

## Supply chain management in arecanut - A comparative study of co-operative and private processing units in Uttara Kannada district

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### ABSTRACT

Arecanut (*Areca catechu* Linn.) is an important commercial crop in India and is popularly known as betelnut. Arecanut being a tropical palm, its distribution is mainly confined to South East Asian countries. The study focused on the supply chain management in arecanut. For the study, Sirsi Taluk in Uttar Kannada district was purposively selected and collected for the year 2010-2011. From Sirsi Taluk, one co-operative unit and 5 private arecanut processing units were randomly selected. The purchase price was Rs. 11000 per quintal in co-operative unit and Rs. 10650 per quintal in private unit. Co-operative units dominated in both the procurement as well as sales of arecanut and they had procured 51.73 per cent of rashi type and 54.99 per cent of chali type. Price spread was seen low in case of channel-IV *i.e.* Rs. 5000 and price spread was seen high *i.e.* 7.81.

**Key words :** Co-operative, Arecanut, Procurement, Supply chain management

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**A**recanut (*Areca catechu* Linn.) is an important commercial crop in India and is popularly known as betelnut. It finds a place in all the religious social and cultural functions of Indian people. Its kernel is used mainly for chewing purpose in “pan supari”. The cultivation of arecanut can be traced to vedic periods.

Arecanut being a tropical palm, its distribution is mainly confined to South East Asian countries. The production of arecanut covers an area of 7.02 lakh hectares with a total production of 8.54 lakh tonnes (Directorate of Arecanut and Spices Development, 2008). Though, the commercial

cultivation is confined to India, Bangladesh, Sri Lanka and Malaysia, but India occupies first position in the world with respect to area and production of arecanut. India occupies the first place in the world as a producer of arecanut among the major producing countries. Although the cultivation of crop is scattered in many states but it is mainly concentrated in the states of Karnataka, Kerala and Assam which together accounts for 89 per cent of the total area and 84 per cent of the total production of arecanut in the country. The other states where arecanut is produced in minor quantities are West Bengal, Tamil Nadu, Meghalaya, Andaman and Nicobar, Maharashtra Tripura and Mizoram.

In India, Karnataka occupies the largest area under arecanut by growing in an area of 1.74 lakh hectares with a production of 2.31 lakh tonnes constituting about 45 per cent of the total area and 48 per cent of the total production of the country. It is followed by Kerala which has an area of 1.08 lakh hectares with a production of 1.10 lakh tonnes and Assam with an area of 0.70 lakh hectares with a production of 0.68 lakh tones (Indian Horticulture Data Base, 2009). In Karnataka state, Shimoga, Dakshina Kannada, Davangere, Tumkur,

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