

Economics of production and marketing of jaggery in Maharashtra

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ABSTRACT

Maharashtra is one of the leading producers of jaggery apart from sugar. Large numbers of jaggery production units are located in state. In Maharashtra, about 11 to 12 per cent sugarcane was being used for jaggery preparation during the year 2005-2006. Jaggery from Maharashtra is also well known for its quality, which has wide demand in international market. Marketing is one of the important activities in the production process of jaggery, which facilitates the movement of goods from site of production to ultimate consumer through various channels and by different intermediaries within the minimum period. Marketing involves various services like grading, packing and transportation etc. Profitability of enterprise depends upon the efficient marketing. The jaggery processing units are profitable; even if only own sugarcane is processed. However, it was more profitable when the jaggery processing unit prepares the jaggery of other's on rent basis. The most important two marketing channels were observed in the sale of jaggery viz., Channel- I : Producer Commission agent → Wholesaler → Retailer → consumer, Channel- II : Producer → Co-operative Sangh → Wholesaler → Retailer → consumer. The producer's share in consumer's rupee and channelwise marketing efficiency index was highest in Channel II.

Key words : Jaggery, Production, Marketing, Maharashtra

Sugarcane is the main raw material required in the preparation of sugar and jaggery. India is the largest producer of the sugar and jaggery in the world. Since ancient times, jaggery has been an important item of food and even today. Jaggery manufacturing continues to be the most important cottage industry in India. Out of the total production of sugarcane in India, 67 per cent is used for production of white sugar, 11.9 per cent for seed, feed and chewing and 21 per cent for jaggery (including Khandsari). Maharashtra is one of the leading sugarcane growing states in India. The state ranks first in sugar production (90.95 lakh tonnes) and sugar recovery (11.39 per cent) and ranks second in area under sugarcane (10.49lakh hectares). Pune, Satara, Kolhapur and Ahmednager are the important sugarcane growing districts in the state. Sugarcane in India is processed into sugar, jaggery and khandsari. Maharashtra is one of the leading producers of jaggery apart from sugar. Large numbers of jaggery production units are located in state. In Maharashtra, about 11 to 12 per cent sugarcane was being used for jaggery preparation during the year 2005-2006.

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its quality, which has wide demand in international market. Marketing is one of the important activities in the production process of jaggery, which facilitates the movement of goods from site of production to ultimate consumer through various channels and by different intermediaries within the minimum period. Marketing involves various services like grading, packing and transportation etc. Profitability of enterprise depends upon the efficient marketing. Supply of sugarcane to sugar mills does not involve any responsibility of producers and it is the responsibility of sugar mill to harvest and transport from producer's field to sugar factory. But on the other hand, the marketing of the product 'jaggery' is a complicated one involving a long marketing channel, number of middlemen and time-consuming process. However, many of the jaggery producers are unaware of cost of production of jaggery and hence cannot compare its relative profitability with that of cane supply to sugar mills and the importance of jaggery industry in agriculture-based economy of Maharashtra, the study was undertaken with the following specific objectives-to estimate the cost and returns structure in jaggery production, to study the marketing channels involved in marketing of jaggery, to estimate cost of marketing, price spread and marketing efficiency in the marketing of jaggery through different marketing channels.

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METHODOLOGY

Kolhapur, Pune and Satara districts in Maharashtra are famous for production of jaggery. In Maharashtra, on