MARKETING PROBLEMS TOWARDS CHILLIES IN RAMANATHAPURAM

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Introduction
India is an agrarian society where sole dependence has been on agriculture since time immemorial. India accounts for only 2.40% of the world’s geographical area and 4% of its water resources, but has to support about 17% of the world’s human population and 15% of the livestock. Agriculture is an important sector, accounting for 14% of the nation’s GDP, and about 11% of its exports. About half of the population still relies on agriculture as its principal source of income and it is a source of raw material for a large number of industries. Accelerating the growth of agriculture production is therefore necessary not only to achieve an overall GDP target of 8 per cent during the 12th Plan and meet the rising demand for food, but also to increase incomes of those dependent on agriculture to ensure inclusiveness. The planned increase in agricultural output must be coordinated with changes in the demand and supply for agricultural commodities and marketing. This can be fruitful only when producer’s share in consumer’s rupee increases considerably irrespective of the volume of the marketable surplus produced with the farmers.

Indian agriculture is presently at the cross-roads and facing both immense opportunities with unprecedented challenges in this century. Today the scenario has changed completely. The selling of the produce is a function of different factors like its demand, price and the availability of post-harvest infrastructure. If the produce is in demand and farmer is getting a remunerative price, he will immediately go for selling of the produce, but if the conditions are otherwise the farmers will wait for some time before the price picks up. Incremental hikes in the procurement price of grains made every year by successive governments are not adequate to offset the rising costs of farming. A long chain of market middlemen and their high profit margins, high wastage, spoilage and quality deterioration in the process due to unscientific and small-scale handling, transportation, storage, processing are the basic constraints, resulting in unremunerative prices to the farmers on one hand and high prices and poor quality produce delivered to the consumers on the other. Since no study of this nature has been conducted earlier in the Ramanathapuram district, the researcher has made this maiden venture. Analyzing the problems and prospects in marketing of chillies would indicate the gaps to improve marketing and benefit policy makers and implementers in the area to fill the gaps. In addition to this it will also help to make appropriate marketing decisions by the producers, consumers, traders and others.

Problems of the Study
Marketing of agricultural produce is considered an integral part of agriculture, since an agriculturist is encouraged to make more investment and to increase production. It is said that production, processing and marketing are the 3 pillars of the agricultural economy in India. The chillies cultivation is one of the most important segments in India. However, the producers of chillies are economically and socially weaker people facing various problems. Due to illiteracy, ignorance and financial weakness, the farmers possess a weak bargaining power and on the other hand the traders take the advantage of the farmers’ weakness because they are generally well informed, well organized, financially sound and very tactful in their dealings. The majority of farmers are marginal, small, scattered, illiterate and unorganized. They do not have sufficient time, knowledge and skills for the scientific marketing of their produce. In the absence of well-developed markets, marketing facilities, and marketing efficiency, farmers are at disadvantage by selling their increased marketable surplus to traders in the market as they get low prices.

In Ramanathapuram district, storage facilities, transportation, linkages with traders, quality controlling mechanisms, market information and price settings are weak and need to be further investigated. In regards chilli marketing, there are large number of markets, which are not regulated under the marketing Acts. The unregulated markets are in the hands of commission agents. Some of the unfair practices viz. short weights, considerable delay in payment, high market charges, taking away substantial quantity under the name of sample, underhand dealings, and the incorrect and false weights are fairly known in chilli marketing. Thus, the trader has the upper hand in the agricultural marketing system and the farmer is always at his mercy. The market for chillies is affected by seasonal price fluctuations, overall production in the country, world demand, and hedging among the various varieties of chillies. Due to lack of market information regarding prices, arrivals, etc. prevailing in other markets, farmers sell their chillies to the traders. Hence, the farmers are forced to sell their produce at lower rate.

The middlemen manipulate the situation by offering low price to the farmers under the pretext of low demand and falsely rejecting the produce in the name of sub-standard.

Grading of chillies ensures better prices to producers and better quality to consumers. However, most of the markets are lagging behind in providing grading service in Ramanathapuram district. The most serious problems faced by the farmers among...
the other things are financial indebtedness to others, and no guarantee in chillies yield. Generally prices of chillies are fixed by the middlemen, not by the farmers with the result that they lose their due share in the chillies cultivation. The major chillies marketing centres in the Ramanathapuram district show the commission agents still take a major share of consumers’ price. Commission agents and middlemen are exploiting the illiterate farmers by fixing the prices below the cost of production. Efficient marketing system usually ensures higher level of producer’s share, reducing the number of middlemen and restricting the marketing charges, malpractices during marketing of chillies. Hence, to benefit producers and other marketing agents involved in the production and marketing of chillies, there is a need to have a well-developed infrastructure to keep the product until it reaches the final consumer. In this context, an attempt was made to study the problems and to increase the contribution of chillies to generate additional income for farmers of Ramanathapuram district.

Objectives of the Study
this study was conducted with the following objectives:
1. To review the marketing practices followed by the farmers in the marketing of chillies in Ramanathapuram district.
2. To study the satisfaction level of the farmers towards marketing of chillies in Ramanathapuram district.
3. To find out the problems of the farmers in marketing of chillies in Ramanathapuram district.
4. To offer suitable suggestions to improve the prospects of chillies marketing in Ramanathapuram district based on the findings of the study.

Scope of the Study
The present study attempts to examine the problems and prospects in marketing of chillies in Ramanathapuram district. The study is confined only to farmers cultivating chillies in 5 blocks of Ramanathapuram district, namely, Tiruvadanai, Paramakudi, Mudukulathur, Kadaladi and Ramanathapuram. Chilli marketing involves number of activities. Therefore, the most common practices followed by the farmers and their problems in marketing of chillies only are analyzed in this study.

Sampling Technique
The study is empirical in nature based on survey method. The study aims at finding out the problems and prospects of the farmers pertaining to marketing of chillies in Ramanathapuram district. For the purpose of the study, multi-stage sampling was adopted. At the first stage, 5 blocks wherein chillies are largely cultivated were selected out of the 11 blocks. In the second stage, from each of the blocks, 10 village Panchayats were selected out of the selected blocks on the purposive basis. In the final stage, from each of the sample villages, 10 farmers were selected on the purposive basis. Therefore, the sample size consists of 500 farmers. The following table shows the sampling distribution of the present study.

Table: 1 Sampling Distribution
<table>
<thead>
<tr>
<th>Name of the Block</th>
<th>Sample Village Panchayats</th>
<th>Sample Farmers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tiruvadanai</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td>Paramakudi</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td>Mudukulathur</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td>Kadaladi</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td>Ramanathapuram</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>500</td>
</tr>
</tbody>
</table>

Data Collection
The study encompasses both primary and secondary data. Basically, this is a study of marketing problems of chillies in Ramanathapuram district. Hence, it relies more upon the primary than the secondary data. As an essential part of the study, the primary data are collected from 500 farmers, who are cultivating chillies in the select villages in Ramanathapuram district. The study was based mainly on primary data. On account of low level of education and poor comprehension of the farmers towards marketing of chillies, schedule method has been employed to collect primary data. The adequate information contained in the schedule has been tested and the necessary changes were incorporated in the revised schedule in the light of the experience gained from the pilot study. A pilot study was conducted with 25 farmers during January 2013. The secondary data were collected from books, journals, and published reports. The data so collected were entered into a master table and tabulated to arrive at useful conclusions.

Framework of Analysis
In order to study the perception of the farmers towards problems and prospects in marketing of chillies, analysis of one-way variance, student t test, analysis of coefficient of variation, multiple regression analysis, multiple discriminant function analysis and percentage have been employed. To arrive at possible solutions, simple percentages are used in the study.

Suggestions
Access to credit for both production and marketing has considerably affected marketable supply. Hence, it is important to strengthen credit institutions in terms of spatial coverage, amount of credit and timely provision for farmers. The commission agents provide advance to the farmers when they need. But in turn they expect the farmers to market their chillies only to them. So the farmers are not free to sell to anybody they like. The commission agents follow the practice of collecting samples from the farmers for testing the quality. Normally the samples weigh between 250 grams and 500 grams, but it is retained by the commission agents. There is a feeling among the farmers that the commission agents adopt improper weights and measures and cheat the farmers to some extent. It is therefore
suggested that the commercial banks, regulated markets and co-operative marketing societies must adopt flexible lending policies to suit the needs of the farmers on the security of agricultural produce.

- The increase in chilli production technique has a significant effect to increase production by marketed surplus. Hence, continuous education and training that would change the production skill of farmers is very important to change the attitude of farmers. Besides, provision of training is of utmost importance in view of the malpractices resorted to by various market functionaries.

- Storage facilities for chillies are poor in the study area. Chilies being bulky and perishable, farmers face storage loss and quality deterioration. Village traders are also in need of storage facilities. To solve these problems constructing storage and processing facilities by traders and the government would be very important. Steps are to be taken to make the authorities feel the need for providing storage facilities to the farmers and they should not hesitate to allow the farmers to use the storage facilities whenever possible. Besides, with the help of Rural Infrastructure Development Fund, storage of adequate capacity may be created in all the blocks of Ramanathapuram district so that chillies in the district can be stored there without forcing a distress sale on the farmer and not subjecting the product to perish.

- Both government and private agencies should establish more number of processing units in this study area for the benefit of the farmers as well as country’s betterment. Entrepreneurs should be encouraged to establish processing plants adjacent to chilli cultivation areas in Ramanathapuram district. Provision of loan may be made through commercial banks to the entrepreneurs for establishing processing plants.

- The marketing system for chillies is primitive and dominated by middlemen who exploit the farmers. The farmers are mainly selling the chillies to commission agents who then sell the produce to the retailers and vendors. Therefore, it is suggested that the state government should purchase the chillies from the farmers directly or quote the standard price for chillies according to the market condition.

- Majority of the farmers face a number of problems while transporting the chillies due to lack of vehicles, over demand for vehicles and the absence of neat metalloid roads. It is therefore suggested that formation of proper link roads in Ramanathapuram district may improve the transport facilities, and the farmers may get a reasonable price for their chillies on one hand and reduce losses due to spoilage of the produce on the other hand. Besides, the railway authorities should reserve some wagons for transporting the chillies directly from Ramanathapuram district to other places at least in peak seasons.

- It would be better for the farmers in the area if they would organize themselves into marketing co-operatives. Co-operative movement as a process brings a producer one step closer to final user of his product. As an organized body, farmers would also acquire a better bargaining power for their chillies over the powerful middlemen that manipulate and control the price of chillies in the marketing system.

- According to the farmers’ opinion, price of chillies is very low at peak harvesting period. For solving the above problem, it is suggested that the price of chillies should be fixed after studying the actual situations prevailing in the market. It is also felt that the price of the chillies should never go below the level of the cost of production.

- Grading of chillies before sale on the basis of well-defined grades will help in the proper valuation of produce which will enable farmers to claim a price commensurate with the quality offered, thus providing an incentive to improve its quality. Therefore, the government has set up grading stations at different centres in Ramanathapuram district for chillies. Thus, the chilli producers will enjoy a wider market and secure better prices. Right now, perfect grading is not done in Ramanathapuram district for chillies.

- Improvement of marketing linkages for both farm produce (chilli) and inputs necessitates a strong private sector backed up by appropriate policy and legislative frameworks and effective government support services. Such services may include provision of market infrastructure, supply of market information, agricultural extension services, capacity building in marketing, and development of marketing linkages between farmers, agribusinesses and large retailers. Such linkages can be developed through co-operatives, contract farming or associations of stakeholders representing different interest groups like farmers, input suppliers, agricultural produce processors, etc. to join together in association to promote their common goals.

- In the study area, the farmers are getting insufficient information regarding prices of their produce, which shows larger variation in daily prices and across different markets. Therefore, it is suggested that there is an urgent need to set up efficient market information network so that farmers can get timely and adequate market related information which will help them to get better prices for their chillies. The market information should be provided to the farmers regularly.

- For the prospects of marketing of chillies in Ramanathapuram district, it is recommended that efforts be stepped up to sensitize and persuade the district administration and government of Tamilnadu to review the regulatory frameworks for agricultural marketing with a view to simplifying and rationalizing them, and to document and disseminate the experiences of different states after making these changes.

**Conclusion**

Agricultural marketing is an area for the “second generation” of green revolution problems. However, the present system of agricultural marketing is not well-organized and the farmers have to depend largely on the middlemen for the disposal of the farm’s yield who have no hesitation in taking advantage of the farmers’ dependence upon them. The villagers have practically no contact with the outside world not are they in touch with the trend of market process and they mostly depend on hearsay reports received from the village moneylenders who is always busy in earning profits from buyers by making them fools to the ignorant villagers. The farmers in Ramanathapuram district encountered numerous problems in marketing of their chillies. Flexible lending policies, transport facility, storage facility, establishment of co-operative societies, assured price, establishment of processing units and provision of market information will enable the farmers for the prospects of chillies marketing.
References

