

Livelihood enhancement through value addition and marketing of turmeric in Dang district of Gujarat

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ABSTRACT

The poor farmers had little knowledge of how to market their produce, so they fetched very low price for their produce, sometimes which even ran into losses. The market study hinted at the fact that raw turmeric is unprofitable to sell, so the farmers should go for value addition, like making turmeric powder, packaging, branding and selling either in wholesale or retail markets. For this in Dang district, some villages have made sincere effort in value addition through purchasing of machineries by jointly/cooperative basis. This effort helped these villages in terms of more production, quality improvement, process improvement and higher earnings. For marketing, villagers have tied up with some retailers. They are also thinking to establish their own wholesale and retail counters at Waghai, Saputara (major tourist centres) and Surat (major market for vegetables in South Gujarat). The benefit of value addition in case of turmeric-wet was found to be Rs. 1100 for 200 kg of turmeric and in case of turmeric powder total benefit was found to be Rs. 1,62,350 for 1700 kg of turmeric.

KEY WORDS : Value addition, Livelihood enhancement, Collective marketing, Retailers

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Indian turmeric is considered to be the best in the world. It has a good export demand in importing countries because of its high curcumin content. India is the largest producer, consumer and exporter of turmeric in the globe. In Gujarat, it is cultivated as a crop subsidiary to ginger and in other areas with chilli and quick-growing vegetables. Often castor and pigeonpea are planted on borders and on irrigation channels to provide shade.

At present, in Waghai cluster of Dang district, farmers are cultivating turmeric on their farms; some for their own consumption and some for the market. In each and every village, farmers are cultivating a minimum of 5 beds on

their farms. The farmers are using traditional practice and doing organic cultivation of turmeric. So, the turmeric is natural / organic by default; thus, there is a very good scope for organic certification of turmeric here. For marketing farmers used to market their turmeric to local haat market in Waghai earlier but now they used to sell value added turmeric products through collective marketing or their own retail counters.

The Dang district especially in South Dang region, farmers have adopted turmeric as an alternative farming option for their additional income and it is also beneficial to reduce pressure on forest land. These farmers grew turmeric between June and December. The varieties grown in Waghai region are Rajapuri, Selam and Sugandham. The crop requires 4 to 5 irrigations; being a monsoon crop, it does not face water problem in Dang and the topography is very suitable for turmeric cultivation. Thus, the yield is good; almost 10 times the seed rate, *i.e.* if one sows one quintal seeds, he/she will harvest ten quintals of turmeric.

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Objective of the study :

- To analyze the impact of the value addition and marketing on the livelihood enhancement in tribal area.
- To find out the comparative benefits derived by the farmers through collective farming and traditional marketing.
- To find out the different benefits derived through the value addition and marketing of turmeric.

METHODOLOGY

The study was heavily relied on primary survey and data in which their production techniques, variety used for the production, source of raw material for sowing, time of sowing, different time for value chain *i.e.* harvesting, processing and finally market destinations for their products, cost and benefit by the value addition were collected. For this study total ten villages were surveyed and about 50 farmers were interviewed.

ANALYSIS AND DISCUSSION

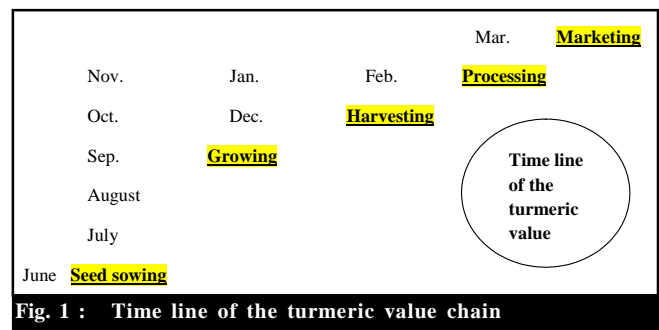
The poor farmers had little knowledge of how to market the turmeric, so they fetched very low price for their product, sometimes even ran into losses. They used to sell raw turmeric at the local markets at Rs. 4-5 per kg. This makes it barely profitable. The price of raw turmeric in bigger markets is not attractive either; for example, it sold for Rs. 6/kg in Ahemdabad mandi and at Rs. 7 / kg in Mumbai. After deducting the transportation cost, the net benefit would not be more than what fetches at the local market.

The market study undertaken by Forest Department hinted that raw turmeric is unprofitable to sell, so the farmers should go for value addition by making turmeric powder, packaging, branding and selling either in wholesale or retail markets.

For this purpose, a number of machineries costing more

than 3 to 4 lakhs were required. But, as a first step, before buying these machines, an entrepreneur who runs a turmeric processing unit was tied up to provide the service at a reasonable price. The farmers supplied their raw material to be processed at Rs. 17/kg at the plant in the vicinity. The processing involves drying, boiling, polishing and grinding. The processed powder then packaged and sent to the market.

For marketing, retailers have been tied up. As soon as the processed turmeric is ready it has a ready market. Farmers have also option to sell their produce to own wholesale and retail counters at Waghai, Saputara and Surat. It means farmers of Dang district have adopted a collective marketing concept for marketing of their produce. In collective marketing, farmers sell their produce at a better price at a terminal market or major market of the particular commodity.



From Fig.1 it is clearly indicates that the sowing season for the turmeric is in the month of June, growing months are July to November, turmeric is harvested in the month of December and January, processing and value addition can be done in the month of February and in last marketing can be done from March month. So, time line of the turmeric value chain shows that farmers can fetch better price of the turmeric by value addition and adopt the new marketing channels like direct marketing, collective marketing and farmers own

Table 1: Details of the benefits of the value addition and marketing

Product	Volume linked to market (kg.)	Price (Rs.)	Total revenue (Rs.)	Cost (Rs.)	Net benefit (Rs.)
Turmeric-wet	200	9	1800	700	1100
Turmeric powder	1700	130	2,21,000	58,650	1,62,350
Total			2,22,800	59,350	1,63,450

Table 2 : Comparison of benefits between collective and local value addition & marketing (per 100 kg. of turmeric) excluding value addition and marketing cost

Product	Volume linked to market (kg.)	Local price (Rs./kg.)	Total revenue in case of local marketing channels	Collective marketing price (Rs./kg.)	Total revenue in case of collective marketing (Rs.)	Net benefit due to price difference (Rs.)
Turmeric-wet	100	5	500	9	900	400
Turmeric powder	100	90	9000	130	13000	4000
Total			9500		13900	4400

market. These methods of marketing reduce the intermediaries in the marketing process and gives higher prices to the farmers for their produce.

From Table 1 it was found that the farmers could sell turmeric either turmeric-wet form or by making the powder of the turmeric through the processing and value addition. In case of turmeric-wet the total cost of the grading and marketing was Rs. 700 for the 200 kg of turmeric. The net benefit derived about Rs. 1100 *i.e.* Rs.5.5 /kg. And in case of the turmeric powder, the total cost of value addition and marketing was found to be Rs. 58,650 for 1700 kg. The net benefit derived about Rs. 1,62,350 *i.e.* Rs. 95.5/kg of turmeric powder.

From Table 2 it was found that for the two products of the turmeric *i.e.* turmeric-wet and turmeric powder, there was a great difference between the prices between local marketing channels and collective marketing. From the table it is cleared that in the local market the price of the turmeric-wet was found to be Rs. 5/kg but in collective marketing farmers got higher price for the produce *i.e.* Rs.9/kg. The total price difference was seen Rs. 4/kg of turmeric-wet. So, farmers can get higher prices by adopting collective marketing concept *i.e.* Rs. 400/100 kg of turmeric-wet.

If we see other commodity of the turmeric *i.e.* value added product of the turmeric farmers got higher return compared to sell in raw form. In case of turmeric powder marketing the local market price was Rs. 90/kg. as compared to Rs. 130/kg in collective marketing. The total price difference was found to be Rs. 40/kg. So, farmers can get higher prices by adopting collective marketing concept *i.e.* Rs. 4000/100 kg of turmeric powder. Janardhan (1980) and Yembhatnal Arun (2007) have also made some investigations related to the present investigation.

Different benefits of the livelihood enhancement derived from the value chain and marketing of turmeric:

Economic benefits :

- Price realization is higher.
- Savings in transportation and operational cost.
- Now all the farmers need not go to the market, agent; only few farmers are enough, others can save their time for any other productive purpose.
- Processing of their products helps them getting better prices for better product.

Social benefits :

- With this collective value addition and marketing, farmers have come together to help themselves; such collective efforts of farmers will help in solving other problem of the village.
- With this concept and availability of the market, other farmers can plan to grow turmeric in future.

Environmental benefits :

- As farmers are getting remunerative prices for their crop, the pressure on forest land will be reduced.
- Training on organic farming may help to use less consumption of chemical fertilizers.

Conclusion :

The study revealed that the value addition is most important process for the higher earnings in the area where the marketing is a main problem. In the tribal area like Dang, the agricultural marketing is the main drawback for the tribal farmers. For this by adopting the new value addition process and its marketing through innovative marketing methods can help the farmers for their livelihood enhancement and security. Collective value addition and marketing helped the farmers in getting higher price for their produce and living standard of the farmers. Hence, other farmers of the tribal region should adopt such new techniques so that they can also raise their standard of living.

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