

## **A Study on Marketing of Jaggery in Salem District**

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### **ABSTRACT**

Sugar industry in India is a well-developed industry and one of the largest after textiles. It provides rural employment opportunities and plays an important role in Indian economy. Jaggery is also manufactured from sugarcane juice and is very widely used not only in individual households but also in many eateries, restaurants, clubs and hostels and it has certain industrial applications as well. Manufacture of sugar involves many technical aspects and the capital investment is also on the higher side. Compared to this, production of jaggery is very simple and the capital cost is also very limited. Due to its wide applications, the market for jaggery is continuously growing.

### **1. STATEMENT OF THE PROBLEM**

Fluctuating price is the common problem in jaggery industries. Marketing of Jaggery in Salem District presents serious problems to be attended immediately so as to save the farmers from the impact of declining prices and to increase their profit in the sale of jaggery manufactured. Attempts are needed to redress the grievances of jaggery manufactures on a permanent basis. To this effect a study is felt necessary, the results of which would help the policy makers to understand the costs, price fixation, home trade, etc. pertaining to marketing in Salem District.

### **2. OBJECTIVES OF THE STUDY**

The present study has been undertaken with the following specific objectives.

1. To estimate the cost of production of jaggery.
2. To identify and describe the existing market structure and marketing channels for jaggery.
3. To examine the problems in the marketing of jaggery and suggest solutions based on the results thereof.

### **METHODOLOGY**

In this study, field survey technique is adopted to examine the present marketing situation of jaggery. For this purpose three schedules were prepared. The schedules are administered as follows.

**SCHEDULE NO: 1**

Salem district as a whole constituted the universe. By random sampling 10 villages spread over two taluk were selected. In each village 10 farmers were selected by random sampling. Thus, a multistage random sampling was followed in the present study, the villages and taluk selected were as follows:

**NAMES OF VILLAGES COVERED FOR THE STUDY**

<b>NAME OF THE VILLAGE</b>	<b>NAME OF THE TALUK</b>
Karuppur	Omalur
Vellalapatti	Omalur
Kamalapuram	Omalur
Karumpalai	Omalur
Mettupatti	Omalur
Mamangam	Salem
Raddipatti	Salem
Sivadapuram	Salem
Attayampatti	Salem
Old Suramangalam	Salem

**SCHEDULE NO: 2**

Schedule number 2 was used to collect information from wholesalers in Salem (Shevapet) Jaggery Market. There are 40 small and big wholesalers are functioning in Salem District. 20 wholesalers were selected on the basis of random sampling.

**SCHEDULE NO: 3**

Schedule Number 3 was used to collect information from 30 retailers functioning at different parts of Omalur and Salem taluks. To find out the role played by the various agencies in the field of marketing of Jaggery, the office bearers and staff of the following are interviewed.

- a) The President, the Secretary and Members of “The Salem District Jaggery Manufactures and Farmers Association”, Salem.
- b) The Secretary and staff of “Regulated Market Committee” at Firlands, Salem-16.
- c) The President “Jaggery Merchants Association”, Shevapet, Salem-2.
- d) The Staff of “Salem District Co-operative Marketing Society, Pallapatti, Salem-4.

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**PERIOD OF STUDY**

The data for the period 2014 - 2015 were collected through personal interview with the selected respondents with the help of a pre-tested questionnaire.

**3. LIMITATIONS**

The method adopted for collecting the data on cost of production and marketing aspects, has certain limitations. Farmers and traders do not maintain records and accounts and hence, furnish the data from their memory and experience. Therefore, the information gathered is not free recall bias, though care has been taken to minimize the bias. Another limitation is that the present study is confined to figures relating to only one year, i.e., 2014-2015.

**SUGARCANE PRODUCTION IN SALEM DISTRICT**

The particulars are regarding the area under sugarcane cultivation is given in Table. There are 12 taluks in Salem District. The cultivation area in Yercaud taluk is nil due to hill area. In the Salem district is nearly 57% of the total area of sugarcane cultivation of the district. The secret of larger area of cultivation is due to the existence of a sugar factory at Mohanur called 'Salem District Co-operative Sugar Factory, Mohanur' and the Omalur taluk is famous for jaggery manufacturing and ranks as the second largest area of cultivation of sugarcane in this taluk by covering 1524 hectares. At least 90% of the cane production is utilized for manufacturing jaggery. The important places of production in this taluk includes. More than 50% of the jaggery arrivals to the Salem Market are from this taluk. The Salem, Attur, Sankagiri, Tiruchengodu taluks are also playing important role in the production and Marketing of jaggery in Salem District. "The Salem District Marketing Committees" Annual Report for 2012 - 2013 reveals the total area, production and value of jaggery in 2017-2018.

**4. FINDINGS**

The manufacture of jaggery is one of the most important cottage industries in India. More than 50% of the cane is utilized for jaggery manufacture. Jaggery contains all the nutrients such as protein (0.25%), Fat (0.25%), Source (65.71%), Glucose (21.18%), Calcium (4%), Phosphate (1.4%), and Moisture (7.2%), which are available in juice, while the sugar contains only 99.7% sucrose and very little moisture i.e., 0.3%. Sugarcane is a perennial grass that grows from 8 to 24 feet in height and belongs to the tropical and sub-tropical regions. India ranks first in sugarcane production, but in actual production of raw sugar, the country is very much behind Brazil. There are 1000 units engaged in jaggery manufacture in Salem District during busy season. Leading among the taluks in Salem District by having operational sugarcane area of 8543 hectares. The area, production, disposable surplus and the value of jaggery in Salem District is 32594 tones. In Tamil Nadu, the utilization of sugarcane for production of jaggery is higher than the national average of 57%. The per capita consumption of sugar and jaggery per annum is 10.5Kgs. and 13.7 Kgs. In 2014, the Jaggery is brought by Government of Tamil Nadu under "Essential Commodities" list. Due to the perishable nature of

the produce, lack of storage facilities, lack of alternate market nearby, lack of active role of Regulated market in Salem, lack of control and regulation over the price of jaggery by the Government etc. Compel the jaggery manufactures to dispose of their produce at 'throw away' prices. No trader is providing with loans and advances by commercial banks. Profit margin in jiggery is very low.

## 5. SUGGESTIONS

Marketing cost of the farmers and the producers can be reduced by selling through Regulated Market. The findings in the present study show an imperfect market structure. Jaggery Export Corporation establishment of a corporation will also ensure a fair price for the farmers. Jaggery is generally stored by the traders in go downs on a large scale whereas farmers used to store only small quantities for their consumption purposes. Therefore storage facilities should be extended and enlarged to large farmers also. The important by-products available from the jaggery manufacturing industries are Bagasse, Molasses etc. Should be defueled in the study area. Under the Essential Commodities list issued by the Government of Tamil Nadu, only licensed jaggery merchants can sell the commodity to the other licensed traders. Hence licensing should be liberalized.

## 6. CONCLUSION

Jaggery consider as a poor man sugar. The production of jaggery is very simple and required less capital. This feature of jaggery enables the farmers to startup to own production unit. Frequent flexiation in the price of jaggery lack of storage facilities higher price spread, improper utilization bagasse and molasses affect the profit margin of the producers. Hence, necessary steps to the needed from the administrative authorities to remove all the defects. Regulated market should be enlarged in a way that farmers get remunerative price for the product.

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