CHAPTER VII

SUMMARY AND CONCLUSION
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7.1 Let us briefly recapitulate the main thrust of the study. To begin with, we place our analysis of the marketing of raw jute in the context of Barpeta district of Assam. It appears from a broad analysis of the secondary data that the state control of jute marketing in the form of support price and procurement of raw jute by the different government agencies and co-operatives are not at all satisfactory. The efforts of the government to change the market structure do not make any significant impact on the conditions of the local jute growers. The regulated markets, which are mainly for the benefit of the growers and buyers, have not been able to attract the growers due to ignorance of the growers and also due to many formalities of the marketing system. Though attempts have been made by government to train the growers regarding standardisation, grading etc., these facilities hardly reach to the growers. It appears from the study that a huge amount of money is earned by the middlemen and government agencies in the form of processing and standardisation. If these services are performed by the growers a substantial amount of value added can be taken back to the growers.

7.2 There is a remarkable price difference between the primary market and terminal market and it is observed that the price discrimination between these two markets are not for the factors of transport cost alone. There are something else in the form of exploitation of the growers. If this price discrimination between primary and terminal market can
be removed, then both producer as well as final consumer of jute will be benefited. Therefore government policy measures should be such that it can at least minimise the price differences between these two markets.

7.3 The government policy to help the growers to improve their financial conditions hardly affects the farmers. There is no instance of provision for credit and advance in the area of study, by the nationalised banks to the producer for cultivation of jute. Even the Bahumukhi Samabaya Samitis (Multi-purpose Co-operative Societies) of which the primary objective is to help the rural poor cultivators, has not forwarded any application for loans and advances to the nationalised banks or other financial institutions to help the jute cultivators of the area. A branch of United Commercial Bank at Howly, the leading bank of the area under study, has no record of credit for production of jute. Consequently, the growers have to take loans from private traders for their cash requirements and become dependent on private lenders. The rate of interest on loans and advances offered by the private agencies are very high. Sometimes it goes to the extent of 200 percent.

The economic conditions of the jute producers are in a very bad state. They have no savings and their bargaining capacity is also almost nil. This leads the growers to the dependency and 'forced commerce' and ultimately they have to behave in selling their commodities in a very irrational manner, i.e., non-maximising behaviour can be seen among the jute growers. To avoid this situation the nationalised banks and other government agencies should come forward with liberal credit policy towards the jute growers. This will not only stop the exploitation of growers by private individuals but also will help in improving their economic condi-
tion. These institutions can make provision for advances to the growers against security of standing crops.

7.4 The single terminal market for entire jute belt of India is also responsible for imperfection of of market structure. Few traders of the districts have direct link with the terminal market. They are well informed about the prevailing market conditions both within and outside the state, as well as outside the country. Therefore, dominance of the few make the large numbers of small and scattered farmers dependent upon them. The highly efficient mill sector with all modern marketing facilities on the one hand and the most backward peasants of the pre-capitalist type on the other leads to unequal exchange in the jute trade. It is evident from the study that exploitation still prevails in the marketing of raw jute specially on primary stage. Due to unequal exchange and constant exploitation, there is transfer of income from the raw jute sector to the other sector of the jute economy. Consequently, producers who are the core of the jute economy became weaker and weaker.

Therefore, it is not possible on the part of the growers to save out of their meagre income. Because savings depends upon capacity to save, on the one hand, and willingness to do so, on the other. The jute cultivators do not have the first requisites of savings, i.e., capacity to save. If there is no saving, how can they think for investment to raise their output. This certainly affects the productivity of jute in the state as the peasant cannot invest more inputs. The general productivity per bigha at present is between 3 to 7 mounds. But there is record of production upto 17 mounds per bigha in the past. The productivity has come down because of reduced fertility of the land due to constant use. Hence, it requires more inputs in the form of manures, fertilizers, improved seeds, pesticides, etc.. But the peasants cannot afford this.
7.5 It appears from the data that cost of transportation and other taxes in the form of West Bengal entry tax, make raw jute marketing cost unjustifiably high. The final products have to again impart by the consumer from Calcutta to North Eastern region. Therefore, the consumers of this region have to incur double transportation costs for final product. Thus consumers of the area have to pay more for final jute product but the producers of raw jute receives much less than their counterpart in West Bengal. This situation retards the development of jute economy of this region, also leads to exploitation of one region by another. To solve this problem, few mills can be set up in the area which will reduce the cost of transportation avoiding double transportation and will give ample employment opportunities and at the same time the growers, in most of the cases, will be able to sell their commodities to the miller directly, avoiding too many middlemen.

Assam's case for setting up some mills is not without basis. The total raw jute production of this state is sufficient to feed about 16 jute mills of 200 looms each. But here at present only one jute mill at Silghat of Nagaon district is functioning. Though the foundation stone of two jute mills (one at Goagacha of Barpeta district and another at Dalgaon in Magaldoi district) were laid down as back as in 1973 but the projects are not yet materialised. The setting up of few mills will not only help the growers but also will be able to improve the lot of the jute economy of the state.

7.6 Since neither uncontrolled market mechanism nor partially controlled markets, have ensured stable and reasonable price to the growers, mono-
poly procurement by government agencies is the only way out. But the government agencies must be efficient to execute the government policy properly.

The J.C.I. and co-operatives which are entrusted with the procurement of raw jute in the district must come forward to provide minimum facilities to the growers. The government agencies should make a strong drive to motivate the illiterate peasants who generally do not like the official formalities of the agencies. Therefore selling of jute by growers to the government agencies is not an economic problem alone. It is a social problem of changing the attitude of the farmers and make them aware of the problems through improvement of literacy.

7.7 The Regulated markets functioning in the districts are not at all able to meet the requirements of the peasants. The middlemen through manipulation registered their name as growers in the regulated markets. The peasants should be encourage and persuaded to make them get registered as growers. Unless they do not do that, they will not be able to accrue the benefits from the regulated markets.

7.8 The present system of grading with eye estimate must be done away with. Not only the farias and private traders make the grading by eye estimate, even the government agencies like Statefed and J.C.I. follow the same policy. This type of grading offer opportunities to the farias and traders to cheat the jute growers. Taking advantage of this confusion and ignorance of the peasants about the benefit of the grading, the farias and traders deceive the farmers while purchasing the jute on 'gasat rate'. Therefore, new scientific grading process should be adopted and the cultivators of jute should be properly trained in the art of grading. This will
certainly remove many malpractices in jute trade.

7.9 It is observed from the analysis that the minimum statutory prices, fixed by the Agricultural Price Commission, is not sufficient to meet the costs of production of jute. The minimum support price should be realised at least to that extent so that it can cover the cost of production. The full impact of the price support operation would not be felt unless the jute growers are brought into direct contact with the institutional structure designed to provide such support. This is possible by establishment and active development of marketing-cum-credit credit co-operatives of jute growers which is lacking at present in the district.

The co-operatives should be of multipurpose type. The small farmer may form producers co-operatives but at the same time marketing of inputs and outputs should be performed by these co-operatives. We know that producers want to sale the commodities after production but at the same time they are to purchase some inputs to produce the commodity. The multi-purpose co-operatives thus may be used as a double-edged sword.

7.10 In view of the localised consumption of jute in and around Calcutta and in the absence of a geographical dispersal of the processing facilities of jute, the physical bottlenecks of transportation and storage in respect of market in Assam became acute, particularly in a year of good crop. Therefore, we may suggest that special arrangement, like tea, should be made for transportation of raw jute to the terminal market and storage facilities in the vicinity of market area must be increased substantially.

7.11 The conditions of the village haat, which are the only transaction points for more than 90 percent of the farmers, are very poor. There
is no infrastructural facilities in the form of storage, processing, etc. Most of the village haats are not properly covered. Therefore, emphasis on improvement of these market is of urgent necessity. The government agencies should have centres of jute collection in every village market. Out of 21 haats in the district only two have been brought under Regulated Market Act and that too very recently. The Howly Regulated market has started functioning from 1985 but its starting is not at all encouraging. The Bahari Market, though brought under the Act, is yet to start its operation.

7.12 The market intelligence system in the district is not adequate to meet the needs, not only of the growers but also the traders. The big traders, of course, have the means to collect informations as they have good link with the terminal market. They can afford to appoint agents who collect information about the prevailing market conditions from various sources. But the growers solely depend upon the village and market farias. The Agricultural Marketing Office at Howly collects informations regarding price and market arrivals in different market centres of the district, besides, the All India Radio, Gauhati, broadcasts these informations almost every day. But these are of little help to the growers as majority of them are not so alert and receptive. The newspapers in Assam hardly publish these informations. Hence, we may suggest that the Government should take remedial measures to improve the functioning of its agencies concerned.

7.13 The intermediaries like farias, paikars and small traders are generally blamed for low receipt of growers from their products, but this is yet to be investigated for making a concrete assessment. In determining
the marketprices, these categories of intermediaries generally cannot influence the market, rather they are being dominated by the big traders and wholesalers. As we have mentioned, the day-to-day prices are generally fixed by the latter unilaterally.

Finally, we have to admit that as this work had to be completed within a short period of time we could not visit places like Calcutta - the terminal market - where actual consumption of raw jute takes place. We, however, intend to carry out further studies on the subject in the near future.

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