

CHAPTER 6

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SUMMARY AND CONCLUSION

SUMMARY :

The study on " Marketing of Groundnut in Athani Taluka of Belgaum District ", is confined to 5 percent of villages (in Athani Taluka) cultivating more groundnut than other hamlets of the Taluka. These villages cultivate 13 percent of total area of the Taluk's groundnut.

The preamble of this study is with the significance of the problem. Groundnut was the imported oilseed from China 200 years ago. But, today India is producing 33 percent of the world's production. Groundnut oil has been rated as one of the best edible oils in India, due to its high nutritive quality. Paints and soap industry use this oil for its quick drying property. Its importance has been discussed in providing employment opportunities by the processing industries. Groundnut oil cake has been used as an important cattle feed in this area. In view of its importance it is highlighted that the production of groundnut in Belgaum District accounts to 15.96 percent of the state's production, while Athani taluka accounts for

10.96 percent of the district's production. Athani taluka stands fourth in the district's production.

The first chapter includes objectives, hypothesis and methodology in addition to significance of the problem.

Objectives :

- (1) To study the cropping pattern of groundnut.
- (2) To know the cost of production and marketing.
- (3) To study the marketing methods followed by the groundnut cultivators.
- (4) To know the problems of the groundnut cultivators.

Hypothesis :

The following hypotheses are tested in the course of the study :-

- (1) There is a growing trend of groundnut cultivation in the taluka.
- (2) The total cost of production and marketing is more than the prices received by the farmers.

- (3) The share of the unorganised markets is more than the organised market.
- (4) There is insignificant impact of markets on cultivators.

Methodology :

The necessary data required for this investigation is collected by adopting primary and secondary sources on stratified random sampling technique. About 5 percent villages of the taluka were selected on the basis of area under groundnut production. Further 5 percent groundnut cultivators were selected on the basis of the quantum of groundnut production.

Chapter 2 includes the location of the taluka which is situated in the north-east corner of Belgaum district, at a distance of 145 Kms. from Belgaum. Geographical information regarding cultivable and uncultivable area is mentioned. Agricultural population of this taluka according to 1981 census gives information of the total land holders. Various crops other than groundnut, which shows the cropping pattern of the taluka. The principal crops are jowar, bajara, sugar cane, cotton, chilli, turmeric, etc.

The profile of the taluka includes 'The Dry Land Development project' aiming to minimise the risk in rainfed farming. Classification of farmers in large, medium and small group depends on their landholdings (refer Table 1) with the help of Stratified Random Sampling Technique 100 farmers were selected and interviewed by preparing schedule.

Chapter 3 comprises outlets of the groundnut marketing. Four major outlets are observed. But, the first channel i.e. producer to village merchant to wholesaler to consumer channel is more commonly used by 60 percent of farmers in this area. This chapter also contains the role of Agricultural Co-operative Marketing Society, with its establishment, administration and agency services to the farmers and its financial sources, advancing policy, etc.

Chapter 4 involves the major part of the study i.e. analysis of data. This chapter is divided in two sections i.e. Section 'A' and 'B'. Section 'A' provides about the profile of selected farmers regarding their age, income, education, landholding and the production of groundnut per acre, with the help of correlation coefficient tests. All the tests have shown positive relation.

Section 'B' of this chapter, dealt with the analysis and interpretation of the cost of production, marketing and the farmers' awareness about marketing functions. It is tested under this chapter number of hypothesis and noted that small farmers were more economical and profitable in cultivating the groundnut. Unorganised markets have more share than the organised markets. Markets have insignificant impact on the cultivators, and there is increasing trend of farmers towards groundnut cultivation, and farmers' 80 percent surplus production is marketed with 70 percent, 40.17 percent and 63.92 percent profit by the large, medium and small farmers, respectively.

Chapter 5 of this dissertation comprises with various problems faced by the producers. The problems like lack of organisation, forced village sales, large number of middle-men, multiple market charges, malpractices in the market, inaccurate weighment, problem of grading, storage and market news, lack of credit facilities, problem of tax policy of government, etc., are discussed at length.

Chapter 6, is the last but not the least and concludes the overall summary and observations with constructive suggestions, wherever needed.

CONCLUSIONS & SUGGESTIONS

This chapter is the concluding chapter of the discussions. On the basis of this study, the following conclusions have been drawn after careful consideration of the theoretical base of this research. The suggestions have been given immediately after each conclusion, wherever necessary.

1 Cropping Pattern is changing :

Cropping pattern has been considerably changed in respect of land under cultivation and the production of the respective crops. It is found that the groundnut production and area under groundnut production has been changing since 1984-85.

2 Increasing Trend of Groundnut Production :

There is an increasing trend of farmers towards groundnut production in Athani taluka, which is brought by heavy demand from oil industries.

3 Groundnut Production is Profitable :

The cost of production and marketing is less in relation with the price of groundnut received by the farmers. Each and every group gets profit by producing groundnut varying from 70 percent, 40.17 percent and 63.92 percent by the large, medium and small farmers respectively while an average profit all the farmers get is about 61.75 percent per acre.

But, the cultivation should be on the scientific method, by using standard quality and quantity of seeds, providing recommended doses of fertilizers and water, with pesticides. Still more quantity of groundnut can be produced, by adopting scientific method of agriculture, by 100 percent farmers.

4 Farmers Face Many Problems :

Farmers face innumerable problems like, standard seeds, gamble in monsoon sowing, late harvesting, etc., in production of groundnut. Further, they face problems in marketing like problem of assembling, selling, transportation, grading, large number of agents, multiple charges, under weight and late payments by the traders,

etc. It is found that about 20 percent, 25 percent and 55 percent of large, medium and small farmers are facing these problems.

Hence, regulated sales must be ensured by all groups of farmers, where open auction sale is done, transportation is available. Systematic grading is done, only one percent market fee, correct weighment and early payments are made.

5 Dominating Un-organised Markets :

It is found that there is dominance by un-organised markets in the taluka. About 60.83 percent of sales are made in unregulated markets, while 38.99 percent regulated sales are recorded. Share of unregulated market by different farmers is about 20 percent, 25 percent and 55 percent by large, medium and small farmers respectively.

Hence, it is suggested that, small farmers are more in number and their share of un-regulated sales is also more, they should be convinced along with the others by the supervisors of regulated markets to sell in the regulated market only.

6 Lack of Farmers' Awareness :

Farmers are unaware of the marketing functions like assembling, selling, market information, risk of loss, financial sources, grading, warehousing, commission charges and deductions, etc. It seems 90 percent of farmers are unaware of the various functions. It is observed that 60 percent, 65 percent, and 75 percent of large, medium and small farmers are unaware of these functions. Whereas, 100 percent farmers (all groups) are unaware of transport service given by the market committee.

Farmers should be educated and practical knowledge of marketing should be acquired by them with frequent visits to the market yard and attending to the seminars, lectures and film show, etc., at village level.

7 Inefficient Regulated Markets :

As per Regulated Market Act, every regulated market should provide the basic requirements for effective functioning of the market. It is found that Athani regulated market is lacking behind in producing the transportation facility, guest house, advancing facility,

etc., and has failed to attract the farmers. This is due to lack of funds basically.

Hence, regulated markets should be financially sound enough to provide all the facilities. They should create the self sources within their jurisdiction.

8 Reasonable Cost of Marketing :

The cost of marketing in the regulated market is found reasonable. It is found that about 6.66 percent, 6.48 percent and 8.27 percent by large, medium and small groups of farmers bear for marketing of groundnut. While overall average cost of marketing is 6.97 percent, which is quite reasonable to market every quintal of groundnut.

9 Defective Payment System :

Payment system is inaccurate. Farmers are not paid within 24 hours of the sale. At least 10 to 15 days payments are not made by the traders. Farmers are forced to visit their traders or commission agents to enquire about the payments and spend money in travelling from villages.

Hence, regulated market should strictly implement the rule of prompt payments i.e. within 24 hours.

10 Lack of Credit Facilities :

Credit facilities are provided by the regulated markets and not by any scheduled bank on the security of the groundnut stored in warehouse. Farmers are unable to take any credit facility for their harvesting and marketing of groundnut like any other crops. They have to take the help of moneylenders only.

Hence, regulated market should make a provision of credit to the farmers or arrange through scheduled banks at a low rate of interest i.e. short term loans should be given.

11 Lack of Infrastructural Developments :

Infrastructural developments like transportation (railways), warehousing, and other general development of market is very poor in this area. Specially, railway tracks are not linked to Athani market. Though it is a border area of two states, lack of railway facilities, Athani market has not developed.

Hence, it is the basic need of this area to get the railway lines. Union government should take necessary steps in this development.

12 Lack of Grading :

Market committee should pay due attention to grading and introduce the system of sales on the basis of quality standards. The market committee should employ 2 to 3 trained graders to help the producer-seller. Though Athani market has a trained grader, he alone cannot satisfy all the farmers. As 60 percent of farmers are still unaware of grading, it should be effectively introduced.

Hence, market committee should pay due attention and introduce grading of groundnut effectively.

13 Lack of Market Information :

Market information is the important function of regulated market. The main idea behind it is to keep the parties involved abreast of the current market situation by providing timely information. As a result, the farmer is expected to get remunerative price for his produce. It is

difficult to get the timely information. Farmers can know this information at the end of the month or season. Because they may see the magazine after its publication. Daily information is not made by the market committee. In spite of daily and weekly availability of market news, the farmers themselves show very little interest in it, that is about 20 percent.

Evidently, the farmers need to be educated to use market news and committee should pay due attention to disseminate the daily news.

14 Lack of Irrigation Facility :

This area is always a drought prone area. Gamble in monsoon is the feature of this taluka. Government has not taken any steps to irrigate the lands of this area. Though the river 'Krishna' flows in the taluka for a distance of 50 Kms, dams and lift irrigation schemes have remained incomplete since many years under World Bank scheme.

State and Union Governments must take steps to irrigate the land in this taluka.

15 Sales Outside the Marketyard :

It is found that sales of various commodities are done outside the marketyard in this place. Regulation of the market was not strictly observed. Evidently, farmers were deceived by the traders by charging high commission and under weighment, etc.

However, from Nov. 1, 1989 onwards, the market committee is controlling the sales within the marketyard, with strict observation. Hence, farmers are very happy.

16 Limited Sales Methods :

Farmers have only direct sales with commission agents. About 10 percent of farmers are found, who go for open auction sale in the marketyard on week day. It is difficult for farmers to come on the auction days to the market from their distant villages.

Hence, market committee should arrange for auction sales in the village panchayats only to enable the farmers to attend and avail of the opportunity.

17 Ineffective Co-operative Society :

Co-operative society here, is not effectively doing the service to the farmers. It is just working commission agency. It is found that its share in groundnut marketing is about 7.83 quintals, constituting 0.18 percent of the total quantity marketed by the farmers.

Hence, co-operative society should pay attention towards farmers' commodities rather than distributing sugar and rice to the village co-operative societies as their main service.

18 Market Shifting :

It is found that about 40 percent of the market of this area is shifting to neighbouring state of Maharashtra due to heavy sales tax. Accordingly, 4 percent sales tax is to be paid by the purchaser on the groundnut purchases in Karnataka, while it is just 1 percent in Maharashtra.

Hence, taxation policy of the government should be uniform. At least, the State Government should relax present tax rate in the border markets of Karnataka and Maharashtra to control the shifting of market.

19 Lack of Regular Guidance & Control :

It seems that farmers are not given regular guidance to adopt scientific agricultural methods; and not controlled from rule of thumb method. It is observed that farmers are not using the new variety of seeds in food grains and oil seeds.

Hence, it is the duty of the regulated market to advice their market committee to supervise and guide the farmers in cultivation regularly and control the marketing of produce.

20 More Cash Crops in Regulated Market :

It is found that termeric is the major cash crop marketed in this market. Athani market has given more importance for termeric and cotton marketing as compared to groundnut.

Groundnut marketing can also be advanced by reducing sales tax rate in this area.

Agricultural marketing begins with a farmer deciding on an idea of producing marketable commodity and ends with that commodity being purchased ultimately by the consumer. It was known all along that the producer-seller was the most exploited man in this field. But an earnest effort to protect his economic and social interest could begin only with establishment of regulated markets. Although initially the farmers had some reservations about the idea of regulated markets, they responded gradually to it with gusto and fervour once the monetary benefits could reap.

The welfare and prosperity of the farmers basically depends on the regulated marketing. The regulated markets have created a feeling of confidence among the cultivators. Hence, cultivators should endeavour in developing the regulated markets and disroot private trading by organising themselves and developing their market knowledge.