

MARKETING CONSTRAINTS FOR GROUNDNUT CULTIVATORS IN TAMIL NADU

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Abstract

Groundnut is called as a king of oilseeds. Groundnut is also called as wonder nut and poor man's cashewnut. It is one of the important food and cash crops of our country. This paper aims to find out marketing problems of groundnut cultivators in Tamil Nadu. The researcher has applied multistage random sampling technique for collecting primary data. This research paper is descriptive in nature. Two districts have been selected – one is high potential district and another one is low potential district. Totally 760 samples are collected and appropriate statistical tools are applied. It was found that the farmers are having lot of marketing constraints such as domination of middle man, no fair price fixation in the regulated market, demand during the unseasonal time, grading is not done properly etc. Hence, the government should come forward to fix the fair price, made a policy that should support the farmers and take a necessary step to improve the farmers' standard of living. Because of them only, all of us getting, food for our life survival. They are the backbone of Indian economy.

Key Words: *Cultivators, Groundnut, Indian Economy, Marketing Constraints*

Introduction

Agricultural marketing comprises all operations involved in the movement of goods from the farm to the end user. Production and marketing are the two important components of the agricultural marketing system. Agricultural marketing is defined by the National Commission on Agriculture as “a process involving the functional and institutional aspects of the decision to produce a salable farm produce starting with pre and post-harvest operations the latter such as assembling, grading, storage, transportation and distribution” (Kullkarni 1974).

Groundnut is the single largest source of edible oil in India and constitutes roughly about 50 percent of the total oilseed production. India occupies the first place in acreage and second in production of Groundnut 70 per cent of the area and 75 per cent of the production are concentrated. The four states are Gujarat, Andhra Pradesh, Tamil Nadu and Karnataka. Andhra Pradesh, Tamil Nadu, Karnataka and Orissa have irrigated area which forms about sixty percent of the total groundnut area in India. In India Groundnut is grown over an area of 6.4 million hectares with a total production of 9.36 million tonnes.

Research Problem

The major issues in groundnut cultivation are many. Basically, the farmers growing groundnut do not attach much seriousness as they do in the case of other crops such as paddy, sugarcane, etc. Many studies have been done relating to many agricultural products but not on groundnut with specific problems. The problems might be different among farmers and the problems might also vary from area to area. Management approach to agriculture problems in general but groundnut in specific are very rare to find. There may be problems relating to selection of seedlings, awareness about technology implementation financial problems, maintenance problems, labour problems, marketing problems, knowledge of cropping method, etc. The intensity of the problems might also vary based on demographic factors such as age, education, experience in groundnut cultivation, size of the farm holding etc.

The problem itself may differ among farmers. Hence, there is a need to analyse these factors to understand the major issues of groundnut growers. This study tries to identify the marketing problems and also to measure the intensity level of problems. This might give some idea regarding the means to minimize such problems.

Objectives

1. To understand the impediments of farmers relating to the marketing of groundnut.
2. To compare the marketing constrains of farmers among the high yielding areas and the low yielding areas.

Research Methodology

The present study aims to analyze the marketing problems of groundnut growers in Tamil Nadu; hence the researcher has adopted multi stage random sampling technique. Tamil Nadu state has 29 agricultural districts and among them, 25 districts have groundnut cultivation. These 25 districts are classified into two categories viz., high potential districts and low potential districts on the basis of average groundnut productivity. One district from each category has been randomly selected for the study. Thiruvannamalai district has been chosen from the group of high potential districts and Cuddalore district has been selected from the group of low potential districts. At the second stage, two blocks from each district have been randomly chosen for the study, one block representing high yield and the other block representing low yield. In the third stage, five villages from each block have been randomly selected. Hence, 10 villages represent the high potential district and another 10 villages represent the low potential district. Finally, 40 farmers from each village have been randomly selected. In many villages, only 38 responses have been found to be fit for analysis. So, the number 38 has been equally maintained as the sample size from each village and the total sample size works out to 760. The tools used to analyze the data are Measures of Central Tendency, Friedman's Multiple Comparison Test and Kruskal-Wallis Multiple Comparison Test

Results and Findings

Groundnut cultivating farmers are having the various channels to sell their produced product such as (a) buyers are directly meet the farmers in their cultivation field and check the quality and then bargain the price, then the price was fixed that the product was sold. (b) Middle man meet the farmers in the ire field and have the negotiation of price and then meet the buyer and explain the quality and price required by the farmer. After that, the buyer opinion is collected by he/she middle men, then the meet the farmers and explain what buyer requirement is. Finally, middle men convinced both the party and made the exchange of goods. (c) Agents also playing the role to make the arrangements of buyers and seller.

Agent's brokers have the deal with buyer and seller then the goods and were sold. (d) Farmers visit the regulated market and aware of price of the groundnut price per kg or per 50 kg bag and then, farmers arrange the transportation and load the bags of groundnut and made it as a lot in the regulated market and then it was sold. (e) Processing unit people visit the village and purchase in huge quantum of 50 kg pags from the farmers. These are the various option are had the farmer to sell their cultivated groundnut.

Table - 1 : Respondents' opinion for the Channel of distribution of Groundnut

Area Channels	High potential District		Low Potential District		Row Total
	High yielding block	Low yielding block	High yielding block	Low yielding block	
Agents	131 (22.5) [35.2]	152 (26.1) [39.6]	146 (25.0) [42.3]	154 (26.4) [45.6]	583 (40.5)
Middle man	130 (20.3) [34.9]	159 (24.9) [41.4]	168 (26.3) [48.7]	182 (28.5) [53.8]	639 (44.4)

Regulated Markets	3 (33.3) [0.8]	5 (45.1) [1.3]	1 (11.1) [0.3]	0 (0.0) [0.0]	9 (0.6)
Process Unit	57 (50.4) [15.3]	17 (17.9) [4.4]	4 (3.5) [1.2]	1 (0.2) [0.3]	113 (7.9)
Column Total	372 (25.9)	384 (26.7)	345 (24.0)	338 (23.5)	1439 (100)

Source: Primary data, Round brackets indicate row percentage, Square brackets indicate column percentage.

Table-1 portrays the channel of distribution by the farmers to sell groundnut. In the study area, there were five channels of distribution. 44.4 per cent of the respondents are in favour of middleman or brokers, followed by agents or local merchants (40.5%) and processing units (7.9%). It is clear that local merchant and middle man played a vital role in marketing of groundnut. Even though regulated markets are available in the study area, the cultivators are not willing to sell groundnut through regulated market.

The groundnut marketing system is highly influenced by its seasonality, perishability, geographical conditions, price and quality variation and business of products. Thus, it is necessary to speed up the marketing activities as quickly and efficiently as possible to maintain their freshness. Hence, majority of respondents state that they are marketing the product through agents and middlemen.

Table – 2: Respondents’ views on Marketing Problems in Groundnut Cultivation

Sl. No	Problems	Mean	SD	Mean Rank	Test value	Multiple Comparison Test
1.	Government does not purchase directly	4.78	0.58	9.22	2459.098* P < 0.001	1 2, 3 4 5 6,7,8,9, 10 11
2.	Difficult to access the processing unit	4.40	0.90	8.08		
3.	Identifying exporters	4.35	0.87	7.88		
4.	Finding genuine brokers	3.96	0.83	6.60		
5.	Fixing the price while collecting the advance if price hiked at the time of selling	3.68	1.12	5.98		
6.	Regulated market situated at a faraway place	3.37	1.01	4.95		
7.	Grading done is injustice	3.35	1.02	4.92		
8.	Over dependence on foreign market	3.28	1.03	4.71		
9.	Due to Globalization	3.29	1.04	4.70		
10.	Price determination by appearance of groundnut	3.19	1.06	4.55		
11.	Difficult to assess quality of groundnut by experience	3.16	1.02	4.40		

Source : Primary data, * Significant at one per cent level, with 10 degrees of freedom .

Table 2 indicates farmer's views on marketing problems of groundnut. The mean values obtained from the respondents for various marketing problems of groundnut growers ranged between 3.16 and 4.78. From the mean values, it is found that government does not purchase directly, difficulty in accessing the processing unit, identifying the exporters and finding the genuine brokers are the major problems faced by the farmers.

An attempt has been made to analyze if there is any significant difference among the respondents regarding the various marketing constrain of groundnut growers.

Friedman's test was applied to examine whether the problems vary among the farmers. From the test, it was inferred that there is a significant difference among the farmers. Further, Friedman's Multiple Comparison Test was used to identify the problems, which are differing significantly. The eleven problems were grouped into six categories.

The government does not purchase directly alone was the major problem and finds its place in the first category. Difficulty in accessing the processing unit and identifying the exporter were viewed as the next level selling problems and these have been put in the second category. Find out the genuine brokers falls under the third category; fixing the price while getting the advance from the buyers and then price hiked at the time of selling is in the fourth category.

Regulated market situated at a faraway place, improper grading, over dependence on foreign market due to globalization and price determination based on the appearance and size of groundnut were grouped into the fifth category. Difficulty in determining the quality of groundnut by experience alone came in the sixth category.

Since the government does not purchase groundnut directly, there are difficulties in accessing the processing unit, identifying the exporters and finding out genuine brokers becomes the major problem faced by the farmers while selling groundnut. When compared to other selling problems over dependence on foreign market was the problem uniformly opined by all the farmers?

Table - 3: Respondents' Status of Marketing Problems in Groundnut Cultivation by Block-wise

Sl.No	Items	High Potential District						Low Potential District						Kurskal value	Multiple comparison test
		High yield block			Low yield block			High yield block			Low yield block				
		Mean	SD	Mean Rank	Mean	SD	Mean Rank	Mean	SD	Mean Rank	Mean	SD	Mean Rank		
1.	Government not purchasing directly	4.67	0.64	352.1	4.71	0.52	350.3	4.77	4.93	397.6	4.93	0.24	421.8	34.481*	4, 3 VS 1, 2
2	Difficult to assess the processing unit	3.62	1.07	209.3	4.37	0.66	342.5	4.68	0.78	459.6	4.93	0.25	510.4	278.596*	4, 3 Vs 2 VS 1
3.	Identifying the exporters	3.64	0.99	206.1	4.32	0.73	350.3	4.65	4.82	464.7	4.82	0.40	500.8	261.450*	4, 3 Vs 2 Vs 1
4.	Finding the genuine brokers	3.65	1.12	328.3	4.06	0.58	385.3	4.01	4.11	450.1	4.11	0.55	405.1	19.869*	4, 3, 2 Vs 1
5.	Fixing the price while collecting the advance if price hiked at the time of selling	4.19	1.07	488.1	3.75	1.03	388.3	3.50	3.29	345.2	3.29	1.01	300.3	83.67*	1 Vs 2, 3 Vs 4
6.	Regulated	3.84	0.87	481.4	3.58	0.95	425.3	3.20	2.83	345.8	2.83	0.89	269.4	111.843*	1, 2 Vs 3, 4

	market situated at faraway places														
7.	Improper grading done	3.64	1.04	444.9	3.57	0.94	418.1	3.26	2.93	365.1	2.93	0.97	293.9	56.78*	1, 2 Vs 3 Vs 4
8.	Over dependence on foreign market	3.37	1.16	397.7	3.24	0.95	366.2	3.15	1.04	355.4	3.38	0.96	402.5	7.076 (NS)	4, 1, 2, 3
9.	Due to Globalization	3.21	1.21	368.8	3.26	0.97	366.1	3.22	3.47	367.2	3.47	0.92	419.7	9.20 (NS)	4, 1, 3, 2
10.	Price determination by appearance of groundnut	3.62	1.08	471.8	3.45	0.95	426.1	3.00	2.70	343.1	2.70	0.94	280.9	92.613*	1, 2 Vs 3 Vs 4
11.	Difficult to assess quality of groundnut by experience	3.51	1.06	450.8	3.45	0.87	441.9	2.95	2.72	342.3	2.72	0.91	286.9	80.690*	1, 2 Vs 3, 4

Source: Primary data

* Significant at one per cent level, with 10 degrees of freedom; NS – Non significant

Table 3 shows the farmers' opinion about the marketing problem in block-wise. Kruskal test was carried out to identify the blocks which were differing significantly regarding the selling problems faced by groundnut farmers. Absence of direct purchase by the Government was the first and foremost problem of farmers in Cuddalore district than in Thiruvannamalai district. Regarding the problems, difficulty in accessing the processing unit and identifying the brokers, low and high yield blocks of Cuddalore district's farmers were conceded as the major problem in selling, which differ from the low and high yielding blocks of Thiruvannamalai district's farmers.

In case of finding genuine brokers, low and high yielding blocks of Cuddalore district and low yielding block of Thiruvannamalai district have the same level of intensity? These three blocks differ from the high yielding block of Thiruvannamalai district. In the case of problems like location of regulated market, far away from the place and difficulty in determining the quality of groundnut by experience, Thiruvannamalai district's farmers have the same level of intensity and these problems were varied from Cuddalore district's farmers.

With respect to the problem of fixing the price while collecting the advance high yielding block of Thiruvannamalai district's farmers viewed it as an important problem than the low yielding blocks of Cuddalore district's farmers.

With regard to the problem of grading, Thiruvannamalai district's farmers had the same level of intensity and they differed from Cuddalore district's farmers. In the case of problems of globalization, over dependence on foreign market, all the four blocks farmers had the same opinion.

It is to be noted that when compared to other problems, the problems of over dependence on foreign market and globalization, there is no significant difference of opinion among the respondents. Block wise, there was significant difference in the marketing problems and the farmers of Thiruvannamalai district's low yielding block have experienced more of selling problem compared to other blocks.

Recommendation

The Government should procure groundnut directly from the farmers. This view was expressed by almost all the farmers. Keeping in that view, the interests of the farmers is also the need for self-reliance, the Government should come forward to fix the minimum support price for groundnut. Apart from that good pricing system, on

the spot payment would also help the farmers better. Further, government, research agencies and enrich the farmers' knowledge relating to market standards bureau for promotion of standardization, grading and certification of groundnut.

Government should start direct purchase centers for groundnuts to enable farmers to sell their produce directly.

During the harvest period, the government should depute the official for procurement of groundnut and spot payment should be ensured. Behavioural orientation also must be given to the employees of regulated market.

The price of groundnut does not increase proportionality with increasing fertilizer cost, pesticide cost and labour cost. Traders enjoy more benefit compared to farmers. Increase in cultivation cost should be taken into consideration and based on that, the government should fix the price for groundnut.

Conclusion

Agricultural sector is regarded as the backbone of Indian economy. Groundnut is one of the important oil seed in the world today. Groundnut is a major oil seed crop in India accounting for 45 per cent of oil seed area. There are some problems assured by every groundnut growers in the regular course of action. Though, the marketing problems may seem to the higher, it can be managed with support of institutions, NGOs, government. If the current difficulties are removed, groundnut cultivation will contribute better in the agricultural, manufacturing and export sectors for the growth of Indian economy.

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