

**CHAPTER- IV**

**MARKETING NETWORK OF  
AGRICULTURAL COMMODITIES IN NORTH  
BENGAL**

**4.1 INTRODUCTION**

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## **4.1 Introduction**

Transformation of traditional agriculture needs a sound production and marketing system in order to play a decisive role in the process of economic development of a region. North Bengal is predominantly an agrarian region situated in the northern part of West Bengal. In North Bengal, like the rest of West Bengal, agriculture is the dominating economic activity. 98 percent of all land holdings are small and marginal farmers compared to 93 percent in the whole of West Bengal (Govt. of West Bengal, 2001; Govt. of India, 1998). Strengthening of agriculture in this region is critical for facing the challenges of rural poverty, food insecurity and unemployment. But, there is a need to redefine agriculture activities relating to production, processing, marketing and distribution, which imply that agricultural development strategy, must address not only production but also those in marketing and trading. A weak marketing system not only affects the social status of the producers and consumers but it also affects the region's economy at large. Marketing technology needs to keep pace with production technology having proper infrastructural and institutional support. In this context, efficient marketing added importance. Agricultural marketing system is the critical link between farm production sector on the one hand and non-farm sector, industry and urban economy on the other. Apart from performing physical and facilitating functions of transferring the goods from producers to consumers, the marketing system also performs the function of discovering the prices at different stages of marketing and transmitting the price signals in the marketing chain. The issues and concerns in marketing relate mainly to the performance (efficiency) of the marketing system, which depends on the structure and conduct of the market. An efficient marketing system helps in optimisation of resource use, output management, increase in farm incomes, widening of markets, growth of agro-based industry, addition to regional development through value addition, and employment creation.

## **4.2 Agriculture marketing**

The economy of the North Bengal region is predominantly based on agriculture. Agriculture is the largest sector of the economic activities and has a crucial role to play in the region's economic development. The agriculture marketing is largely unorganised in North Bengal and dominated by the private traders. The maximum share of the consumers' rupee goes to the pockets of middlemen working between the producer and

the ultimate consumer. The private traders, middlemen, retailers and moneylenders locally known as 'mahajans' dominate these markets. Due to, multi-segmented marketing channel, the producers do not get fair share in consumer's rupee. The bargaining power of the farmers is very weak and therefore, the traders dictate the price.

One of the main reasons for prominence of traders in the agricultural produce markets in villages of North Bengal is the heavy indebtedness of the farmers to traders, commission agents and middlemen. Consequently, the factors of marketing such as pricing, backward and forward linkages, demand and supply of commodities are greatly affected to the disadvantage of both the producers and the consumers. The 'dadan' (advance) system is still prevalent in rural areas. Under this system, the village moneylenders advance loans to the cultivators at the time of need and making it obligatory on the part of the farmer to deliver their produces after harvest at a price offered by the moneylender. Such price is much lower than the market price. It is also observed that the shopkeepers and the traders in the rural market centres sell on credit essential consumer commodities to the peasants during natural calamities or at times of dire necessity. In the next harvest, the farmers realize their loans paying high rates of interest in terms of agricultural produce at low prices. Often moneylenders act as commission agents of the wholesale traders.

The basic infrastructure facilities include storage and warehousing, road links, transportation and communication aids are of most important in agriculture marketing. Transportation network performs a significant role in mobilisation of produces. Farmers in the region are still using the age old means of transport like hand cart and cycle van which are being pulled by human beings. These are very costly and also take more time to reach the market. Again the cost of transport is not uniform as it varies according to the condition of the roads. The condition of rural road is very poor which makes transportation very difficult. Inadequate transport facility causes glut in the producing area and scarcity in consuming centres at times affecting both the producer for receiving in lower price and the consumer due to irregular supply and high retail price.

There is a general shortage of storage facilities in both the urban and rural areas of North Bengal. The prevailing systems of storage in the rural areas are quite primitive and they cannot be regarded as satisfactory. Due to lack of storage facilities, the bulk of the

agricultural produce is sold to farias, commission agents, wholesalers and village mahajans in the village primary market immediate after harvest at lower price. The farmers also sell their produces to itinerant traders at the farm gate. The itinerant traders move from village to village collecting produce from farmers and bring them to the nearest markets. As the roads do not properly connect most of the production areas, the farmers find it difficult to bring their produce to the primary and secondary markets for sale and thus they are deprived of remunerative prices. In some interior areas, there is no road at all. Consequently, the farmers have to sell their commodities at a lower and uneconomical price to the itinerant traders at their farm itself. NABARD Consultancy Service mentioned in the state agricultural plan for West Bengal 2010 that small & marginal farmers of North Bengal have tradition for large scale cultivation of winter vegetable crops. However, they do not get adequate remunerative price for want of easy and cheap transport system, strong marketing system, cold storages and agro-processing units. Being perishable in nature, vegetable crops have to be harvested as soon as they get matured, otherwise their quality gets deteriorated. Therefore, even during the period when prices were ruling very low farmers have to harvest their crop and sell it in the lower price.

It has been observed that in the rural markets of North Bengal Region, the marketing activity is largely dominated by the private traders. Farmers are generally not aware of market information like supply, demand, prices prevailing in the market, market charges etc., which are crucial for proper decision making. There is no system of disseminate market information for the benefit of the producers and consumers. As such, the farmers who are in the villages have no chance to know the prevailing prices in the neighbouring markets at subdivision and district levels. They are never sure what price they will get until they reach the market. Prices fluctuate particularly in the peak season, when many farmers try to sell their production, under such circumstances the rural producers largely accept the price quoted by the traders. On the other side, due to various economic reasons like indebtedness, need for cash, insufficient storage, lack of adequate transportation and other infrastructure facilities farmers are also at a disadvantage in striking the bargain. As a result, they are forced to carry out distress sales.

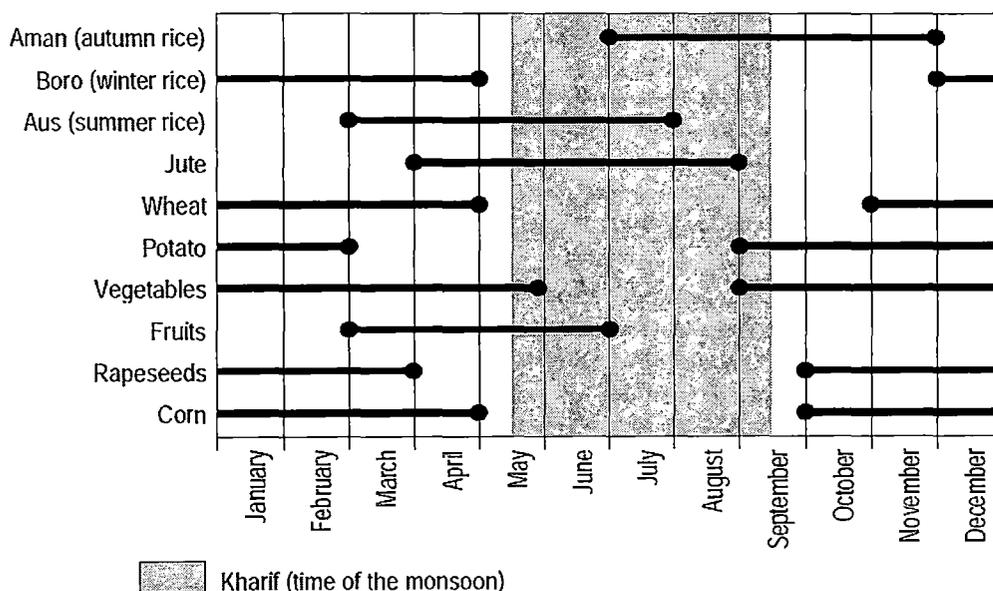
Transaction of agricultural produces also takes place in the periodic markets, which are held once or twice a week. This primary village markets in the rural areas do not have required facilities. Besides, the market stalls are not properly laid down and are mostly of temporary structure made of thatches and bamboo. Basic amenities like godowns or storage facilities, shaded market yard, parking facilities, drainage, proper sanitation and supply of drinking water are generally not available in these markets. In addition, the roads linking most of these markets to towns and wholesale markets are poor in condition. Some markets particularly in hilly areas are without road. It is important to note that only small and marginal farmers sell their produce in such markets. The large farmers with large surplus sell their produces in the wholesale markets. Therefore, establishment of an efficient agricultural marketing system where the growers may obtain a remunerative price for their produces is most essential for accelerating development and commercialisation of agriculture in the region.

Organisation plays an important role in agricultural marketing which is absent in North Bengal. The buyers of agricultural produces usually operate on a large scale and to some extent are organised while the producers are invariably small farmer scattered over a wide area with no common organisation to guide them and to protect their interest. It is observed that poor farmers deal individually in an environment which is hostile to their interest. The marketing environment is heavily tilted in favour of middlemen. As a matter of fact, a substantial share of the consumer price is grabbed by the traders by the way of unfair practice. So, it is common to find that the producers as a class are being exploited by the traders. Establishment of adequate number of regulated market can put a check on unlawful practices in the agricultural markets as the transactions in the regulated markets are governed by various rules and regulations. But the number of such markets is not adequate in North Bengal and their activities are also limited. These markets, however, should offer a package of measures to take care of the various difficulties faced by the farmers.

### 4.3 Agriculture production scenario in North Bengal

Agriculture is the mainstay of economy and substance of life for the people of North Bengal. There is a wide diversity of agriculture crops grown in North Bengal. Farmers produce mainly cereals, pulses, oil seeds, vegetables, jute. The best way of discussing the situation of agriculture in North Bengal is by simply going through the yearly cropping cycle. It demonstrates that different crops grow in different times of the year. The main crop, however, remains paddy, mustard jute, wheat, potato, vegetables (NBTDP, 1998). The following calendar (calendar-4.1) shows in which seasons the different crops are best cultivated

**Calendar-4.1: Crops cultivated throughout the year**



Source: NBTDP, Project Co-ordination Report 31, May, 1998

The topography of North Bengal has made agriculture diverse and difficult. Variations of soil, altitude and rainfall have the influence on the cropping pattern to a large extent. The seasons in North Bengal are determined by the weather, especially by the monsoon, the rainy time. There are three seasons in a year kharif, the wet season, which runs roughly from May to September, rabi, the dry season, from October to March and the pre-kharif, from April to May. These seasons are not fixed by dates but depending on the coming and ending of the monsoon. The principal agriculture crops are paddy, wheat, pulses, oilseeds, Potato, jute and vegetables. Among the vegetables cabbage, cauliflower, squash,

tomato, chilli are commonly cultivated in the region. The cereal crops like paddy, wheat are not cultivated in the hills, where most of the cultivators go for cultivation of some vegetables. The principal cash crop jute is grown in the vast areas of Coochbehar, Jalpaiguri, Uttar Dinajpur and Dakshin Dinajpur districts. District wise area and production of principal crops in North Bengal are given in the tables 4.1, 4.2, 4.3, 4.4, 4.5 and 4.6.

Among the six districts of North Bengal, Uttar Dinajpur was the highest in terms of area and production of total cereals in 2008-09. The production of total cereals had improved from 835.9 thousand tonnes in 1990-91 to 891.4 thousand tonnes in 2008-09. Even though, area under cultivation of total cereals had come down from 506.4 thousand hectares in 1990-91 to 344.3 thousand hectares in 2008-09 (table- 4.4). A variety of pulse crops are grown in North Bengal though it is not main crop in the region. Malda district produces more pulses compared to other districts. The total area under pulses in the district in 2008-09 had come down from 59.2 thousand hectares in 1990-91 to 20.6 thousand hectares. The production of pulses came down to 17.9 thousand tonnes in 2008-09 from 38.5 thousand tonnes in 1990-91 (table- 4.6). The major oilseeds namely mustard, rapeseed are grown in Uttar Dinajpur district. The area under oilseed crops had plummeted from 55.0 thousand hectares in 1990-91 to 36.0 thousand hectares in 2007-08. The production of these crops was 49.9 thousand tonnes in 1990-91 but had come down to 28.8 thousand tonnes during 2007-08 (table- 4.4).

Jute is an important cash crop in North Bengal. Among the all districts of North Bengal Coochbehar district produced maximum quantity of jute. In Coochbehar the area under jute had raised from 61.9 thousand hectares in 1990-91 to 85.2 thousand hectares in 2008-09. The production of this crop was 478.7 thousands tonnes in 1990-91 but had raised to 977.9 thousand tonnes during 2008-09 (table- 4.1)

**Table- 4.1: Area and production of principal crops in Coochbehar district of North Bengal**  
(Area in thousand hectares, Production in thousand tonnes)

Crops	1990-91		2000-01		2007-08		2008-09	
	Area	Prod	Area	Prod	Area	Prod	Area	Prod
Rice	305.7	401.9	291.9	517.3	293.5	518.8	309.8	500.4
Wheat	13.6	22.5	25.2	49.8	13.4	29.3	10.2	16.6
Other Cereals	3.2	2.3	0.7	0.5	10.4	58.2	9.3	49.4
Total Cereals	322.5	426.7	317.8	567.6	317.3	606.3	329.3	566.4
Pulses	9.4	5.7	10.5	7.0	5.9	3.7	7.1	4.4
Total F.Grains	331.9	432.4	328.3	574.6	323.2	610.0	336.4	570.8
Oilseeds	10.3	5.3	12.6	7.7	20.8	9.6	25.5	13.8
Jute(c)	61.9	478.7	84.1	782.6	87.7	985.1	85.2	977.9
Potato	5.3	57.2	12.2	281.7	18.6	478.9	27.5	340.2

Source: Economic Review 2009-10, Statistical Appendix, Bureau of Applied Economics & Statistics, Development & Planning Department, Govt. of West Bengal

**Table- 4.2: Area and production of principal crops in Darjeeling district of North Bengal**  
(Area in thousand hectares, Production in thousand tonnes)

Crops	1990-91		2000-01		2007-08		2008-09	
	Area	Prod	Area	Prod	Area	Prod	Area	Prod
Rice	55.3	64.6	34.1	52.9	32.2	59.5	32.5	68.7
Wheat	3.7	3.8	3.3	6.3	2.2	3.8	2.0	2.8
Other Cereals	45.1	52.1	24.7	54.2	27.1	52.5	27.5	57.2
Total Cereals	104.1	120.5	62.1	113.4	61.5	115.8	62.0	128.7
Pulses	1.0	0.6	1.9	1.2	1.1	0.7	1.2	0.7
Total F.Grains	105.1	121.1	64.0	114.6	62.6	116.5	63.2	129.4
Oilseeds	1.8	1.3	0.4	0.2	0.6	0.2	--	--
Jute(c)	3.7	22.4	2.2	18.1	2.6	28.3	--	--
Potato	4.2	39.7	7.1	97.2	7.2	109.2	--	--

Source: Economic Review 2009-10, Statistical Appendix, Bureau of Applied Economics & Statistics, Development & Planning Department, Govt. of West Bengal

(--): Data are not available

**Table- 4.3: Area and production of principal crops in Jalpaiguri district of North Bengal**  
(Area in thousand hectares, Production in thousand tonnes)

Crops	1990-91		2000-01		2007-08		2008-09	
	Area	Prod	Area	Prod	Area	Prod	Area	Prod
Rice	275.4	249.7	260.8	384.1	236.1	372.4	235.5	391.2
Wheat	10.6	16.4	26.6	47.0	16.8	39.2	15.9	33.2
Other Cereals	4.9	6.2	2.6	6.0	12.1	25.6	12.0	29.3
Total Cereals	290.9	272.3	290.0	437.1	265.0	437.2	263.4	453.7
Pulses	4.9	2.9	6.6	4.4	4.1	2.2	4.2	2.2
Total F.Grains	295.8	275.2	296.6	441.5	269.1	439.4	267.6	455.9
Oilseeds	12.3	7.6	12.4	7.6	15.9	13.2	--	--
Jute(c)	40.6	266.7	44.3	401.5	41.2	518.8	--	--
Potato	4.1	49.2	14.3	308.9	32.5	905.8	--	--

Source: Economic Review 2009-10, Statistical Appendix, Bureau of Applied Economics & Statistics, Development & Planning Department, Govt. of West Bengal

(--): Data are not available

**Table- 4.4: Area and production of principal crops in Uttar Dinajpur district of North Bengal**  
(Area in thousand hectares, Production in thousand tonnes)

Crops	1990-91		2000-01		2007-08		2008-09	
	Area	Prod	Area	Prod	Area	Prod	Area	Prod
Rice	477	768.4	283.2	628.6	281.1	683.5	284.5	660.0
Wheat	28.0	67.2	37.5	86.2	36.5	98.2	30.4	75.6
Other Cereals	0.6	0.3	1.3	1.7	14.7	62.8	29.4	155.8
Total Cereals	506.4	835.9	322.0	716.5	332.3	844.5	344.3	891.4
Pulses	22.6	10.9	9.1	4.6	2.7	1.5	4.6	3.2
Total F.Grains	529.0	846.8	331.1	721.1	335.0	846.0	348.9	894.6
Oilseeds	55.0	49.9	45.4	32.4	36.0	28.8	--	--
Jute(c)	45.9	299.1	59.0	457.5	50.7	609.6	--	--
Potato	4.3	31.7	6.7	133.4	8.7	247.3	--	--

Source: Economic Review 2009-10, Statistical Appendix, Bureau of Applied Economics & Statistics, Development & Planning Department, Government of West Bengal

(--): Data are not available

**Table- 4.5: Area and production of principal crops in Dakshin Dinajpur district of North Bengal**  
(Area in thousand hectares, Production in thousand tonnes)

Crops	1990-91		2000-01		2007-08		2008-09	
	Area	Prod	Area	Prod	Area	Prod	Area	Prod
Rice	**	**	210.7	467.4	197.9	492.0	205.3	501.6
Wheat	**	**	10.2	25.2	10.1	29.9	11.1	32.2
Other Cereals	**	**	0.1	--	0.5	1.4	0.4	1.1
Total Cereals	**	**	221.0	492.6	208.5	523.3	216.8	534.9
Pulses	**	**	4.1	2.4	0.9	0.4	1.1	0.7
Total F.Grains	**	**	225.1	495.0	209.4	523.7	217.9	535.6
Oilseeds	**	**	22.6	21.0	23.1	14.0	--	--
Jute(c)	**	**	15.1	146.1	19.7	250.9	--	--
Potato	**	**	4.8	87.8	3.9	92.4	--	--

Source: Economic Review 2009-10, Statistical Appendix, Bureau of Applied Economics & Statistics, Development & Planning Department, Government of West Bengal

(--): Data are not available

(\*\*): Combined figures for Uttar & Dakshin Dinajpur have been shown against Uttar Dinajpur because the district was undivided

**Table- 4.6: Area and production of principal crops in Malda district of North Bengal**  
(Area in thousand hectares, Production in thousand tonnes)

Crops	1990-91		2000-01		2007-08		2008-09	
	Area	Prod	Area	Prod	Area	Prod	Area	Prod
Rice	263.8	492.3	221.7	523.1	147.3	480.4	221.7	656.8
Wheat	37.6	88.5	49.4	124.0	46.9	137.9	44.4	120.0
Other Cereals	13.5	13.9	6.5	12.0	12.4	24.8	10.6	26.6
Total Cereals	314.9	594.7	277.6	659.1	206.6	643.1	276.7	803.4
Pulses	59.2	38.5	36.1	29.6	24.3	24.2	20.6	17.9
Total F.Grains	374.1	633.2	313.7	688.7	230.9	667.3	297.3	821.3
Oilseeds	28.7	21.7	35.7	38.1	37.7	39.5	--	--
Jute(c)	27.5	218.7	24.0	248.1	22.5	289.2	--	--
Potato	1.5	20.4	2.4	42.8	2.9	76.0	--	--

Source: Economic Review 2009-10, Statistical Appendix, Bureau of Applied Economics & Statistics, Development & Planning Department, Government of West Bengal

(--): Data are not available

#### **4.4 Agriculture marketing infrastructure**

Agricultural Marketing includes the flow of services right from harvesting of a crop to the stage of its consumption. If a farmer does not get fair return of his produce, he will certainly loose interest in production resulting fall in production to a considerable degree. So agricultural marketing has been considered as a component part of production programme. Markets are the basic and most important links in the system of agricultural production and consumption in North Bengal and are an integral part in the lives of people in both rural and urban areas. The agriculture markets have a great impact on the product price and the economic stability of the region. There is a need to develop agricultural produce markets in North Bengal for effective development and economic growth of the region.

There are 979 markets in the districts of North Bengal comprising primary market and rural haats (table-4.7). These markets are unevenly spread in the districts. Paschim Dinajpur (taking Uttar and Dakshin Dinajpur together) has highest number of markets and haats where as Darjeeling district has lowest number. In North Bengal, the farmers' preference is more on selling their produces at haats or primary markets, periodical in nature. This haats form the nucleus of economic activities of rural North Bengal. Beside the primary markets, secondary wholesale markets are also preferred by farm producers to dispose of their surplus produce. Village sale is rarely preferred by North Bengal farmers (Dutta, 2005). To facilitate marketing of agricultural produces 16 Regulated Market Committees (RMC) and 137 sub market yards are functioning in North Bengal (table-4.8). Coochbehar district has the highest number of regulated markets and sub market yards. Most of these regulated markets have insufficient infrastructure and lack of facilities for handling produce as less space for auction platform, inadequate number of shops and godowns in the premises etc. and hence reduce the effective participation of traders.

**Table- 4.7: Primary haats/markets of districts of North Bengal**

Sl. No.	Name of the District	No of the Primary Haats/Markets	No of other Rural Markets	Total
1.	Coochbihar	118	47	165
2.	Jalpaiguri	201	50	251
3.	Darjeeling	44	0	44
4.	Paschim Dinajpur	358	14	372
5.	Malda	104	43	147
6.	Total	825	154	979

Source: [www.wbagrimarketingboard.gov.in](http://www.wbagrimarketingboard.gov.in)

Regulated market plays an important role in smooth trade of agricultural commodities. The research studies revealed that farmers on average get 8 to 10 percent higher price and higher share in consumer's rupee by selling their produce in regulated markets compared to rural, village and unregulated wholesale markets (Acharya, 2004).

**Table- 4.8: District wise Regulated Marketing Committees (RMC)**

Sl. No.	Name of the District	No. of Regulated Market Committees	No of Sub Market Yard	Name of the Regulated Market Committees (RMC)
1.	Coochbihar	6	60	Coochbehar Sadar RMC, Tufanganj RMC, Mathabhanga RMC, Mekhliganj RMC, Dinhata RMC, Haldibari RMC
2.	Jalpaiguri	3	28	Belacoba RMC, Dhupguri RMC, Alipurduar RMC
3.	Darjeeling	2	10	Kalimpong RMC, Siliguri RMC
4.	Uttar Dinajpur	2	11	Islampur RMC, Kaliyaganj RMC
5.	Dakshin Dinajpur	1	16	Dakshin Dinajpur Zilla RMC
6.	Malda	2	12	English Bazar RMC, Samsi RMC

Source: [www.wbagrimarketingboard.gov.in](http://www.wbagrimarketingboard.gov.in) and [www.agmarknet.nic.in](http://www.agmarknet.nic.in)

Inadequate scientific storage facilities cause heavy loss to farmer in terms of huge wastage of quantity and quality of farm produce. The storage facilities in rural primary markets and secondary wholesale assembling markets are important aspect to store the agricultural produces. The Food Corporation of India (FCI), Central Warehousing Corporation (CWC) and West Bengal State Cooperative Marketing Federation have built up storage facility in the districts of North Bengal. Private sector has also created storage facilities for storage of different agricultural commodities in some districts of North Bengal. The district wise number of warehouses and capacity created in these warehouses

is shown in tables 4.9, 4.10, 4.11, 4.12, 4.13 and 4.14. The total storage capacity available in the districts of North Bengal is about 86355 metric tonnes. Coochbehar district has the maximum capacity among the all districts.

Cold storage units are an important infrastructure for storage of perishable and semi-perishable agricultural commodities. In the districts of North Bengal there are 57 cold storages. Total capacity of these storages is 9230580.21 quintals. District wise number and capacity of cold storages are given in table- 4.15. Among the six districts Jalpaiguri district has the highest number that is 27 cold storages with the capacity of 3156488.16 quintals. Most of the cold storages in North Bengal are controlled by the private operators. Only three cold storages operated by cooperative societies. The direct involvement of government in cold storage units is negligible. The government of West Bengal has taken the decision to set up 30 multi-purpose cold storages across 16 districts in the state (Times of India, 9<sup>th</sup> December, 2010).

**Table- 4.9: Warehouses in Coochbehar**

Owner	No. of Licenses	Capacity(M.T)
Central Warehousing Corporation	4	12,000
West Bengal State Co-operative Marketing Federation Ltd(BENFED)	1	3,500
Co-operative/Credit/Society/Samity Ltd	1	2000
Private	Nil	Nil
Total	6	17,500 M.T

Source: www.wbagrimarketingboard.gov.in

**Table- 4.10: Warehouses in Jalpaiguri**

Owner	No. of Licenses	Capacity(M.T)
Central Warehousing Corporation	Nil	Nil
West Bengal State Co-operative Marketing Federation Ltd(BENFED)	1	4000
Co-operative/Credit/Society/Samity Ltd	4	11200
Total	5	15,200 M.T

Source: www.wbagrimarketingboard.gov.in

**Table- 4.11: Warehouses in Darjeeling**

<b>Owner</b>	<b>No. of Licenses</b>	<b>Capacity(M.T)</b>
Central Warehousing Corporation	4	12,000
West Bengal State Co-operative Marketing Federation Ltd(BENFED)	Nil	Nil
Co-operative/Credit/Society/Samity Ltd	Nil	Nil
Private	Nil	Nil
<b>Total</b>	<b>4</b>	<b>12,000 M.T</b>

Source: [www.wbagrimarketingboard.gov.in](http://www.wbagrimarketingboard.gov.in)

**Table- 4.12: Warehouses in Uttar Dinajpur**

<b>Owner</b>	<b>No. of Licenses</b>	<b>Capacity(M.T)</b>
Central Warehousing Corporation	Nil	Nil
West Bengal State Co-operative Marketing Federation Ltd(BENFED)	1	5000
Co-operative/Credit/Society/Samity Ltd	3	4350
Private	2	2000
<b>Total</b>	<b>6</b>	<b>11,350 M.T</b>

Source: [www.wbagrimarketingboard.gov.in](http://www.wbagrimarketingboard.gov.in)

**Table-4.13: Warehouses in Dakshin Dinajpur**

<b>Owner</b>	<b>No of Licenses</b>	<b>Capacity(M.T)</b>
Central Warehousing Corporation	Nil	Nil
West Bengal State Co-operative Marketing Federation Ltd(BENFED)	1	6000
Co-operative/Credit/Society/Samity Ltd	6	6700
Private	2	2405
<b>Total</b>	<b>9</b>	<b>15,105 M.T</b>

Source: [www.wbagrimarketingboard.gov.in](http://www.wbagrimarketingboard.gov.in)

**Table-4.14: Warehouses in Malda**

Owner	No of Licenses	Capacity(M.T)
Central Warehousing Corporation	1	6000
West Bengal State Co-operative Marketing Fedaration Ltd(BENFED)	2	5700
Co-operative/Credit/Society/Samity Ltd	3	3500
Private	Nil	Nil
Total	6	15,200 M.T

Source: www.wbagrimarketingboard.gov.in

**Table-4.15: District wise details of cold storages**

Sl. No.	Name of the District	Private Cold Storages	Cooperative Cold Storages	Total No. of Cold Storages	Total Capacity (quintals)
1.	Coochbihar	12	Nil	12	1518599.05
2.	Jalpaiguri	25	2	27	3156488.16
3.	Darjeeling	2	Nil	2	166070.00
4.	Uttar Dinajpur	8	Nil	8	871015.00
5.	Dakshin Dinajpur	2	Nil	2	148650.00
6.	Malda	5	1	6	3369758.00
7.	Total	54	3	57	9230580.21

Source: www.wbagrimarketingboard.gov.in

## 4.5 Marketing Channels

Marketing channel is a route through which agricultural products move from producers to consumers. The length of channel varies from commodity to commodity depending on the quantity to be moved. It also depends on consumer demand and degree of regional specialisation in production. This has been thoroughly discussed in chapter-III. In North Bengal, variety of agricultural produces are produced. Depending on type and nature of produces various marketing intermediaries are involved to distribute the produces

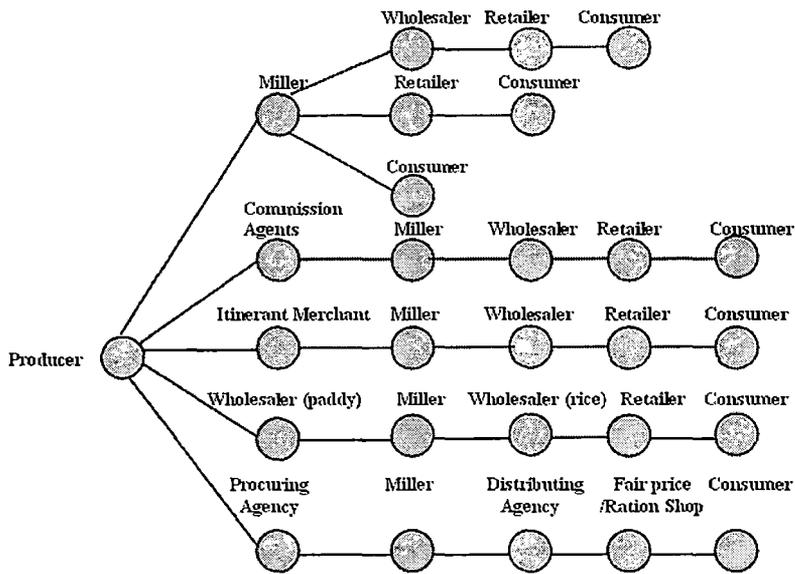
through different channels from producer to consumer. A brief discussion regarding marketing channels of variety of agricultural commodities in North Bengal is given below.

Paddy/rice is important agricultural crop in North Bengal. A number of market functionaries involve in the distribution of paddy/rice to the final consumer. The paddy/rice is distributed through different ways i.e. wholesale distribution, retail distribution, direct marketing to miller, contract farming etc. The following agencies namely producers, village traders, itinerant traders, retailers, wholesale merchants, commission agents, rice millers, co-operative organization etc are engaged in the distribution of paddy/rice at various stages of marketing. Major assembling markets for paddy/rice in North Bengal are Haldibari, Tufanganj, Alipurdwar, Siliguri and Islampur ([www.agmarket.net in](http://www.agmarket.net.in)).

### **Marketing Channels for Paddy**

- Channel I     Producer - Miller - Wholesaler - Retailer - Consumer
- Channel II    Producer - Commission Agent - Miller - Wholesaler - Retailer - Consumer
- Channel III   Producer - Itinerant Merchant - Miller - Wholesaler - Retailer - Consumer
- Channel IV   Producer- Wholesaler (Paddy) - Miller - Wholesaler (Rice)- Retailer - Consumer
- Channel V     Producer - Miller - Retailer - Consumer
- Channel VI    Producer - Miller - Consumer.
- Channel VII   Producer - Procuring Agency (FCI/State Govt./Co-operatives) – Miller - Distributing Agency (State Govt.) - Fair price/Ration shop - Consumer.

Paddy marketing channels are presented in tree diagram 4.1



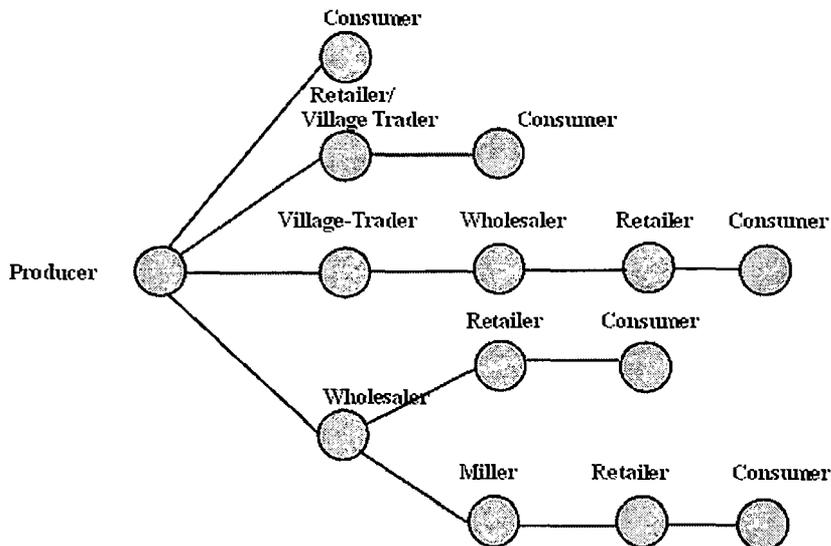
**Tree Diagram 4.1**

Wheat is also an important crop in North Bengal. The main functionaries in the marketing channels of wheat include village trader, wholesaler, miller and retailer.

**Marketing Channels for wheat**

- Channel I Producer - Consumer
- Channel II Producer - Retailer or Village Trader - Consumer
- Channel III Producer – Wholesaler – Retailer - Consumer
- Channel IV Producer - Village Trader – Wholesaler – Retailer - Consumer
- Channel V Producer– Wholesaler - Miller - Retailer - Consumer

Wheat marketing channels are presented in tree diagram 4.2



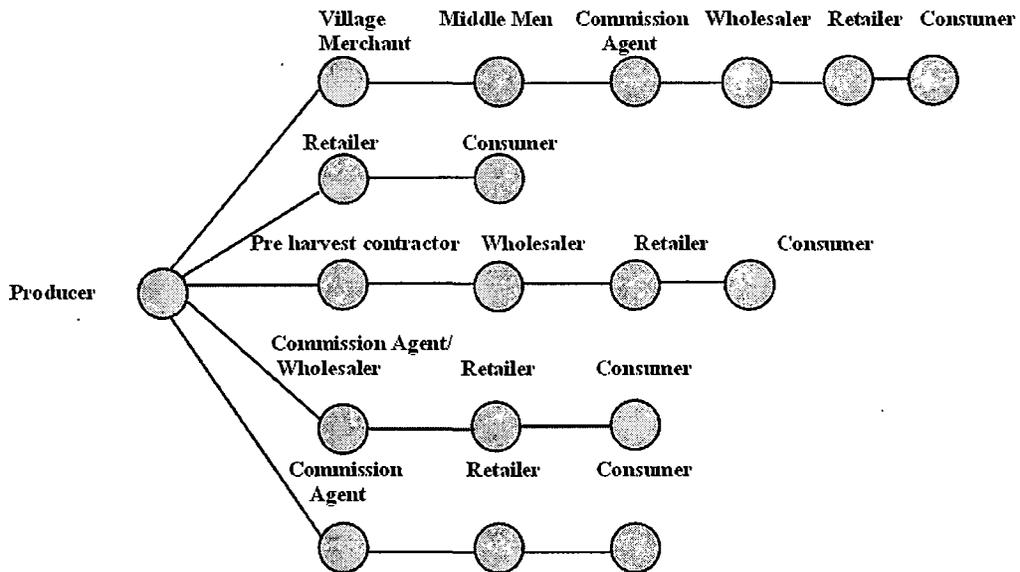
**Tree Diagram 4.2**

Major assembling markets of chilli in North Bengal are Coochbehar, Haldibari, Dinhata, Mathabhanga, Maynaguri, Falakata, Dhupguri, Uttar Dinajpur and Dhakshin Dinajpur ([www.agmarknet.nic.in](http://www.agmarknet.nic.in)).

### Marketing Channels for Chilli

- Channel I Producer-Village Merchant - Middlemen - Commission Agent -Wholesaler  
Retailer - Consumer
- Channel II Producer – Retailer - Consumer
- Channel III Producer - Pre harvest contractor – Wholesaler – Retailer - Consumer
- Channel IV Producer - Commission Agent/ Wholesaler - Retailer - Consumer
- Channel V Producer ; Commission Agent ; Retailer - Consumer

Chilli marketing channels are exhibited in tree diagram 4.3



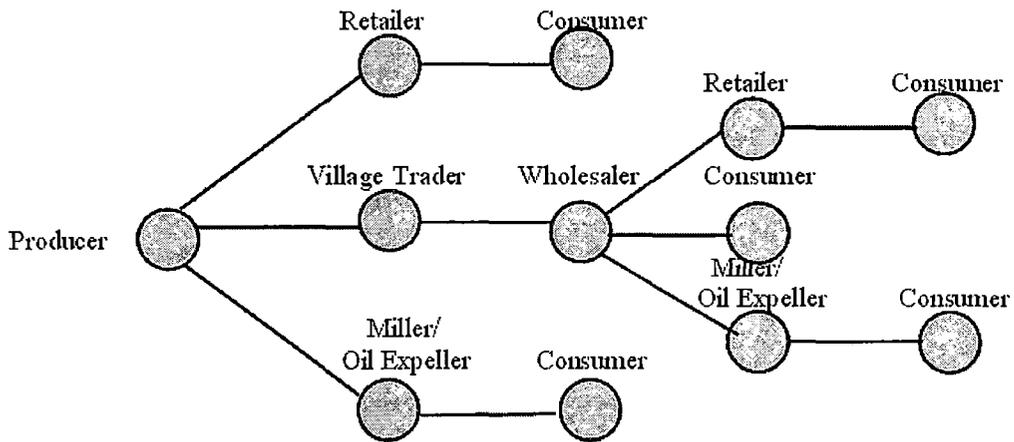
**Tree Diagram 4.3**

The different private agencies such as village trader, wholesaler, oil miller and retailer are involved in the marketing channel of mustard. Major assembling markets of mustered are Coochbehar Sadar, Dinhata, Tufanganj Mathabhanga, Mekhliganj, Alipurdwar, Samsi, Islampur and Kaliaganj ([www.agmarknet.nic.in](http://www.agmarknet.nic.in)).

### Marketing Channels for Mustards

- Channel I Producer - Retailer ; Consumer
- Channel II Producer ; Village Trader ; Wholesaler - Retailer ; Consumer
- Channel III Producer - Village Trader ; Wholesaler - Consumer
- Channel IV Producer - Village Trader ; Wholesaler ; Miller/Oil Expeller - Consumer
- Channel V Producer ; Miller/Oil Expeller ; Consumer

Mustards marketing channels are exhibited in tree diagram 4.4



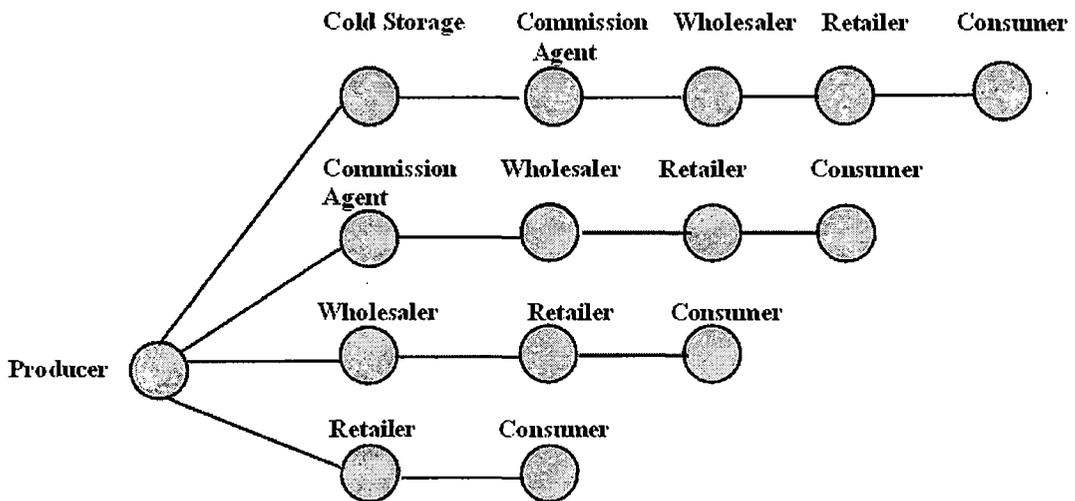
**Tree Diagram 4.4**

The different private agencies such as producer, commission agent, wholesaler, retailer and consumer are involved in marketing of potato.

**Marketing Channels for Potato**

- Channel I    Producer - Cold Storage - Commission Agent - Wholesaler - Retailer - Consumer
- Channel II    Producer - Commission Agent - Wholesaler - Retailer - Consumer
- Channel III    Producer - Wholesaler - Retailer - Consumer
- Channel IV    Producer - Retailer - Consumer

Potato marketing channels are represented in tree diagram 4.5

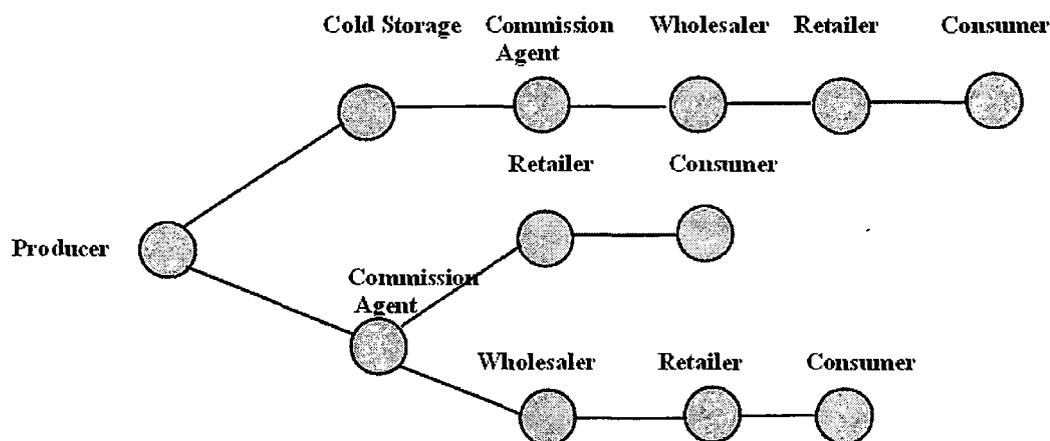


**Tree Diagram 4.5**

Directorate of Marketing and Inspection (1984) also studied the potato marketing channels in Darjeeling district of North Bengal. These are:

- Channel I Producer - Commission Agent - Retailer - Consumer
- Channel II Producer - Cold Storage - Commission Agent - Wholesaler - Retailer - Consumer
- Channel III Producer - Commission agent - Wholesaler - Retailer - Consumer.

Potato marketing channels are exhibited in tree diagram 4.6



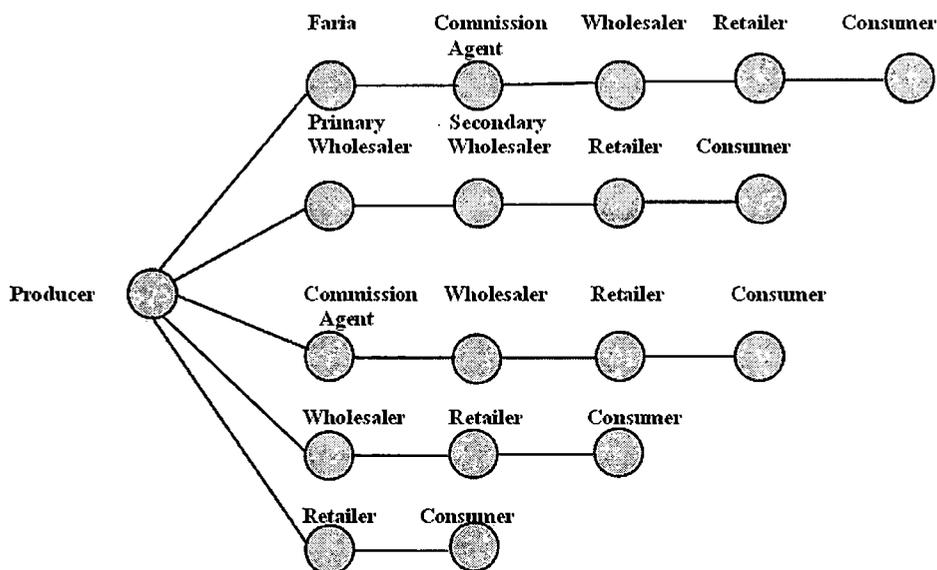
**Tree Diagram 4.6**

The vegetable distribution system is exceedingly complex because of its perishability, seasonality and bulkiness. Vegetable marketing in North Bengal is most intricate because it is largely in the private hands. Faria, commission agent, wholesaler, retailer are the important market intermediaries in the flow of vegetable from producers to consumers. Faria, Commission agent and wholesaler handles considerable quantity of the market arrivals. There are various types of vegetable retailers, these are street seller or hawkers, mobile vendors, market place retailer and producer farmer sellers.

**Marketing Channels for Vegetables**

- Channel I Producer - Faria - Commission agent - Wholesaler - Retailer - Consumer
- Channel II Producer - Primary wholesaler - Secondary Wholesaler - retailer - Consumer
- Channel III Producer - Commission Agent - Wholesaler - Retailer - Consumer
- Channel IV Producer - Wholesaler - Retailer - Consumer
- Channel V Producer - Retailer - Consumer

Vegetables marketing channels are exhibited in tree diagram 4.7



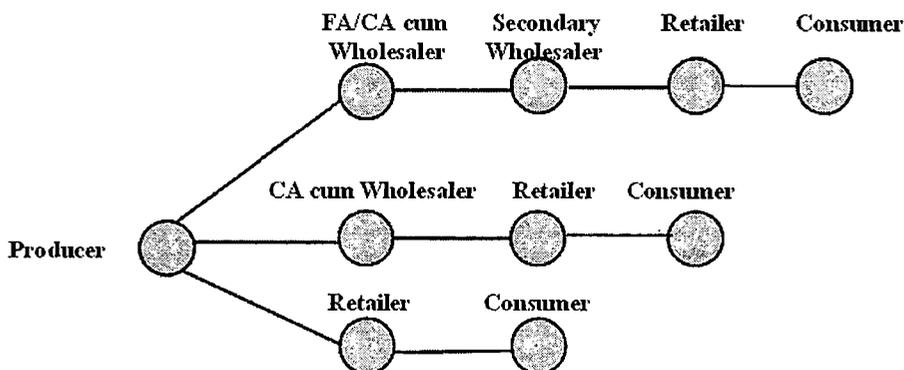
**Tree Diagram 4.7**

The marketing channels of cabbage and cauliflower were identified in Coochbehar District of North Bengal (Kumar *et.al*, 2008). Among the three other channels of cabbage, channel I is the most important channel from the standpoint of quantity as 87.3 per cent of total production of cabbage was disposed of through this channel.

### Marketing Channels for Cabbage

- Channel I    Producer - Forwarding Agent/Commission Agent cum Wholesaler - Secondary Wholesaler - Retailer - Consumer (87.3 percent)
- Channel II    Producer - Commission Agent cum Wholesaler - Retailer - Consumer (6.9 percent)
- Channel III    Producer - Retailer – Consumer (5.8 percent)

Cabbage marketing channels are presented in tree diagram 4.8



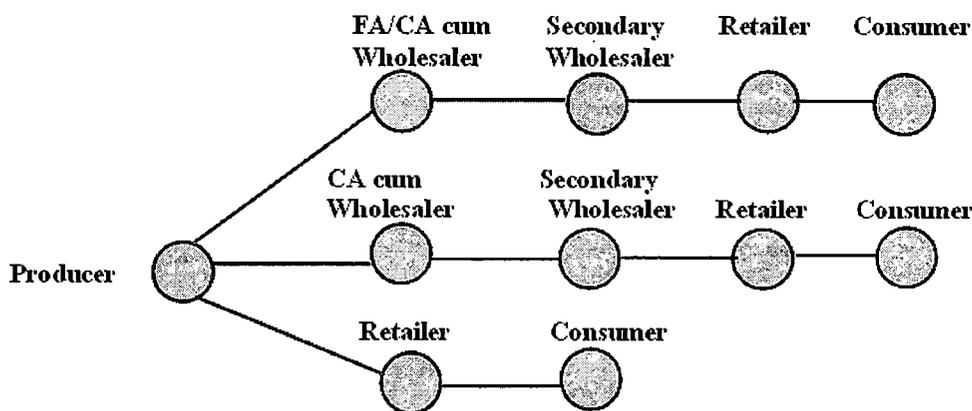
**Tree Diagram 4.8**

Again among all the channels of cauliflower, channel I is the most important as because 78 percent of total cauliflower production was disposed of through this channel.

### Marketing Channels for Cauliflower

- Channel I    Producer - Forwarding Agent/Commission Agent cum Wholesaler - Secondary Wholesaler - Retailer - Consumer (78.0 per cent)
- Channel II    Producer - Commission Agent cum Wholesaler - Secondary Wholesaler - Retailer - Consumer (16.7 per cent)
- Channel III    Producer - Retailer - Consumer (5.3 per cent)

Cauliflower marketing channels are presented in tree diagram 4.9



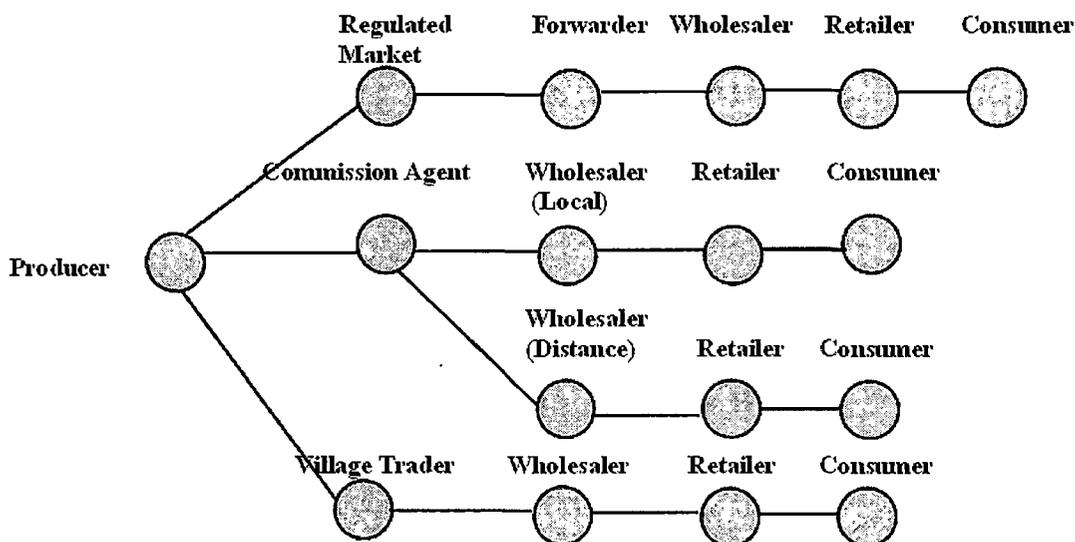
**Tree Diagram 4.9**

Marketing of tomato is important as returns to investment mainly depend on the price prevailing during the harvesting period as tomato is a perishable commodity and its market is highly volatile in nature. The key growing districts of North Bengal are Darjeeling, Jalpaiguri, Uttar Dinajpur, Malda and Coochbehar (Govt. of India, 2005). Marketing of tomatoes is done through various channels.

### Marketing Channels for Tomato

- Channel I    Producer - Regulated markets - Forwarder - Wholesaler - Retailer - Consumer
- Channel II    Producer - Commission Agent -Wholesaler (local market) - Retailer - Consumer
- Channel III    Producer - Commission Agent -Wholesaler (distant market) - Retailer - Consumer
- Channel IV    Producer - Village Traders –Wholesaler - Retailer – Consumer

Tomato marketing channels are presented in tree diagram 4.10



**Tree Diagram 4.10**

#### **4.6 Problems of agriculture marketing**

With the advent of the policies of liberalization and the consequent withdrawal or reduction in subsidy from agriculture sector the cost of production for the major crops has increased. According to the reply of the government to a question posed in Lok Sabha on 23-08-2011, “The prices of major agricultural inputs and implements during 2005-06 to 2011-12 (till July, 2011) have increased by 22.2% for fertilizers, 10.7% for pesticides, 32.0% for diesel, 29.8% for tractors and 32.3% for pumps & assembly in terms of Wholesale Price Index (WPI). As per the available data, the prices of seeds of various crops have increased from about 13.5% to 55.5% during 2005-06 to 2010-11”. This massive increase in the prices of inputs has increased the cost of cultivation. As a result, price of the produces has increased. But traders in the market are not ready to purchase the produces in increased price. So farmers are unable to sell the produces which increase the burden of debt and facing heavy losses. So the only way to keep farming viable is to declare the Minimum Support Price (MSP). But the MSP is given for a selected number of commodities and not all the commodities. Therefore, such increase cost of cultivation is adversely affected the lives and livelihoods of millions of farmers.

The jute and paddy growers in North Bengal as well as West Bengal are facing severe crisis as prices of their produces have sharply declined and they are forced to carry out distress sale. They are not even getting declared minimum support price as there is little or no effort from the state government for procuring the two major crops in the state. This agrarian crisis emerges over the farmers and agricultural workers and they are committed suicide in spite of a bumper crop. These farmers are poor or marginal peasants and some of them are poor agricultural labours. Most of these farmers who took loans to cultivate their land, but they did not get any remunerative price for the product which left them indebted without any prospect of repaying these loans. Generally, they are driven to desperation and social embarrassment and took their own lives. It is important to mention that the small farmers, who constitute the overwhelming majority of the Bengal's peasantry, are traditionally depended on moneylenders as the commercial banks and cooperatives are reluctant to offer credit to them (Business Standard, 4<sup>th</sup> January, 2012, Kolkata).

The state government till 20th January 2012, has procured 2.11 lakh metric tonnes of rice and 57355 tonnes of paddy. In the year 2010-11, the total procurement by the state government was 4.55 lakh tonnes of rice and 11.76 lakh tonnes of paddy. (Food Corporation of India, 2012). It is obvious that compared to last year, the procurement drive of the government has declined. It is absolutely not the case that the decline in procurement of the government was because of a fall in the production of paddy/rice. Rather, the problem was that in 2011-12 there was a bumper harvest of paddy. On the face of such huge production, the necessity of the government to buy from the farmers became even more important. But the absence of governmental intervention, the price of paddy may collapse in the open market leading to acute distress of the farmers. The irony is that in spite of a bumper crop, farmers in the state faced ruin. Sacks of paddy are lying unsold in several houses. Some of them are forced to sell the produce at low prices, sustaining enormous losses. However, by the time when the government declared its support price, the distress sale of paddy had almost been completed.

In the year 2010-11 the MSP announced by the Central Government for a quintal of rice was Rs. 1050. The erstwhile state government announced a bonus of Rs 50 per quintal so that the farmers received Rs. 1100 per quintal of rice. The Central Government, during

2011-12 has announced MSP of Rs. 1080 per quintal. But the state government has not announced any bonus for the farmers. As a result, the farmers are getting a price which is lower than last year's. Therefore the farmers are worse off than last year in terms of prices, while their cost of cultivation has increased. This is the real situation in agrarian sector. The problem however does not end with a lower effective MSP for the farmers. The farmers will get the MSP only when the government procures from them.

The government has asked certain rice mills to procure paddy from the farmers. But these rice mills were in the dilemma on making payments to farmers. In certain cases, they have made payments in cheque, which has bounced. Moreover, not all the small farmers have bank accounts, so payment by cheque would not help them. With surplus grain lying in the storage, the farmers have been forced to go for distress sale because they are too poor to hold their stock for long time, leading to fall in their price and hence foreclosing the possibility of earning any return on their investment in the crop. Some farmers with the possibility of a price crash are unable to sell their crops. While for others, with the distress sale phenomenon, they are being paid less than the MSP by the rice mills. In this situation, it is obvious that the farmers are unable to meet their debt obligations and other expenses leading to a desperate step like suicide.

The plight of the potato farmers followed a similar story. With bumper harvest of potato, government is unable to resist the price crash, the price of potato decreased as a result the farmers are getting zero return on their investment. Farmers have been bound to sell the yield at rates much below the cost price. Again the prices in the market were too low that farmers could not bear transport cost. Hence, many farmers discarded their crops. In this situation, the only way forward is to organise the farmers and fight for their rights. Instead of committing suicide, the farmers need to mobilize collectively to overcome the situation.

#### **4.7 Conclusion**

The role of agricultural marketing system has considerable importance in the overall economy of the North Bengal. The farm produces in the region pass through a number of channels before reaching the consumer. The farmer gets only a small percentage of

consumer's rupee. A significant percent of consumer rupee is grabbed by intermediaries namely faria, aratdar, commission agent, wholesaler, miller, retailer etc. These intermediaries at different stages of marketing process have emerged as powerful middlemen for the procurement of produces taking the advantage of the farmer's poor economic condition. The private traders, moneylenders locally known as 'mahajans' dominate the markets. The bargaining power of the farmers is very weak and, therefore, the traders dictate the price. One of the main reasons for prominence of the traders in the agricultural produce markets in villages is the heavy indebtedness of the farmers to the traders, commission agents and middlemen. The village moneylenders advance loans to the cultivators at the time of need, making it obligatory on the part of the farmer to deliver their produces after harvest at a price offered by the moneylender. The farmers lose market price significantly due to lack of proper sale arrangements in markets. The inadequacy of infrastructure, indebtedness and lack of awareness of the market information have been found as one of the prominent reasons for the distress sales. The basic infrastructure facilities such as storage and warehousing, road links, transportation and communication were insufficient. Due to lack of transport facilities the farmer is unable to bring his produces to the market. In the absence of the storage & warehousing facilities, the farmer is forced to sell all his produces at harvest time at low prices. It is hence, necessary to diagnose the problems in the region for providing improved marketing environment and value added economic benefits to the farmers through better management of various post-harvest functions.