

CHAPTER 1

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1.1 THE SIGNIFICANCE OF THE PROBLEM

Groundnut was introduced in India about 200 years ago. This was imported from China. Today India is the largest groundnut producing country in the world. India produces 33 percent of the world's production of groundnut .

Groundnut is one of the major oilseed crops of the world and India ranks first, both in area and production, accounting for 42 percent of the area with 7.5 million hectares and 35 percent of the production with 5.5 million tonnes of pods. As far as Karnataka is concerned, it stands 3rd in the area and 5th in the production with 9.6 lakh hectares and 5.5 lakh tonnes of pods production. This accounts for 10.92 percent and 8.58 percent of the country's area and production respectively.

Groundnut oil has been rated as one of the best edible oils because of its high nutritive quality. It is

4. Memoria and Joshi. Principles and Practice of Marketing in India, p. 558, 1985.

equally popular in soap, paint and varnish industries on account of its quick drying nature . Apart from this vanaspati industries provide gainful employment directly and indirectly to a large number of people in our country. Its importance is accepted in human diet long back, recently recognised as a source of protein. Its high oil and protein content makes it an important commodity in the world for food, energy and industrial uses. Groundnut cake being highly proteinaceous, is extensively used as a cattle feed. As groundnut is a leguminous crop, it fixes atmospheric nitrogen in the soil. Nearly 2 to 3 percent of the production of groundnut is exported and this contributes towards our foreign exchange earnings.

Although, there is considerable production of groundnut and its value in the Indian economy, the situation of market has been lagging behind due to inefficient marketing system. The farmers are not getting proper and fair price at the market place, further they suffer from inadequate transport and credit facilities, grading and standardised market information, weightment charges, multiple charges, etc. On realising these facts the

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- . Kapila, L., Oil Seeds Economy of India, A Case Study of Groundnut, Institute of Economic Growth, New Delhi, 1982.

Government of India has directed remedial measures to improve the marketing system with the help of regulated markets and co-operative marketing system. It is therefore, felt necessary to investigate into the problems of marketing faced by the groundnut producers in the selected areas and come out with some constructive suggestions for the improvement in the market conditions.

In view of the importance of groundnut and its marketing in Karnataka State, the present study was undertaken to analyse some of the deficiencies prevailing in the present system of groundnut marketing in Athani Taluka of Belgaum District of Karnataka. While the Belgaum district account for 15.96 percent of state's production, Athani taluka accounts for 10.96 percent of the Belgaum district's production. Athani taluka is one of the groundnut producing taluks of Belgaum district and ranks 4th in the district's production. Thus groundnut occupies a paramount importance in the agricultural economy of the Taluka.

The present study sought to assess the structure of the market and performance of the market functionaries with a view in highlighting the deficiencies from which the market suffer. The focus was on the handicaps from which

the groundnut growers suffer in the marketing of their produce in this market.

1.2 OBJECTIVES

1. To study the cropping pattern of groundnut in Athani taluka.
2. To know the cost of production and marketing of groundnut.
3. To know the marketing methods followed by the groundnut cultivators.
4. To study the problems of the groundnut cultivators.

1.3 HYPOTHESIS

According to Webster " A hypothesis is a proposition condition or principle which is assumed, perhaps without belief, in order to draw out its logical consequences and by this method to test its accord with facts which are known or may be determined ". In the light of this meaning following hypotheses have been formulated in this study of the

marketing of groundnut in Athani taluka.

1. There is a growing trend of groundnut cultivation in this taluka.
2. The total cost of production and marketing is more than the prices received by the cultivators.
3. The share of unorganised market is more than the organised market.
4. There is insignificant impact of markets on the cultivators.

1.4 METHODOLOGY

For the purpose of the present study the information required for investigation is collected from both the sources, that is primary and secondary. The primary data is collected by preparing schedules for groundnut producers and for the middlemen or traders following stratified random sampling technique. About 5 percent of the villages in the taluka are selected on the basis of area under groundnut cultivation. Further, 5 percent groundnut cultivators are

selected on the basis of quantum of groundnut production as depicted in the Table 1.

Athani taluka consists of 89 villages. About 5 percent of the villages namely, four have been selected based on the production of groundnut and the area occupied by the groundnut cultivation. The following table reveals the distribution of total population, agricultural population (land holders) and number of groundnut cultivators in the four selected villages. The total number of sample farmers selected is 100 and their villagewise distribution is given below.

TABLE 1

COMPOSITION OF THE SELECTED SAMPLE

VILLAGE	TOTAL POPULATION	AGRI. POPULATION (LAND HOLDERS)	GROUNDNUT CULTIVATORS	SAMPLE FARMERS
Aigali	7,803	1,064	319	20
Kokatnur	10,783	2,005	501	30
Mangsuli	7,816	1,780	356	20
Shedbal	10,645	1,810	452	30
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1.5 SELECTION OF GROWERS

The selected farmers are grouped into three categories, namely small farmers, medium and large farmers. This classification is done on the basis of their land holding. The farmers holding upto 5 acres are grouped as small farmers, 5 to 7 acres are placed in the medium, and 7 to 12 acres and above are grouped as large farmers.

1.6 LIMITATION OF THE STUDY

As the present study is to be completed within a year the study is restricted to only marketing of the groundnut and not for the production of groundnut. Furthermore, the focus of the study is restricted to the period of five years from 1984 - 89.