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AGRICULTURE

Cowpea Producers Marketing Problems

Cowpea farmers were facing a marketing problem with the increased imports of mysoor dhal, according to an Agricultural Research and Training Institute Food Commodities Bulletin issued in October this year. Coincidentally, this issue was raised by the ARTI around the same time that the Minister of Finance was preparing to announce relief measures for these farmers in his 1986 Budget. The question remains, however, whether the 70 percent increase in the government's guaranteed price for cowpea, as announced in the Budget, would solve the problems of these farmers.

Cowpea is the main locally produced substitute for mysoor dhal which is imported from India. It is superior in many of its properties and more or less equal in protein content to mysoor dhal. Though consumers have shown a preference for both taste and appearance of the imported dhal the locally produced cowpea dhal has always been offered at a cheaper price.

Cowpea cultivation was introduced into Sri Lanka in the late 1930's and since then it has undergone many developments as a food crop. Local scientists have introduced a number of new improved varieties; a guaranteed price was introduced in the late 1950's while the area under cultivation and level of production was gradually increased over the long term. In 1983, when the highest cultivated area and production was recorded 81,000 acres were cultivated and a production of 1,043,000 bushels was recorded, according to estimates of the Department of Census and Statistics. By increasing their production cowpea farmers have been able to save a considerable amount of foreign exchange for the country, which would normally have been spent on the import of mysoor dhal in order to provide the poorer income groups with a basic protein requirement at a reasonably low cost.

According to the ARTI though during the months of August and September 1985 cowpea retail prices had been constant. (around Rs.15/40 per kg. for cowpea whole grain, and Rs. 19/40 per Kg. for cowpea dhal) and not gone up, the demand for cowpea dhal was either stagnant or decreased in the retail market, mainly due to the increased imports of mysoor dhal at a cost of around Rs. 500 million per annum. As a result the current farmgate prices are showing a great deal of uncertainty and thus can cause hardships to the farmers and in the long run have detrimental effects on the progress of the crop. Another trend resulting from the lack of a market is the drop in production since 1983. According to Agricultural Ministry figures cowpea production which was 26,111 mt. tons in 1983 came down to 23,718 mt.tons in 1984, a drop of 9 per cent. The acreage under cowpea during this same period was reduced by as much as 24 per cent. Furthermore, purchases of cowpea by the Paddy Marketing Board under its Floor Price Scheme for minor food crops declined substantially in 1984 when compared with its purchases in 1983. The trend in production and acreage under cowpea over the past 15 years may also be observed in the following figures maintained by the Department of Census and Statistics.

(The figures of the Ministry of Agriculture differ from those of the Department of Census and Statistics).

The government has with the Budget now increased the guaranteed price for cowpea from Rs. 5.00 to Rs.8.50 per Kg. However, it is doubtful whether this 70 per cent increase in farmgate price will in the long run be of benefit to the farmers, as well as the crop, since such an increase could also eventually lead to an increase in retail prices. At present the existing price difference in the retail market

COWPEA PRODUCTION AND EXTENT CULTIVATED

Year	Extent Cultivated in acres	Production in Bushels '000
1970	10220	113
1971	10130	92
1972	13570	108
1973	13760	109
1974	14270	115
1975	24640	197
1976	28580	257
1977	36100	326
1978	33210	419
1979	34580	376
1980	55900	559
1981	66210	655
1982	78230	735
1983	80550	1043
1984	69290	737

Source: Census and Statistics Department

between mysoor dhal and cowpea has been found to be just enough for survival of the cowpea market. In a situation where the price of mysoor dhal will remain the same under free imports and the price of cowpea dhal increase substantially due to the increase of its farmgate price, cowpea dhal can lose its position in the retail market, since it would not be able to compete with mysoor dhal. This could again, in the long run, create unfavourable effects for the crop and thereby hardships for the farmer.

On deciding between mysoor dhal and cowpea dhal in the retail market, the difference of palatability and taste is as important as the price difference between these two items. If the palatability and taste of cowpea is to be improved in order to divert consumer preference from mysoor dhal to cowpea scientists and researchers should be encouraged to introduce new varieties which are more tasty and of higher quality, and encouragement and incentives also offered for improving processing systems. When consumers turn away from this product those agriculturists and scientists working towards improving it can be discouraged.

If the recent trends cannot be reversed and consumers are allowed to shift from cowpea to mysoor dhal,

spontaneously, cowpea farmers should be able to use their land for other purposes which give them more or an equal level of income and also be able to save more or an equal amount of foreign exchange for the country.

In its Review of the Economy in 1984 the Central Bank emphasises that, except for a few crops, the production of other minor food crops fell considerably in 1984. Among those recording a drop in production were Groundnuts (-63%), Green Gram (-37%), Soyabean (-23%), Kurakkan (-22%) Gingelly (-72%) Blackgram (-67%), Cowpea (-9%), Chillies (-20%), Red Onions (-88%), Potato (-48%), Sweet Potato (-16%) and Maniok (-51%).

There is no specific reference by the Central Bank to the adverse impact on these crops from imported substitutes, but it states that the following serious problems constrained the development of this sector "Lack of adequate extension services and non-availability of high yielding seed varieties in sufficient quantities seem to perpetuate improper cultivation practices leading to lower yields. This fact together with imperfect market conditions result in poor producer margins constraining new investment in this sector. Lack of easy access to institutional sources of credit is another drawback which holds back progress of this sector. Another area which deserves attention is the development of an efficient system of marketing for these products. There is a lot of potential for the development of this sub-sector. Particularly, with the expansion of the food processing industry, animal feed production etc. there can be greater demand for these products. Their potential can be realized only if these constraints are minimised or removed. This requires an integrated development package for this sector." The policies adopted and the way they were implemented which enabled the country to move towards self-sufficiency in paddy needs to be extended in favour of these crops as well.