
CHAPTER - III

**MARKETING OF SERICULTURE
PRODUCT IN SIRSI TALUKA**

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- 3.1 Profile of Sirsi Taluka
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***** MARKETING OF SERICULTURE PRODUCT IN SIRSI TALUKA

SECTION - I

*** PROFILE OF SIRSI TALUKA ***

3.1 LOCATION :

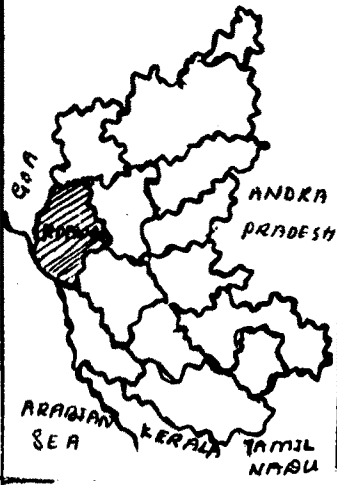
Karwar District is one of the 19 districts of Karnataka and one of the two coastal districts of the state, stretches itself along the coastline of Arabian Sea. The Western Ghat divides the district into two parts, five of its talukas are in the coastal plain and six talukas are above the Ghat, with parts of their territory, stretching itself on the fringe of Deccan Plateau. Sirsi Taluka is situated on the Eastern side of the District.

Location of Sirsi Taluka it is 14°.44 N latitude and 74° 45' E longitude. Topographically, it is typical Ghat, located on the Eastern slopes of the ridge of the Western Ghats at an elevation of 600 meters from M.S.L.(Mean Sea Level), commanding Devimance pass to the west coast which links Sirsi with Kumta and Karwar.

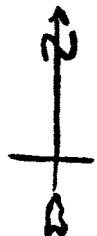
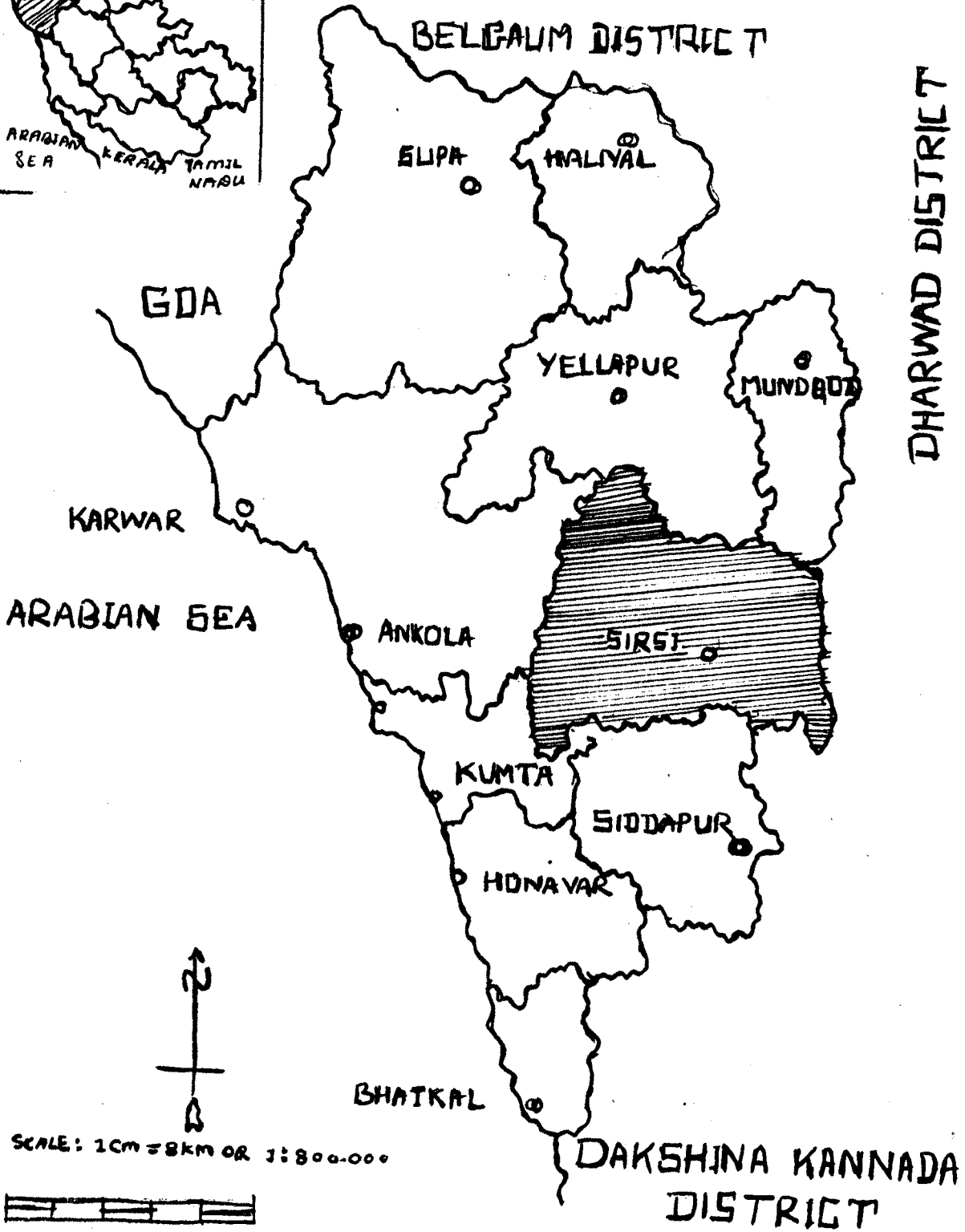
3.2 ADMINISTRATION :

There are in all 226 villages in Sirsi Taluka. For the

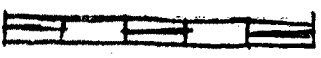
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SCALE: 1cm = 8km OR 1:800,000



purpose of convenient administration, these villages are grouped into 16 Mandalas.

At the rural level, Block development officer is the prime authority. Head Clerks, Clerks, Grama Sevakas are the main channels of communication.

At taluka level sub divisional officer is the prime authority. Tahasildar Shirastedar, Awalkarkun etc. help the Divisional officer in taluka administration.

3.3.3 POPULATION :

According to the census of 1981, the total population of Sirsi Taluka is 1,35,107. Out of which 71% (96,200) is the population of rural area and 29% 38,907 is of urban area. The population of Male and Female is 52% (70,500) and 48% (64,600) respectively.²⁴

3.1.4 LITERACY :

As per the census of 1981, the total number of literate persons in Sirsi Taluka was 57% (77,156) of which 58% (44,942) and 42% (32,574) were male and female respectively.²⁵

3.1.5 AREA :

The total land area of Sirisi Taluka is 1,32,233 hectares. near about 85% of the land area is under cultivation and 10,36,34 hectares under forest.²⁶

24 Census of India 1983 : Karnataka Series 9, Part IIB(1)
Banglore PP 164-168.

25 Ibid.

26 Ibid.

3.1.6 NATURE OF SOIL :

Three types of soil are found in Sirsi Taluka. The laterite, redbrick and acidic type. Majority of the area is covered by laterite and slight acidic above pH5, which is most suitable for mulberry cultivation.

3.1.7 CLIMATE :

Climate plays an important role in the growth and development of silkworm larvae and mulberry plants. The average temperature of Sirsi Taluka varies from 25° to 30°C and relative humidity 60 to 80%. Adverse climatic conditions affect the growth and development of silkworm larvae.

3.1.8 IRRIGATION :

Irrigation assumes a special importance in agriculture and sericulture. It has changed the agricultural patterns of the area.

Well is the important source of irrigation and river also to some extent. There were not less than 84 oil engines and 461 electric pumpsets operating in Sirsi Taluka in the year 1987-88.

3.1.9 RAINFALL :

Agriculture in this area is mostly dependent on the rainfall. An average rainfall in Sirsi Taluka is 2500 m.m. per annum.

3.1.10 AGRICULTURE SCENE :

Sirsi Taluka is not fairly industrialised. The economy of this taluka is mainly agrarian in character. Agriculture constitutes most important segment of the economy from the point of view of both, giving livelihood to the inhabitants and also its contribution to the income of the state.

The rainfall in the taluka is quite adequate and highly variable. Irrigation facilities have not developed to a degree as would significantly mitigate the natural disadvantages. The productivity of the soil is not so significant.

3.1.11 AGRICULTURE PRODUCTION :

Majority of the cultivable land is under food crops. The main crops of the taluka are Paddy, Jawar, Maize, Ragi, Sugar Cane, Pulses and Oilseeds. The total production of different crops according to the 1989 reports are paddy 20076 tons, Jawar 181 tons, pulses 587 tons, oilseeds 238 tons and sugarcane 25188 ton. Every year the production quantity of the above food crops varies, due to the change in the climatic condition and rainfall. But the production quantity, not less than the above figure continuous to be every year.

3.1.12 HORTICULTURE :

Apart from agriculture, horticulture has a dominant place in Sirsi Taluka, Main crops are are^c_A, coconut,

cardamom pepper, plantains pineapple .

In the country as a whole the production value of areca-nut is about Rs. 800 crores, of which Rs. 500 crores of its value comes from Karnataka, and more than 20 crores of arecanut is produced in Sirsi Taluka.

3.1.13 INDUSTRIAL SCENE :

Though Sirsi Taluka is basically on agrarian economy, it is not industrially backward. There are industries in the central places of the taluka i.e. in Banayasi, Dasankoppa, Bhairumbe, Hulekal and Akkambi,. These industries are :

- 1 Agro based.
- 2 Based on Horticulture
- 3 Forest based and
- 4 Service based. Such types of industries are more than 150 in Sirsi Taluka.

3.1.14 OTHER INFRASTRUCTURAL FACILITIES :

The infrastructure facilities like Transport and communication. Banks and LIC's are available to almost all the inhabitants in Sirsi Taluka.

1. TRANSPORT AND COMMUNICATION :

Transport and communication facilities are adequate in Sirsi Taluka. There are 79 post office and 18 telephone offices.

There are well constructed bridges in the Taluka.

2. BANKS :

There are 21 banks in Sirsi Taluka out of which is 13 are commercial Banks and among the rest 7 are cooperative Banks, and 1 land Development Bank. The ample banking facilities supports the saving habit of the people in the Taluka.

3. LICS :

The main branch of LIC is in Sirsi Taluka. The income from LIC premium is Rs. 22 lakh per annum. The LIC is providing Loan facilities to the Govt. employees, for construction of houses, under the scheme of "Own your own house"

S E C T I O N - II

3.2 MARKETING OF SERICULTURAL PRODUCT IN SIRSI TALUKA.

Marketing is not mere selling of commodity, but it is a performance of all business activities involved in the flow of goods and services in from initial point of production to the ultimate consumers. This is done through the marketing channels, which differ somewhat among the commodities.

For the study of marketing of sericulture product in Sirsi taluka, we have to consider the marketing practices, before 1984 and after that.

3.2.1 MARKETING PRACTICES (BEFORE 1984) :

Before 1984 the cross-Breed variety of sericulture product was produced in Sirsi Taluka. There was no cocoon market in the taluka. The sericulture farmers were going to Ramanagar for selling the cocoons, It is studied in this part.

1. SELLING :

Selling is the important function of marketing as sales are the life blood of the business. i.e. the prosperity of the business depends on the volume of profitable sales.

Earlier the Sericulturists in Sirsi Taluka were selling the cocoons in the Ramanagar market. i.e. to the authorised Govt. Agency. They prefer to sell to the Govt. Agency rather

than private bidders and reelers, because of right weighment, grading and guaranteed payment, in Government market.

2. TRANSPORTATION :

Transportation refers to the physical movement of goods from the places of production to the places of consumption or use.

The cocoons were transported by Govt. buses.

3. GRADING :

The cocoons were graded on the basis of the silk contents and quality of it.

4. PRICING :

Pricing assumes an important places in marketing. The price for the cocoons was fixed by the central silk Board, by considering the demand and supply of cocoons. So there was a chronological fluctuation in price for the product cocoons along with the change in demand and supply of it.

5. PAYMENT SYSTEM :

The payment system for the sale of cocoons was on each basis. The farmers were getting immediate payment for the cocoons sold in the market.

6. RISK BEARING :

Possibility of losses of cocoons owing to unforeseen

contingencies and happenings in production and marketing it. 1% of the total product value was out for insurance purpose in the market. But no farmers availed this insurance facility. The loss in the production and in transportation of cocoons were borne by the farmers themselves.

3.2.2 MARKETING PRACTICES (AFTER 1984) :

The farmers were facing so many problems in marketing of sericulture product before 1984. For marketing of cocoons they had to go to Ramanagar a long distance i.e. more than 500 Kms from Sirsi. The cost of transportation and damages were too much. The rate for cross Breed '(CB) variety of cocoons was not remunerative to the farmers.

Through empirical research studies, for the benefit of farmers, Sirsi areas was considered as seed protection area, only to produce seed cocoons which will fetch a remunerative income to the farmers. So Bivoltine culture started from 1984.

Considering the difficulties of farmers in marketing of cocoons and importance of near look of market to the production centre for efficient marketing of cocoons and thereby to safeguard the interest of cultivators in 1984-85 the cocoon market in Sirsi (seed campaign) came into existence due to Central Silk Board.

The present marketing practices in Sirsi Taluka can be

studied under two stages.

- A. Marketing of sericulture product from the producers to the primary market.
- B. Marketing of sericulture product from primary market to the secondary markets.

There is no terminal market in Sirsi Taluka.

- A. Marketing of Sericulture product from primary Producers to the (Primary Market).

The seed cocoons produced are sold to local market from the farmers. The Government itself is the agency to purchase the produce produced by the sericulturists not only in Sirsi Taluka but from all the farmers of the Karwar District as a whole. The various activities involved in marketing of cocoons from the production place to the market, are highlighted as under.

1. SELLING :

Selling is the function where the real marketing job starts for the growers. The seed cocoons producer by the sericulturists are directly sold to the cocoon market in Sirsi Taluka. There is a direct sale from producers to the Govt. market no channel of middlemen or agents is there, in buying and selling of cocoons.

2. TRANSPORTATION :

Another important function takes place, throughout the

marketing process which moves goods from one place to another i.e. from production centre to the market.

The sericulturists transport their sericulture products to the market by Auto Rikshas, Govt. buses, private carriers by head load and bicycles who are quite near to the market centre.

3. STANDARDISATION AND GRADING :

Standardisation refers to the establishment of certain standard for the product, on the basis of its physical properties or qualities. Grading is the process of sorting out and classifying the goods into different grades or classes on the basis of the established standards. Grading goes along with the standardisation (i.e. standards set).

The primary producers cannot fix any standards or grades for the cocoons. They can only differentiate the melt cocoons and damaged cocoons from the lot.

4 STORING :

Storing is an important function of marketing. The cocoons are perishable in nature, so the farmers cannot store it in godowns. They have to transport it immediately after the production.

5 RISK BEARING :

Last but not least, function in marketing of coons

is risk bearing. The sericulturists incur certain degree of loss in the cultivation of mulberry, production of cocoons and marketing of it such type of losses are to be shouldered by the farmers only. These risks increase the cost of marketing.

Someone has highly observed that, marketing of cocoons i.e. perishable goods, need man's face, lions heart and elephants might, The sericulture product says "Sell me in the morning, or I will sell you in the next morning." So marketing of sericulture product is highly a risky job.

B. Marketing of Sericulture Product From Primary Market to The Secondary Markets :

In the first stage of marketing the sericulture product (cocoons) are marketed from sericulturists to primary market i.e. cocoons market in Sirsi. The functions of marketing performed in the primary market are presented here.

1. ASSEMBLING/CONCENTRATION :

Concentration is the first process in marketing. Concentration refers to collection of goods at a central point for the purpose of convenient and economic distribution. The process of concentration is inevitable for efficient marketing.

The sericulture producers are scattered all over the taluka. So it becomes necessary to bring together, collect and

concentrate the cocoons from the sericulturists in the market for various purpose, such as economical transportation, storage, grading and sale, and wholesale distribution etc.

2. EQUALISATION :

The process of equalisation arises in between the process of concentration and dispersion. This process starts when the concentration ends, and ends when dispersion starts.

The process of equalisation is the process by means of which the supply of goods ready for sale, is adjusted to the demand for them at the centres of marketing through storage and also through transportation of goods of required quality and quantities to the different places of demands.

The cocoons brought by the farmers are stored in special storages, to meet the required quantities of cocoon demanded by other cocoon markets.

3. DISPERSION :

Dispersion is the last process in marketing process. Dispersion refers to the distribution of goods from the central market place to the final consumers or users.

Dispersion of cocoons are done by the cocoon market to distant places of demand. About 85% of the seed cocoons are dispersed for seed purposes, to Mysore, Bangalore Chitragurga,



and so on. Hardly 15% of the cocoons/are dispersed to the authorised reelers for reeling purpose.

These are the three process of marketing of cocoons in the cocoon market.

MARKETING FUNCTIONS :

The three processes of marketing, : discussed so far, involve a number of major specialised functions. The major specialised functions involved in the marketing processes or in marketing of cocoons are explained here.

1. BUYING :

Buying is an important function performed by the Govt. Cocoon market. The seed cocoons are brought by the market for further of it, to the secondary markets either for seed purpose or for reeling. The cocoons are purchased directly from the producers.

2. ASSEMBLING :

When the cocoons are brought from the sericulturists, the next function in the cocoon market is to assemble the cocoons produced on the same date and of similar quality. The assembling of cocoons is necessary for standardisation and grading and for economic transportation.

3. STANDARDISATION AND GRADING :

Standardisation and grading are the important functions of marketing. Standardisation refers to the establishment of certain standard for a commodity on the basis of intrinsic physical properties or qualities on the otherhand grading is the process of sorting out or classifying the goods into different grades or classes on the basis of the established standards. Grading goes along with the standardisstion, as it is done on the basis of standardisation.

The standardisation and grading of cocoon is done on the basis of the ceiling limit in the number of cocoons per Kg. For instance if the number of cocoons per Kg. is 400 or less than that, it is assumed that, high grade, and fetches maximum rate If the number of cocoons per Kg. is more than 400 and upto 600. medium rate is fixed for that and more than 600 in number upto 1000 per Kg. minimum price, as it is treated as a low grade.

4. STORING :

The storage function in marketing of cocoons assumes great importance. The cocoons are to be stored in a controlled air condition, as it is perishable in nature. The cocoons are stored for a few days, to meet the ^{required} quantity demanded by the outside market. When the required quantity of cocoons are collected, arrangement for dispersion is made in the cocoon market.

5 TRANSPORTATION :

The cocoons concentrated in the cocoon market are to be transported to the places where they are required. The transportation of cocoon from Sirsi to other markets (Govt. seed cocoon market) is done by the vehicles of Sericulture Department.

6 PACKING :

Packing is an important function in marketing. Packing means warpping and crating of goods before they are transported of stored. Packing is necessary to prevent the goods from damage, spoilage, to preserve the quality and for convenient transport.

Packing of cocoons before storage and transportation is done in the cocoon market. For the protection of cocoons from damage, the cocoons are placed in well acrated bamboo cages of convenient size are preferred for safe transportation of seed cocoons for a long distance. The cocoons are advisable to keep in thin layers in transportation cages.

7 PRICING :

The price for the sericulture product is fixed by the Central Silk Board, estimating the total demand and supply of the sericulture product. The rate for the sericulture product is on the basis of the grade fixed for the cocoons.

8 MARKET INFORMATION :

Market information includes all facts, estimates and other informations used in making decisions of which affect the marketing of goods. Sericulture product are purchased for resale in anticipation of demand. Therefore, success of the business depends upon the knowledge of the potential demand for the product and the time of demand.

The market information in the cocoon market is collected through different means of communication, such as, telephone, telegrams and even by personal contact. The information is collected regarding the time when they are needed, the quantum, and how they can be made available to them. After the informations are collected, the informations are sent, by estimating the available quantity of cocoons on the basis of the layings supplied to the farmers, and estimating the time of arrival of cocoons to the markets.

9 SELLING :

Selling is the last function in the marketing of sericulture product, from primary market to the secondary markets. Actually the goods are not sold, for commercial purpose, in the primary market. It is absolutely a non-commercial market, Govt. is the ultimate agency for purchasing seed cocoons. So when it is sold from one Govt. Department market to another

there is no profit motive at all. They will set the account by inter department, transactions.

But sometimes, some 15% of the cocoons brought in the market are sold to the reelers, because of damaged or melted cocoons, which are unfit for seed purpose, Usually these are sold at a price lesser than the price what they have paid to farmers. So, Selling has no important place in marketing of cocons from primary market (Sirsi) to the secondary market, as there is no place for profit motive.

10 FINANCING :

Financing function of marketing refers to the provision of finance for meeting the financial requirements of various agencies engaged in marketing activities. In the words of Stephenson, "The service of providing the credit and money needed to meet the costs of getting merchandise into the hands of final users is commonly referred to as the financing function."

Financing is an important marketing function. It facilitates the movement of goods from the point of production to the point of consumption or use . It smoothen the process of exchange acts as a libricating oil to the wheel of marketing. In the words of Pyle. "Money or credit is the lubricant that facilitates the operation of marketing machine."

The financing function or payment to the farmers for the purchase of cocoons by the cocoon market is made through Treaury Bills.

11. RISK BEARING :

Risk means an element of uncertainty or possibility of loss. Marketing risks may be defined as the danger of loss some unpredictable unfavourable happenings in future.

There are three types of marketing risks. Economic risk human risks and natural risk.

Human risks are, the loss of cocoons by care less handling and due to the dishonesty of employees in the market.

Economic risks in the marketing of cocoon are due to the fall in price, demand, and though the order received from other department cocoon markets. But if they fail to take the possession it is a loss. Because cocoons are perishable in nature.

Natural risks are the losses in the quality when the cocoons are stored, and destruction by the natural calamities. These all these risks are borne by the Sericulture Department itself.