consumer

Channel – II: Producer → Village Merchants/ Retailers → Consumer

Channel – III: Producer → Commission Agents/ Wholesaler → Retailer → Consumer

(i) Channel – I: Producer → Consumer:

Table 1 reveals that average marketing cost when producers sold their product directly to consumers in the local market was Rs. 110.00 /qtl. Among these cost transportation cost was most important which accounted for Rs. 23.33/qtl, followed by miscellaneous charges was Rs. 9/qtl, loading and unloading cost Rs. 10/ qtl, market fee Rs. 28.33/qtl, packing material cost Rs. 18.56/ qtl, weighing charges Rs.8/qtl, and packing cost was Rs. 12.47/qtl, respectively. The producer net share was 97.55 per

cent in consumer price. The maximum percent of producers share in consumer price was 97.66 per cent on small and medium size farms 97.51 per cent and 97.40 per cent on large size of farms groups. Average producer sale price to consumer in different farms size group was Rs.4500.00/ha and the average price spread was Rs. 110.00/ha. Market efficiency in small, medium and large farms size groups was 42.85 per cent, 40.17 per cent and 38.46 per cent respectively. Sample average for marketing efficiency in channel I was 40.98 per cent respectively.

Table 1: Marketing Cost, Marketing Margin and Price Spread in different Size of Farms Group
(Value in Rupees/Qtl.)

| S. No. | Particulars | Size of Farms Groups | | | Sample Average |
|--------|---------------------------------------|----------------------|------------------|------------------|------------------|
| | | Small | Medium | Large | |
| 1. | Producer sale price to Consumer | 4500.00 | 4500.00 | 4500.00 | 4500.00 |
| 2. | Cost incurred by the producer | | | | |
| i | Packing cost | 12.00 (0.31) | 13.00 (0.34) | 14.00 (0.36) | 12.78 (0.33) |
| ii | Packing material cost | 17.00 (0.44) | 19.00 (0.49) | 21.00 (0.54) | 18.56 (0.48) |
| iii | Transportation cost | 22.00 (0.57) | 24.00 (0.62) | 25.00 (0.65) | 23.33 (0.60) |
| iv | Market fee | 27.00 (0.71) | 29.00 (0.75) | 30.00 (0.78) | 28.33 (0.74) |
| v | Loading and unloading charges | 10.00 (0.26) | 10.00 (0.26) | 10.00 (0.26) | 10.00 (0.26) |
| vi | Weighing charges | 8.00 (0.21) | 8.00 (0.20) | 8.00 (0.20) | 8.00 (0.20) |
| vii | Miscellaneous charges | 9.00 (0.23) | 9.00 (0.23) | 9.00 (0.23) | 9.00 (0.23) |
| 3. | Total cost (i-viii) | 105 (2.76) | 112 (2.93) | 117 (3.05) | 110.00 (2.88) |
| 4. | Net price received by producer | 4395.00 | 4388.00 | 4383.00 | 4390.00 |
| 5. | Producer share in Consumers Rupee (%) | 97.66 | 97.51 | 97.40 | 97.55 |
| 6. | Price spread | 105 (3.94) | 112 (4.24) | 117 (4.69) | 110.00 (4.21) |
| 7. | Consumers paid price | 4500.00 (100) | 4500.00 (100) | 4500.00 (100) | 4500.00 (100) |
| 8. | Marketing Efficiency | 42.85 | 40.17 | 38.46 | 40.98 |

Note: Figure in the parenthesis indicate percentage to the total consumer price.

(ii) Channel – II: Producer → Village Merchants/ Retailers → Consumer

Table 2 represent the average marketing cost when producers sold their product to village merchants/Retailers in the market was Rs. 110.00/qtl. Among these cost transportation cost was most important which accounted for Rs. 23.33/qtl, followed by miscellaneous charges was Rs. 9/qtl, loading and unloading cost Rs. 10/qtl, market fee Rs. 28.33/qtl, packing material cost Rs. 18.56/qtl, weighing charges Rs. 8/qtl, and packing cost was Rs. 12.78/qtl, respectively. The average marketing cost sold to

their produce through village merchants/ retailers to the consumers, was observed 8.41 per cent, among these costs town charges was the most important (0.48 per cent), followed by transportation (0.55 per cent), loading and unloading charges (0.35 per cent), carriage up to shop (0.49 per cent), losses and miscellaneous (0.28 per cent), and weighing cost (0.36 per cent) of the total marketing cost respectively. Price spread was highest on large size farms (Rs. 498.00/qtl) followed by medium size farms (Rs. 479.00 /qtl) and Rs. 457.00/qtl on small size of farms groups. These markets the sample average of price spread was Rs. 473.44/qtl on different size of farms groups. Market efficiency in small, medium and large size of farms groups were 10.82 per cent, 10.34 per cent and 10.03 per cent respectively. Sample average for marketing efficiency in channel II was 10.48 per cent.

**Table 2: Marketing Cost, Marketing Margin and Price Spread in different Size of Farms Group
(Value in Rupees/Qtl.)**

| S. No. | Particulars | Size of Farms Groups | | | Sample Average |
|------------|---|----------------------|------------------|------------------|------------------|
| | | Small | Medium | Large | |
| 1. | Producer sale price to Village Merchants | 4500.00 | 4500.00 | 4500.00 | 4500.00 |
| 2. | Cost incurred by the producer | | | | |
| i | Packing cost | 12.00 (0.31) | 13.00 (0.34) | 14.00 (0.36) | 12.78 (0.33) |
| ii | Packing material cost | 17.00 (0.44) | 19.00 (0.49) | 21.00 (0.54) | 18.56 (0.48) |
| iii | Transportation cost | 22.00 (0.57) | 24.00 (0.62) | 25.00 (0.65) | 23.33 (0.60) |
| iv | Market fee | 27.00 (0.71) | 29.00 (0.75) | 30.00 (0.78) | 28.33 (0.73) |
| v | Loading and unloading charges | 10.00 (0.26) | 10.00 (0.26) | 10.00 (0.26) | 10.00 (0.26) |
| vi | Weighing charges | 8.00 (0.21) | 8.00 (0.20) | 8.00 (0.20) | 8.00 (0.20) |
| vii | Miscellaneous charges | 9.00 (0.23) | 9.00 (0.23) | 9.00 (0.23) | 9.00 (0.23) |
| 3. | Total cost (i-viii) | 105.00 (2.76) | 112.00 (2.93) | 117.00 (3.05) | 110.00 (2.88) |
| 4. | Net price received by producer | 4395.00 | 4388.00 | 4383.00 | 4390.00 |
| 5. | Sale price of producer to Village Merchant /Retailers | 4605.00 (100) | 4612.00 (100) | 4617.00 (100) | 4610.00 (100) |
| 6. | Cost incurred by the Village Merchant/Retailers | | | | |
| i | Loading & unloading charges | 14.00 (0.33) | 15.00 (0.36) | 16.00 (0.37) | 14.78 (0.35) |
| ii | Carriage up to shop | 19.00 (0.45) | 22.00 (0.52) | 23.00 (0.54) | 20.89 (0.49) |
| iii | Weighing charges | 15.00 (0.36) | 15.00 (0.36) | 15.00 (0.35) | 15.00 (0.36) |

| | | | | | |
|------------|--|------------------|------------------|------------------|------------------|
| iv | Town charges | 20.00 (0.48) | 20.00 (0.48) | 20.00 (0.47) | 20.00 (0.48) |
| v | Transportation | 22.00 (0.53) | 23.00 (0.55) | 25.00 (0.59) | 23.00 (0.55) |
| vi | Losses & Miscellaneous charges | 12.00 (0.28) | 12.00 (0.28) | 12.00 (0.28) | 12.00 (0.28) |
| vii | Village Merchant/Retailers Margin | 250.00 (6.03) | 260.00 (6.24) | 270.00 (6.41) | 257.78 (6.18) |
| 7. | Total cost (i-vii) | 352.00 (8.21) | 367.00 (8.26) | 381.00 (9.04) | 363.44 (8.41) |
| 8. | Sale price of village Merchant/ Retailer | 4945.00 | 4956 | 4998.00 | 4960.44 |
| 9. | Price spread | 457.00 | 479.00 | 498.00 | 473.44 |
| 10. | Consumers paid price | 4945.00 | 4956 | 4998.00 | 4960.44 |
| 11. | Producer share in Consumers Rupee (%) | 88.87 | 88.53 | 87.69 | 88.49 |
| 12. | Marketing Efficiency | 10.82 | 10.34 | 10.03 | 10.48 |

Note: Figure in the parenthesis indicate percentage to the total consumer price.

(iii) Channel – III: Producer → Commission Agents/ Wholesaler → Retailer → Consumer

Two intermediaries were identified through which Groundnut reaches to the consumer's i.e. commission agents/ wholesalers, Retailers (table 3). This is the longest channel among three identified channels. The producer sells his produce to the commission agent/wholesalers, who in turn sell it to retailers in the market. Finally the produce reaches to consumers after collecting margin. Average marketing cost when producers sold their produce to commission agents/wholesalers in the market was Rs. 157.78 /qtl. Among these cost miscellaneous charges was most important which accounted for Rs. 14.22/qtl, followed by transportation Rs. 28.67/qtl, loading and unloading cost Rs. 16.67/qtl, market fee Rs.40.89/qtl, packing material cost Rs. 23.78/qtl, weighing charges Rs.15.11/qtl, and packing cost was Rs. 18.44/qtl, respectively. Sale price of the producer to commission agents/ retailers was Rs. 4500.00/qtl in different farms size group. The retailer's margin was 11.62 per cent of the consumer paid price. Price spread was highest in large size farms which constituted to Rs. 1507.00/qtl of consumer paid price. Market efficiency in small, medium and large size of farms groups was 4.08 per cent, 3.99 per cent and 3.90 per cent respectively. Sample average for marketing efficiency in channel III was 4.07 per cent in different size of farms groups.

Table 3: Marketing Cost, Marketing Margin and Price Spread in different Size of Farms Group

(Value in Rupees/Qtl.)

| S. No. | Particulars | Size of Farms Groups | | | Sample Average |
|------------|--|----------------------|-------------------|-------------------|-------------------|
| | | Small | Medium | Large | |
| 1. | Producer sale price to Commission agent | 4500.00 | 4500.00 | 4500.00 | 4500.00 |
| 2. | Cost incurred by the producer | | | | |
| i | Packing cost | 18.00 (0.47) | 18.00 (0.47) | 20.00 (0.51) | 18.44 (0.48) |
| ii | Packing material cost | 22.00 (0.57) | 24.00 (0.62) | 27.00 (0.69) | 23.78 (0.61) |
| iii | Transportation cost | 26.00 (0.68) | 30.00 (0.78) | 32.00 (0.82) | 28.67 (0.74) |
| iv | Market fee | 42.00 (1.09) | 38.00 (0.98) | 43.00 (1.10) | 40.89 (1.06) |
| v | Loading and unloading charges | 16.00 (0.42) | 18.00 (0.47) | 16.00 (0.41) | 16.67 (0.43) |
| vi | Weighing charges | 14.00 (0.36) | 16.00 (0.41) | 16.00 (0.41) | 15.11 (0.38) |
| vii | Miscellaneous charges | 12.00 (0.31) | 16.00 (0.41) | 16.00 (0.41) | 14.22 (0.37) |
| 3. | Total cost (i-viii) | 150 (3.90) | 160 (4.13) | 170 (4.38) | 157.78 (4.08) |
| 4. | Net price received by producer | 4395.00 | 4388.00 | 4383.00 | 4390.00 |
| 5. | Sale price of producer to Commission agent/ Wholesaler | 4650 | 4660 | 4670 | 4656.78 |
| 6. | Cost incurred by the Commission agent/ Wholesaler | | | | |
| i | Loading and unloading charges | 16.00 (0.37) | 18.00 (0.41) | 16.00 (0.36) | 16.67 (0.38) |
| ii | Grading | 15.00 (0.35) | 16.00 (0.37) | 18.00 (0.41) | 16.00 (0.37) |
| iii | Packing | 15.00 (0.35) | 15.00 (0.34) | 16.00 (0.36) | 15.22 (0.35) |
| iv | Market fee | 20.00 (0.46) | 20.00 (0.46) | 22.00 (0.50) | 20.44 (0.46) |
| v | Commission of Commission agent/ Wholesaler | 32.00 (0.74) | 33.00 (0.75) | 34.00 (0.77) | 32.78 (0.75) |
| vi | Losses & Miscellaneous charges | 12.00 (0.28) | 16.00 (0.37) | 16.00 (0.36) | 14.22 (0.33) |
| vii | Commission agent/ Wholesaler Margin | 390.00 (8.98) | 395.00 (9.02) | 400.00 (9.09) | 393.87 (9.01) |
| 7. | Total cost (i-vii) | 500.00 (11.51) | 510.00 (11.64) | 520.00 (11.82) | 507.78 (11.62) |
| 8. | Sale price of /Commission agent wholesalers to Retailers | 5150 | 5170 | 5190 | 5165.56 |
| 9. | Cost incurred by the Retailers | | | | |
| i | Weighing charges | 14.00 (0.28) | 15.00 (0.30) | 16.00 (0.31) | 14.78 (0.29) |

| | | | | | |
|------------|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| ii | Loading and unloading charges | 19.00 (0.38) | 22.00 (0.43) | 23.00 (0.45) | 20.89 (0.41) |
| iii | Town charges | 15.00 (0.30) | 15.00 (0.30) | 15.00 (0.29) | 15.00 (0.29) |
| iv | Carriage up to shop | 20.00 (0.40) | 20.00 (0.39) | 20.00 (0.39) | 20.00 (0.39) |
| v | Miscellaneous charges | 22.00 (0.44) | 23.00 (0.45) | 25.00 (0.49) | 23.00 (0.45) |
| vi | Retailers Margin | 580.00 (11.57) | 590.00 (11.65) | 600.00 (11.76) | 587.78 (11.63) |
| 10. | Total cost (i-vi) | 670.00 (13.36) | 685.00 (13.52) | 700.00 (13.73) | 681.67 (13.50) |
| 11. | Sale price of Retailers to consumers | 5820 (100) | 5855 (100) | 5890 (100) | 5847.22 (100) |
| 12. | Price spread | 1425.00 | 1467.00 | 1507.00 | 1457.22 |
| 13. | Consumers paid price | 5820 (100) | 5855 (100) | 5890 (100) | 5848.22 (100) |
| 14. | Producer share in Consumers Rupee (%) | 75.51 | 74.94 | 74.41 | 75.08 |
| 15. | Marketing Efficiency | 4.08 | 3.99 | 3.90 | 4.01 |

Note: Figure in the parenthesis indicates percentage to the total consumer price.

Price spread, producer share in Consumers rupee and Marketing efficiency under different marketing channels of groundnut

Total marketing cost, marketing margin, price spread, Producers share in consumer rupee and marketing efficiency in those marketing channels is presented in table 4. The total marketing cost was higher in channel III (Rs. 365.38) Compared to channel I and channel II. And the total marketing margin and price spread was also seen higher in channel III Rs. (1457.22 and 635.00) because in the channel III there are two intermediates, where as in the channel I and channel II there in only one, and two intermediate. The producer share in consumer rupee was higher in channel I 97.55 per cent. The market efficiency was higher in channel I 40.98 per cent.

Table 4: Price spread, producer share in Consumers rupee and Marketing Efficiency under different marketing channels of groundnut. (Value in Rupees/ha)

| S. No. | Particular | Sample average | | |
|-----------|---------------------------------------|------------------|-------------------|--------------------|
| | | Channel-I | Channel-II | Channel-III |
| 1. | Total Marketing Cost | 110.00 (2.88) | 215.66 (5.11) | 365.38 (8.56) |
| 2. | Total Marketing Margin | - | 257.78 (6.18) | 635.00 (20.64) |
| 3. | Price Spread | 110.00 (4.21) | 473.44 (10.27) | 1457.22 (24.92) |
| 4. | Producer share in Consumers Rupee (%) | 97.55 | 88.45 | 75.08 |
| 5. | Marketing Efficiency | 40.98 | 10.48 | 4.01 |

Note: Figures in parentheses indicate percentage to total respondents.

Constraints in marketing of groundnuts

The major constraints in marketing of groundnut are presented in Table 5. Lack of implementation of support price in the villages is the prime problem faced by groundnuts producers. Almost all farmers admitted that no any intermediary is prepare to give the support price if produce is sold by farmers in the villages. When they were asked that why you do not sale your produce in the market? More than 55 per cent producers perceived that transportation of small quantity of produce may not an economical if they sell this small produce in the market. More than 91 per cent producers told that the presence of itinerant traders in the producing area is only for limited period after harvesting the crop. They told during the course of study that if few of us want to store the produce, it will be difficult to sell it in future in the absence of these traders. About 48 per cent farmers feel that lack of awareness about the market information is also a problem.

Table 5: Marketing problems faced by the Farms Group

| S. No. | Problems | Number of Respondents | |
|--------|--|-----------------------|---------------|
| | | Yes | No |
| 1. | No implementation of support price in village sale | 80 (88.80) | 10 (11.20) |
| 2. | Forced sale due to lack of market intermediaries after long time of harvesting | 82 (91.10) | 8 (8.90) |
| 3. | Not economical transportation due to small quantity of produce | 50 (55.50) | 40 (44.40) |
| 4. | Less profit from the crop | 43 (47.70) | 47 (52.30) |
| 5. | Lack of awareness about market information | 43 (47.70) | 47 (52.3) |
| 6. | Low price realized by farmers | 26 (28.80) | 64 (71.20) |

Note: Figures in parentheses indicates percentage to total respondents.

Suggestions:

1. The initiating of co-operative marketing is the answer to improve the bargaining power of groundnut producers in order to realize a good price of their produce.
2. A good number of high yielding varieties of this crop should be introduced in the state to increase the productivity and hence the production of crop in the state.
3. State has KVK almost in all districts of the state. A regular trend to train the producers may prove use full at these KVK in order to enrich the farmers about the technology like doses of fertilizer, home of insecticides and pesticides required for the crop.

4. The financial institutions should make easy and quick procedure to issue the desired crop loan to the producers by using their field staff (Agricultural officers) in order to make the procedure easy and convenient to the farmers especially small farmers.

Conclusions

The study believes that Economics of groundnut production is more profitable in small size farms as compared to medium size farms and large size farms. The study also indicated that there is huge scope to increase the producer's share in consumer's rupee by making the market more effective so that the number of intermediaries is to be restricted and marketing costs and marketing margins to be reduced. This will be the way for making groundnut cultivation more lucrative. Major constraints were no implementation of support price in village sale, high cost of labour and less awareness about new technologies among different farms size group followed by a huge price fluctuation were the major marketing constraint in groundnut.

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