

Marketable and Marketed Surpluses

Concept:

Every agricultural commodity is, in fact, produced for sale in the market to earn some cash income and thereby meet many other family requirements which are not satisfied on the farm. Even foodgrains which are grown by the farmers are not merely meant for satisfying his own family requirements but are also meant for satisfying the needs of non-farming population in the towns and cities. But of course, the surplus available for sale varies from farmer to farmer for various reasons. This is also true for other food crops like edible oilseeds, fruits, vegetables, milk, eggs, etc. All the produce of these crops is not available for sale because some quantities are retained for seed purpose, home consumption, gifts to friends and relatives and some quantities are lost due to spoilage, etc. Thus, two concepts viz. "marketable surplus" and "marketed surplus" have been coined to ascertain the quantity of produce available for marketing and the quantity actually marketed. The quantities are estimated as mentioned below: -

1. Production on a farm.
2. Utilization.
 - a. Seed purpose.
 - b. Home consumption.
 - c. Gifts to friends and relatives.
 - d. Kind wages to labour. Total (a to d)
3. Marketable surplus (1 - 2)
 - a. Losses due to spoilage
 - b. Marketed surplus(3-4)

Cash crop or commercial crop:

The larger the quantity actually marketed, greater the cash income to a farmer. Accordingly, crops also came to be known as cash crops, which earn more cash income to the farmers. The marketable or marketed surpluses depend upon type of crop i.e. foodgrain, other food crop or non-food crop. In the case of foodgrain and other food crops, the surpluses are generally less on small and marginal farms and their proportions vary widely according to the size of holding and other related factors. But in the case of non-food crops viz. Cotton, sugarcane, etc. which are used as raw material in agro-based industry, almost all the production is available for sale except small quantities kept for seed. In these crops, marketable surpluses are nearly 100 per cent. Such crops are called as cash crops or commercial crops. On the same analogy, even food crops with large marketable surpluses (say above 50%), can be regarded as cash or commercial crops.

As a result of the development of these two concepts, the studies regarding marketable and marketed surpluses have aroused interest in the minds of researchers in Agricultural Marketing with a view to identify or categories certain crops as cash crops or commercial crops.

Identification of certain crops as commercial or cash crops has many policy implications from the point of view of development of good organized markets and other infrastructure facilities such as roads, storage's (including cold storage's for perishables), communication, market information, banking services, etc.

Marketable and marketed surpluses of some commodities are given in the table. Following inferences emerge from this table:

1. Marketable surplus for foodgrains, particularly in a deficit state are low and such crops may not be considered as commercial crops in that area. But in Punjab, wheat which is a foodgrain crop is a commercial crop as its marketable surplus is around 85%.
2. All fruit crops are definitely commercial crops because their marketable surpluses are above 96%.
3. Similarly, vegetables are also commercial crops, which is evident from their marketable surpluses being above 96% and marketed surpluses above 85%.
4. Special mention needs to be made about milk. Some 25-30 years back, dairy activity was just carried out as subsidiary to crop production to meet the family requirement of milk and no surplus. But after the development of new high yielding cow and buffalo breeds, improvement in feeding and management practices of milk animals, certain of marketing facilities through Govt. Milk Schemes and Producer's Co-operatives, the milk production has increased very rapidly. It has spread in the rural area and it has now become an important commercial activity as can be seen from the marketable surpluses ranging from 77% to 92% with the farmers. On some farms, where number of crossbred cows or pure buffaloes is more than 5, dairy has become main enterprise surpassing crop production. Dairy has assumed a commercial status providing regular cash income to farmers and employment to his family.

Some oil seed crops like groundnut, sunflower, safflower, soyabean, castor and other crops like cotton and sugarcane are also recognized as commercial crops as the marketable surpluses in them are almost 100% and therefore they are cash crops for the farmers. In addition, there are some crops, which are grown in small pockets, but they have large marketable surpluses and hence they are cash crops for farmers in those areas. Examples are –
Red chilli, turmeric, tobacco, minor fruits, etc.

Table:

Marketable and marketed surpluses of some commodities.

S. No.	Commodity	State	Marketable surplus %	Marketed surplus %
1	Maize	Himachal Pradesh	-	36.37
2	Paddy	Himachal Pradesh	-	14.19
3	Wheat	Himachal Pradesh	-	24.23
4	Wheat	Punjab		
	a. Small &	Punjab	76.63	-

	marginal farms			
	b. Medium farms	Punjab	80.63	-
	c. Large farms	Punjab	89.20	-
	Average	Punjab	85.52	-
5	Fruits			
	a. Mango	Punjab	96.40	-
	b. Grapes	Punjab	96.60	-
	c. Citrus	Punjab	98.00	-
	d. Mango (Ratnagiri)	Maharashtra	98.00	-
6	Vegetables			
	a. Tomato	Himachal Pradesh	98.00	94.50
	b. Cauliflower	Himachal Pradesh	96.33	94.40
	c. Cabbage	Himachal Pradesh	95.66	93.00
	d. Brinjal	Himachal Pradesh	96.60	94.39
	e. Peas	Himachal Pradesh	89.25	84.80
	f. Potato	Amritsar-Punjab	78.78	-
		Jalandhar-Punjab	83.65	-
		Moga-Punjab	91.69	-
7	a. Milk	Jalgaon, Maharashtra, Sangli	77.41	-
	b. Milk	Western Maharashtra	91.88	-
		Konkan Maharashtra	91.66	-