

Chapter XII

SUMMARY AND CONCLUSION

Time series data on area, production and yield of jute in Cooch Behar district show significant variation over years. The inter-year fluctuations in the yield rate and area amply explain the inter-year fluctuations in the volume of production. The factors, namely, (i) jute area and one year lagged price of jute (ii) jute area and jute-aus paddy area ratio and (iii) jute area and jute-aus one year lagged price ratio collectively explained the inter-year variation in the area as well as production of jute. Among these the most dominant factor explaining the inter-year fluctuation of the area vis-a-vis production is the jute-aus paddy area ratio.

The cost of production of jute per bigha is higher than that of aus paddy in the cases of all sizes of holding in all the selected blocks of Cooch Behar district. This higher cost of production of jute per bigha relative to aus paddy is due to the higher human labour cost required in the production of jute. Jute cultivation is thus observed to be more labour-intensive relative to aus paddy.

In case of cost A_1 the cost on human labour, bullock labour and manures occupy the highest share and in case of

cost B and cost C the cost on human labour, imputed value of owned land, bullock labour and manures constitute the highest share in all the selected blocks of Cooch Behar district. The share of cash expenditure in the case of all cost measures is also noticed as remarkably high over all the sizes of holding in all the selected blocks. The share of the cost on human labour among the shares of all other major cost items in the cost of production of jute measured irrespective of cost basis is the highest. However, respective to the cost measures considered, there exist size-wise and block-wise insignificant degree of heterogeneity in the structural composition of the cost of production of jute per bigha in this district.

Irrespective of cost basis there remains inter-size and inter-block variation in the cost of production of jute and also positive relationship between the cost of production and the size of holding. The inter-block and inter-size variation in the cost of production of jute are due to the existence of inter-block and inter-size heterogeneity in input intensity. The positive relationship between the cost of production and the size of holding is the outcome of the size-wise higher degree of input intensity. Alike cost of production, yield rate of jute in this district shows inter-size and inter-block variation but there remains no relationship between yield rate and size of holding. Again the

magnitude of yield rate and that of cost of production vis-a-vis input intensity are noticed to be unrelated. So the variation in the yield rate over different sizes and blocks in this district is the consequence of various factors among which fertility of soil, time of sowing, time of harvesting may be mentionable.

The cultivation of both jute and aus paddy is observed to be unprofitable when the cost of production is measured in terms of cost B and cost C but profitable in the cases of cost measures, cost A_1 and cash expenditure. The profitability of jute worked out on the basis of cost A_1 and cash expenditure is observed to be relatively higher than the same in case of aus paddy cultivation. The higher relative profitability of jute cultivation is the consequence of higher yield rate and higher level of price relative to those of aus paddy. The acreage under jute and aus paddy is also allocated in accordance with the relative profitabilities of both these crops in this district.

The average market price prevailing in this district is higher than the administered price fixed by the Jute Corporation of India for the jute grown in this district. But this marketing price is remarkably lower than the cost per quintal of jute measured in terms of full cost or cost C principle. Thus the price of jute and the cost-price relationship in this district are observed to be unremunerative and

unfavourable to the jute growers respectively. In view of this situation bulk-line cost principle suggests to refix the administered price per quintal of jute at a new level within the range between Rs. 810 and Rs. 840.

In the jute market of Cooch Behar district there exists season-wise, geographical vis-a-vis agency-wise fragmentation. Season-wise there are two fragments, namely, harvestseason and post-harvest season and geographically vis-a-vis agency-wise there are also two fragments namely village level primary market and block as well as sub-divisional level secondary market. Farias and mahajans are the intermediaries conducting the trade operations in the primary market and secondary market respectively. Although there prevails a higher level of price in the secondary market or at mahajan's place and in the post-harvest marketing season, most of the jute growers in this district are observed to sell the major portion of their output at lower price in the harvest season at the primary market to the farias. They sell their dominant portion of output at primary market to the farias on account of economic and physical hazards due to distance and costly means of transportation. Again, the sale of the dominant portion of output in the harvest season results from the lack of storage facilities and immediate cash needs. Thus, in Cooch Behar district, jute growers are observed to suffer from the problems like

the distance between the farm-gate and the secondary market, costly means of transport, lack of storage facilities and immediate cash needs.

In view of the significant inter-year fluctuations in the area under jute vis-a-vis its production along with its dominant explanatory factor i.e., jute-aus paddy area ratio as well as direct relation of the allocation of area under jute and aus paddy with relative profitability, it may outrightly be concluded that for reducing the degree of fluctuations and stabilizing the area under jute the situation of jute in terms of its relative profitability is needed to be stable. In addition to this, it may also be concluded that adoption of appropriate measures against the above noted jute marketing inefficiencies simultaneously with the administered price policy suggested by the bulk-line cost principle would raise the remunerativeness of jute cultivation and this would encourage the jute growers in this district to increase jute production through the allocation of wider area and adoption of more productive techniques.