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Original Research Article

Success of CAMPCO in the agricultural marketing of India

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ABSTRACT

Commodities like areca nut, production is concentrated in a few states and consumption spread all over the country, and marketing has great importance. It is influenced by trends in area and production, imports, exports, domestic consumption, structure of market, storage and transport facilities, availability of market information, marketing inspection, research and training. CAMPCO involved in the purchase and sale of agricultural products through various depots and its better performance in the last few decades revealed the success of this institution in the agricultural marketing of the country.

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1. Introduction

In the marketing of areca nut, a sudden crisis in the year 1970-71 occurred, where prices registered a marked fall which caused considerable concern to the growers, was the genesis for the setting up of a central co-operative venture called the Central Areca nut and Cocoa Marketing and Processing Co-operative Ltd (The CAMPCO Ltd). It is a success story of the people, by the people and for the people and is a fruitful implementation of the vision and values of all founders and the farmers of Karnataka and Kerala. In early 1970's, a glut in the market caused the price of areca nut fall down sharply and consequently the growers were put into misery and hardship. CAMPCO was established as a solution for this crisis and was found on 11th July 1973 as a multi state co-operative; a joint venture of the states of Karnataka and Kerala. Through perseverant efforts of far sighted, dedicated and resourceful leaders, with the cooperation and assistance of equally dedicated growers under the guidance of the state governments of Karnataka and Kerala, this institution took giant strides forward and

has turned into a tower of strength to the agricultural marketing, particularly, areca nut growing community in the country.

2. Materials and Methods

Implications of the study are analyzed with various reports and articles as reference.

3. Results, Analysis and Discussion

3.1. Areca nut cultivation in India

Areca nut is an important commercial crop in India and finds a place in all religious, social and cultural functions. Cultivation of this crop is mostly confined to States of Karnataka, Kerala and Assam, but the consumption is spread all over the country. India is considered as the largest areca nut producing country in the world. The total acreage under cultivation is 264000 hectares and the annual production estimated at 313000 metric tones, with Karnataka and Kerala accounting for nearly 72 percent of total production. Over six million people are engaged in areca nut cultivation, processing and trade. More than 85

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percent of the area under cultivation is made up of small and marginal holdings.¹

3.2. Functioning of CAMPCO

The main objectives of this institution are:

1. Procuring arecanut and cocoa grown by member cultivators and if necessary, from other growers on an agency basis or on outright purchase basis
2. Sale of arecanut and cocoa and their products to the best advantage of members and also to advance loans to members on the pledge of goods and to do all other things necessary to carry out the objective.
3. To promote and develop areca and cocoa cultivation, marketing and processing.

The area of operation of this cooperative for procurement and processing of arecanut and cocoa extends to the states of Karnataka and Kerala; but for the marketing activity, it is extended to the whole country. Arecanut purchase operations were extended to Assam, Andaman and Goa. Starting with its head office at Mangalore in Karnataka, the CAMPCO began with a handful of procurement centers in Karnataka and Kerala,² It adopted a safe policy for purchasing and marketing the commodity and maintaining standards in quality. The society achieved success by leaps and bounds, stood the brunt of changing trends, market recessions and upheavals, glut in the market and even national calamities in the marketing field.³ The co-operative encouraged growers to take-up cocoa cultivation as an inter crop in the latter half of the 1970's as a supplemental crop. CAMPCO willingly took up the responsibility to enter the cocoa market and performed a savior's role.⁴ With a view to creating a permanent demand and a steady market, a chocolate manufacturing factory at Dakshina Kannada district adopting foreign technical collaboration in chocolate making was established in 1986 with an initial investment of Rs. 116.7 million.⁵ The factory also entered into technical cooperation venture with NESTLE (India) Ltd, for diversifying product brands. It has been producing a variety of products; semi finished items like Cocoa Mass, Cocoa Butter and Cocoa Powder and finished products in molded line, count line, Chocolate drink and so on has gained extensive market popularity in India.⁶

3.3. Major industrial products from CAMPCO

CAMPCO is developing delicious ingredients for chocolate ice-creams, biscuits, pancakes, sweets, cakes, cream fillings, cake toppings and much more.⁷ Delicious raw materials for ice-cream, sweets, cakes, pancakes, biscuits and other cocoa-based products are also producing.

1. *Compound Chocolate*: It is also called Baker's chocolate is the most common chocolate product used

for baking. Consisting of sugar, vegetable fat and cocoa powder, compound chocolate is an ideal choice for baking chocolate cakes, pancakes, cookies and much more.

2. *Couverture*: Containing a high percentage of cocoa butter is primarily used by professional bakers and confectioners for its smooth texture. This is a common ingredient for making ice-cream and is in three different varieties as dark, milk and white chocolate.
3. *Cocoa powder*: It is developed by grinding cocoa beans which are dried and roasted previously. It is mainly a solution for drinking chocolate, chocolate syrups and cream fillings.
4. *Cocoa based products*: It is in two varieties, cocoa mass and cocoa butter and is the main ingredient for manufacturing chocolate, ice cream, biscuits and sweets.
5. *Chocolate and compound chips*: These small chunks of sweetened chocolate come in various shapes and sizes. They are generally used in cookies, pancakes, waffles, cakes, pudding, muffins, hot chocolate and pastries.
6. *Choco paste, spreads, dips and fillings*: A chocolaty paste which is made from cocoa, vegetable oil, milk, sugar and flavors. This is the perfect spread for toasts, bread, pastries, muffins and waffles.

3.4. Chocolate products from CAMPCO

Products are in a variety of exciting and delicious range of chocolates in white and dark.⁸ It ranges from Premium, Chocolate Bars, White Chocolates, Eclairs, Drinking Chocolates, Gift Box Chocolates and Industrial Products.

1. *Premium chocolates*: This chocolate delights with a breath taking experience of quality and taste at its finest. It include Dietier (a sugar-free dark chocolate bar), Funtan (a smooth dark chocolate with 50 percent cocoa making), Krunch (a unique blend of crunchy rice crispies and choco cherish), Milk Marvel (goodness of milk and richness of cocoa with irresistible Milk Marvel made from premium cocoa of Indian origin).
2. *Chocolate bars*: It is a tasty collection of milk chocolate and dark chocolate bars, these chocolate bars made with the finest homegrown cocoa, blended with the goodness of milk. It includes Dairy Dream (dreamy and mouth-watering chocolate bar), Melto (chocolate bar made from the finest ingredients), Turbo (delicious nougat energy bar enrobed with smooth layer of creamy milk choco mass), Krunchos (crunchy rice crispies), Megabite (coated with a layer of rich choco mass and infused with a strawberry flavoured nougat), Krust (finest wafer biscuits coated with choco cherish), Campco bar (luscious caramel and nougat bar made with rich malt extract),

3. Creamy Milk Sweet: It is made with the finest cocoa butter mixed with sugar and milk solids, and is chocolate for every occasion and for every mood.
4. Eclairs: It is for developing delicious ingredients for chocolate ice-creams, biscuits, pancakes, sweets, cakes, cream fillings, cake toppings and much more.
5. Drinking chocolates: It is a warm cup of delicious hot or cold chocolate.
6. Gift box chocolates: It is mostly of every occasion with a box of happiness, everything sounds sweeter with a chocolate box in hand.

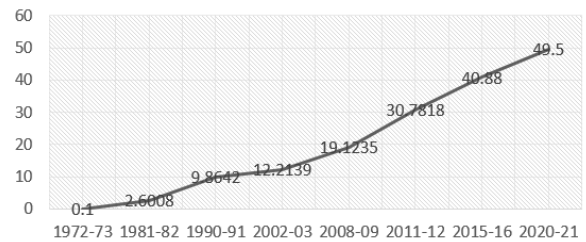


Fig. 1: Average annual growth of farmprice of Arecanut during CAMPCO period (1973-2021) Source <https://www.campcpo.org/s-access-for-campco/>:

3.5. Physical and financial growth of CAMPCO

COMPCO has five classes of membership: Class A, Class B, Class C, Class D and Class E. A class membership is open to agricultural produce co-operative marketing societies and agricultural co-operative credit societies or any other co-operative society in the arecanut growing areas of Kerala and Karnataka. (One class A share is Rs 1000). B class membership is open to agricultural produce market committees of arecanut growing areas, co-operative marketing and consumer federations, any other multi-state co-operative societies or any national co-operative societies or any corporations owned or controlled by government, any company, state co-operative banks, district co-operative central banks and any other co-operative banks coming under the banking regulation act in the area of operation. (One B class share is Rs 1000). C class membership is open to individual growers of arecanut in the area of operation (One C class share is Rs 100). D class membership is open to state governments, central government and national co-operative development corporation (One D class share is Rs 1000). E class membership is open to merchants, commission agents, traders and others, who have business connection with COMPCO, who shall be nominal members and who will have no rights of voting or to participate in the management or in any meeting regarding with the management of COMPCO. E class members may be admitted as nominal members on payment of entrance fee of Rs 10 which will be non-refundable.⁹ There is a significant improvement in the membership in CAMPCO from 3576 to 124358 over the period 1973-2021. Both the physical and financial growth of CAMPCO reveals that this organization has induced significant desirable changes in the development programmes of the region. Table 1 show that the procurement by COMPCO has increased considerably during 1973-2021; sale of agricultural crops also exhibits tremendous progress. Another way of evaluating the performance is in terms of profits; CAMPCO has been able to make a sizeable net profit after full filling its desired objectives. During 2020-21, it has earned a net profit of Rs 10002 lakhs.

3.6. CAMPCO and grading of Arecanut

The starting of CAMPCO helps cultivators in the grading of arecanut in scientific manner according to size and quality.¹⁰ On the basis of quality arecanut is graded into four categories, viz, S.S. Supari (Super Superior quality), S. Supari (Superior quality), J.J. Supari (Middle quality) and J. Supari (Inferior quality). On the basis of size it is graded into six types include Mora (30 mm diameter and above), Moti (26.5 mm diameter and below 30 mm diameter), Bichras (24 mm diameter and below 26.5 mm diameter), Jam (21.5 mm diameter and below 24 mm diameter), Jini (19 mm diameter and below 21.5 mm diameter) and Lindi (Below 19 mm diameter). Mora Supari and Moti Supari are generally preferred by the people of Gujarat area. Bichras Supari and Jam Supari are greatly preferred by the people of Bihar and UP, whereas, Jini and Lindi are generally preferred by the people of Maharashtra and Andrapradesh.¹¹

3.7. CAMPCO period farm price of Arecanut

The analysis of the price per unit of arecanut realized by farmers during CAMPCO period depicts that this co-operative marketing venture have offered better price to arecanut growers compared to pre-CAMPCO time (Figure 1).

4. Conclusion

The level of arecanut price was fluctuating till the mid 1970's. Since then there was a major increase in the farm price and wholesale price of arecanut with minor fluctuations due to the establishment of CAMPCO. This made arecanut cultivation more remunerative and improved the economic conditions of arecanut farmers. Another major effect of the starting of CAMPCO to cultivators is in the grading of arecanut in scientific manner according to size and quality.

Table 1: Physical and financial progress of CAMPCO (1973-2021)

	1973-74	1983-84	1993-94	2003-04	2013-14	2020-21
Authorised share capital (in lakhs of Rs)	100	1200	2500	3500	5500	7500
Paid up share capital (in lakhs of Rs)	94	502	1197	1437	3579	5424
No. of members	3576	20960	57278	83196	129050	124358
No. of procuring centres	5	36	50	59	55	58
No. of sale depots	-	13	45	33	31	26
Purchases of Arecanut (value in lakhs of Rs)	359	3411	9467	29148	87802	188666
Purchases of Cocoa wet beans (value in lakhs of Rs)	-	-	289	1718	892	1707
Purchases of Cocoa dry beans(value in lakhs of Rs)	-	44	46	44	4721	6566
Purchases of rubber (value in lakhs of Rs)	-	-	-	-	1558	2566
Purchases of pepper (value in lakhs of Rs)	-	-	-	-	-	3083
Sales of Arecanut (value in lakhs of Rs)	101	4731	10842	30483	95639	177774
Sales of Chocolate (value in lakhs of Rs)	-	-	775	3931	20286	24769
Sales of copper sulphate (value in lakhs of Rs)	-	-	42	102	105	350
Sales of rubber (value in lakhs of Rs)	-	-	-	-	1493	2819
Sales of pepper (value in lakhs of Rs)	-	-	-	-	-	3823
Export of Chocolate (value in lakhs of Rs)	-	-	-	-	2341	2474
Gross profit (In lakhs of Rs)	7	305	796	2224	12423	20778
Net profit /(Loss) (In lakhs of Rs)	1	120	(58)	401	3994	10002
Dividend (in %)	-	-	-	-	15	15

Source: CAMPCO (2021), Annual report for the year 2020-21, The CAMPCO limited, CAMPCO Towers, Mangalore, pp: 37-38.

In commodities like arecanut, where production is concentrated in a few states and consumption spread all over the country, the system of marketing assumes great importance. Marketing of arecanut product is influenced by the trends in area and production of the crop, imports, exports, domestic consumption, structure of market, storage and transport facilities, availability of market information, marketing inspection, research, training, etc. Recently, CAMPCO also involved in the purchase and sale of rubber, pepper, etc in addition to cocoa and arecanut through various depots and its better performance in the last few decades revealed the success of this institution in the agricultural marketing of the country.

5. Source of Funding

None.

6. Conflict of Interest

None.

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