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ASSESSMENT OF MARKETABLE AND MARKETED SURPLUS OF IN KUSHINAGAR DISTRICT OF EASTERN UTTAR PRADESH: RECENT TRENDS AND POLICY IMPLICATIONS

Satish Chandra Verma^{1st}, Hraday Kumar^{2nd}, Vinay Kumar Rawat^{3rd}

^{1.&2}Assistant Professor, Department of Agricultural Economics & Statistics, Baba Raghav Das

Post Graduate College, Deoria, Deen Dayal Upadhyay Gorakhpur University, Gorakhpur, Uttar Pradesh, India.

³Associate Professor & Head, Department of Agricultural Economics & Statistics, Baba Raghav Das Post Graduate College, Deoria, Deen Dayal Upadhyay Gorakhpur University, Gorakhpur, Uttar Pradesh, India

ABSTRACT

Agriculture, with its allied sectors, is the largest source of livelihoods in India. 70 percent of its rural households still depend primarily on agriculture for their livelihood, with 82 percent of farmers being small and marginal. In 2017-18, total food grain production was estimated at 275 million tonnes. The study was confined to the Kushinagar district of eastern Uttar Pradesh. The district was selected purposively. 60 farmers were selected by simple random sampling method. The farm level data and required information of wheat and paddy growing farmers pertaining to crop year 2019-2020 was during March-April by personal survey method. The marketable surplus of paddy was 25.96, 83.95, 96.42, and 288.34 quintal whereas marketed surplus was 26.02, 83.82, 96.17 and 287.50 for marginal, small, medium and large categories of farmer respectively. The marketable surplus of wheat was 24.00, 70.82, 82.26, and 244.86 where as marketed surplus was 24.36, 69.90, 76.50, and 233.75 marginal, small, medium and large categories of farmers respectively. For the study we found that marketable surplus was greater than marketed surplus in case of marginal farmer's *i.e.* distress sale. Scientific godowns should be constructed in the rural areas making storage facility better and accessible to all and preventing crop loss due to lack of storage facility. Government should take up the responsibility of educating the farmers about pricing policy, fertilizers, machineries, manures, centrally sponsored schemes, credit facilities, etc by organizing awareness/training programmes at regular intervals in nearby areas. Creation of proper marketing information to producer as well as consumers at marketing level should be established.

Key words: Production, paddy and wheat, Marketed surplus, Marketable surplus

I. INTRODUCTION

Agricultural exports constitute a fifth of the total exports of the country. In view of the predominant position of Agricultural sector, collection, maintenance of Agricultural Marketed and Marketable Surplus of food grains assume great importance. In any developing economy, the Marketed Surplus or Producer's Surplus of agricultural product plays a significant role. From the marketing point of view, this surplus is more important than the total production of commodities. The arrangement for marketing and the expansion of markets have to be made only for the surplus quantity available with the farmers, and not for the total production. The role at which agricultural production expands determines the pace of agricultural development, while the growth in the marketed surplus determines the pace of economic development. An increase in production must be accompanied by an increase in the marketable surplus for the economic development of the country. Though the marketing system is more concerned with the surplus which enters or is likely to enter the market, the quantum of total production is essential for this surplus. It was found that on small farms retention of paddy for home consumption, seed and for payment of wages was 90.84 per cent, 2.2 per cent and 3.66 per cent, respectively. Marketable surplus on these farms constituted only 3.3 per cent of the paddy production. Marketable surplus on medium and large category farms was found out to be 4.61 per cent and zero per cent. (Tomer *et al.*1978). The result was found that on an average marketable surplus of paddy accounted for 48.56 per cent of the paddy production. (Ahmed *et al.*1990). Marketed surplus as generally been defined as the portion of production which actually enters the market irrespective of farmer's requirements for family consumption, farm requirements, social and religious payments. It also includes the distress sales. Thus, the marketed surplus may be more, less or equal to the marketable surplus. Marketed surplus is more than the marketable surplus when farmer retains a smaller quantity of crop than his actual family and farm requirements. This is true especially of small and marginal farmers whose need for cash is immediate. This is termed as distress or forced sale. Such farmers generally buy the produce from the market in a later period to meet their requirements. Marketable surplus is less than the marketable surplus when the farmers especially larger ones with better retention capacity retain some of the marketable surplus in anticipation of fetching higher prices in future period (Acharya and Agarwal, 2004). The marketable and marketed surplus as the percentage of paddy production was 77 and 74 per cent respectively on average of all the farms. The quantity of marketable surplus both in absolute and percentage term increased with increase in the farm size. (Kumar *et al.* 2015) The study revealed that an average marketable surplus per farm was 43.26 quintals per farm and the highest marketable surplus was with the large farm household that is to the tune of 77.03 quintals per farm. The average marketed surplus across the farm size group was 44.38 quintals which was more than marketable surplus. Marketed surplus was lowest with marginal farmers i.e. only 25.92 quintals followed by small (28.85 quintals), medium (48.13 quintals) and large (74.65 quintals) farm households. (Yadav and Srivastava 2017) The present study is confined to Kushinagar district. The study was carried out by using primary as well as secondary data. The primary data was collected from farmers involved in the marketing of wheat and paddy through Personal Interview Method. Farmers in the study area are predominantly marginal, small, medium and large land holders.

II. MATERIAL AND METHODS

Uttar Pradesh is divided in to four economic region viz. Eastern, Western, Central and Bundelkhand. The study was confined in eastern Uttar Pradesh which comprises five divisions Viz. Varanasi, Gorakhpur, Azamgarh, Mirzapur and Basti. Gorakhpur division consists of four districts namely-Gorakhpur, Deoria, Kushinagar and Maharajgang. Kushinagar district was selected purposively. A list of all 14 blocks was prepared on the basis of Wheat and Paddy growing area. One block namely Tamkuhi Raj block was purposively selected for the study. From the selected development block, a list of the village was prepared and five villages were randomly selected using random table with replacement method. Five villages were selected on the basis of maximum coverage of area under Wheat and paddy crop. Form the selected village the list of farmers growing Wheat and Paddy was prepared and further classified in four size groups based on there size of holdings marginal farmer (having <1 ha) small farmer (having 1-2 ha) medium farmer (having 2-4 ha) and, large farmer (having > 4 ha) .from each size group farmers were selected from each village by simple random sampling method. Thus ultimate sample size 60 farmers which comprised of marginal, small, medium and large farmer. There are 38 marginal, 10 small, 8 medium and, 4 large formers. The data were collected both from primary as well as secondary sources. Data were collected from Wheat and Paddy growers by personal interview. The detailed collected from personal

interviews of Wheat and Paddy growers and marketing information was collected from commission agents, wholesalers, and retailers. The farm level data and required information of wheat and paddy growing farmers pertaining to crop year 2019-2020 was during March-April by personal survey method.

Marketable Surplus

The following formula was used to estimation of marketable surplus:

$$\text{Marketable Surplus (MS)} = P - C$$

Where, P= Total production and C is the farmers` requirement for own consumption, seed, feed, and other requirements.

Marketed Surplus

It was used to denote the actual quantum of sales by the production irrespective of their requirements. Marketed surplus may be less than, equal to or greater than marketable surplus. Mostly for small and marginal farmers marketed surplus is higher than marketable surplus.

III. RESULT AND DISCUSSIONS

Paddy and wheat Production

Total volume of wheat and paddy production by the sample farmers in the study area is presented in Table 1. That volume of paddy production for marginal, small, medium, and large farmers was 1404 Quintal, 915 quintal, 852 quintal, and 1224 quintal as per their total land holding. Average paddy production of marginal, small, medium and large farmers was estimated to be 36.94, 91.05, 106.5 and 306.00 quintal, respectively. In case of wheat production, total volume of wheat production by marginal, small medium and large farmers was 1161, 798, 749 and 1056 quintal as par their total landing holding. Whereas average wheat production was estimated to be 30.55 quintal, 79.7 quintal, 93.62 quintal, and 264.00 quintal for marginal small medium and large category of farmers. Therefore, per farm production in case of large farmer was much large than that of marginal and small and medium farmers.

Table 1: Volume of production and average production of paddy and wheat for different category of farmers.

Farmer Category	Paddy		Wheat	
	Production (q/farm)	Average Production (q/farm)	Production (q/farm)	Average Production (q/farm)
Marginal	1404	36.94	1161	30.55
Small	915	91.05	798	79.80
Medium	852	106.05	749	93.62
Large	1224	306.00	1056	264.00

Source: field survey

Farmer's requirement of paddy and wheat

Farm wise- paddy requirement for different purpose is presented in table 2. The table show that the total requirement of paddy was estimated to be 10.98 quintal, 7.10 quintal, 9.63 quintal, 17.66 quintal for marginal, small, medium and large farmers ,respectively. For overall average large share comes from the consumption purpose as against seed, other obligation, feed, and wages in kind. The consumption was higher 12.32 quintal of large farmer followed by marginal farmer 10.31 quintal, medium farmer 7.31 quintal and small farmer 5.42 quintal, respectively.

Table 2: Farm - wise paddy requirement different purpose (Qts)

Paddy Requirement	Size of farm				
	Marginal	Small	Medium	Large	All farm
Seed	.043	1.15	1.32	3.72	1.65
Consumption	10.31	5.42	7.31	12.32	8.84
Wages in kind	0.05	0.11	0.24	0.53	0.23
Feed	0.08	0.19	0.28	0.42	0.24
Other obligation	0.11	0.23	0.48	0.67	0.37
Total requirement	10.98	7.10	9.63	17.66	11.33

Table 3: Farm wise wheat requirement for different purpose (Qts)

Wheat Requirement	Size of farm				
	Marginal	Small	Medium	Large	Overall
Seed	0.87	2.31	2.64	7.43	3.31
Consumption	5.37	6.04	7.20	9.50	7.02
Wages in kind	0.08	0.15	0.42	0.67	0.33
Feed	0.12	0.26	0.58	0.78	0.43
Other obligation	0.11	0.22	0.52	0.76	0.40
Total requirement	6.55	8.98	11.36	19.14	11.49

Farm -wise wheat requirement for different purpose is presented in table 3. The table clear that the total requirement of wheat for different purpose was found to be 6.55 quintal, 8.98 quintal, 11.36 quintal, 19.14 quintal for marginal, small, medium and large farmers, respectively. For overall large share comes from the consumption purpose as against seed, feed, other obligation and wages in kind. The consumption was higher 9.50 quintal of large farmer followed by medium farmer 7.20 quintal, small farmer 6.04 quintal and marginal farmer 5.37 quintal, respectively.

Marketable and marketed surplus

Table 4 show that the farm wise average marketable and marketed surplus for paddy crop. The marketable surplus for paddy was 25.96, 83.95, 96.42, and 288.34 quintal whereas marketed surplus was 26.02, 83.82, 96.17 and 287.50 for marginal, small, medium and large categories of farmer respectively. The average marketable and marketed surplus was 123.67 and 123.38 for all categories of sample farmers. From the table 5.2.6 it is clear that marketed surplus was greater than marketable surplus in case of marginal farmers therefore, marginal farmer went thought distress sale. It also represented that large farmer retain 0.84 quintal which was highest among the all categories of farmers. Therefore, large farmer has greater retention capacity. The marketable surplus of marginal farmers was 25.96 quintals while they sell 26.02 quintals therefore they go through distress sell by - 0.06 quintals.

Table 4: Farm-wise Average Marketable and marketed surplus for paddy (qts.)

Particular	Marginal	Small	Medium	Large	All farm
Production (qts)	36.94	91.05	106.05	306.00	135.01
Quantity Requirement	10.98	7.10	9.63	17.66	11.34
Marketable surplus (qts)	25.96	83.95	96.42	288.34	123.67
Marketed surplus (qts)	26.02	83.82	96.17	287.50	123.38
Marketable surplus- Marketed surplus	-0.06	0.13	0.25	0.84	0.29

Table 5 show that the marketable surplus of different categories of sample farmers in wheat crop. The marketable surplus was 24.00, 70.82, 82.26, and 244.86 where as marketed surplus was 24.36, 69.90, 76.50, and 233.75 marginal, small, medium and large categories of farmers respectively. From the table 5.2.8 it is clear that marketed surplus was greater than marketable surplus in case of marginal farmers therefore, it also represented that large farmer retain 11.11 quintals which was height was among that all catenaries of farmers. Therefore, large farmer has greater retention capacity.

Table 5: Farm wise average marketable and marketed surplus of wheat (Qts)

Particular	Marginal	Small	Medium	Large	Overall
Production (qts)	30.55	79.80	93.62	264.00	116.99
Quantity Requirement	6.55	8.98	11.36	19.14	11.50
Marketable surplus (qts)	24.00	70.82	82.26	244.86	105.48
Marketed surplus (qts)	24.36	69.90	76.50	233.75	101.13
Marketable - Marketed surplus	-0.36	0.92	5.76	11.11	4.36

IV. CONCLUSIONS

Per farm production in case of large farmer was much large than that of marginal and small and medium farmers. For overall large share comes from the consumption purpose as against seed, feed, other obligation and wages in kind. Marketed surplus was greater than marketable surplus in case of marginal farmers. Therefore, marginal farmer went thought distress sale. The large farmer was highest quantity retain among the all categories of farmers. Therefore, large farmer has greater retention capacity. The study revealed that, Lack of storage facilities was considered as major problems faced by farmers. Scientific godowns should be constructed in the rural areas making storage facility better and accessible to all and preventing crop loss due to lack of storage facility. Government should take up the responsibility of educating the farmers about pricing policy, fertilizers, machineries, manures, good quality seed, centrally sponsored schemes, adequate and timely credit facilities, etc by organizing awareness/training programmes at regular intervals in nearby areas. Creation of proper marketing information to producer as well as consumers at marketing level should be established.

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