

C H A P T E R - V I

PROBLEMS OF FARMERS AND MARKETING FUNCTIONARIES

CHAPTER - VI

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During the field survey it is found that farmers and marketing functionaries are facing certain problems. These problems are grouped into two sections :

- A) Problems of Farmers
- B) Problems of Marketing Functionaries

The problems of farmers as well as those of marketing functionaries are also grouped into four categories namely,

- 1) Problems relating to Exchange functions like purchasing and selling.
- 2) Problems relating to physical supply functions viz., assembling, storage and transport.
- 3) Problems relating to facilitating functions like, finance, insurance, grading, marketing information, advertisement and sales promotion, packing etc.
- 4) Some other problems relating to production, labour, MAMCO's procedure etc.

A) PROBLEMS OF FARMERS :

6.0 FINANCE :

1. Low Income Level : The average income of respondents in

Sagar taluka is Rs.20,471/- p.a. and average family size of farmers is 10 members only, family member gets only Rs.2047/- p.a. hence all income is used for livelihood. Farmers do not have adequate money to look after the agricultural activities and therefore they borrow loans.

2. Government has not provided any specific crop loan for betelnut production.

3. High rate of interest : The cultivators are mainly financed by money lenders and commission agents. About 83 percent of small farmers, 74 percent of medium farmers and 35 percent of big farmers have paid interest at the rate of 36 percent per annum.

4. Lack of Co-operation of Financial Institutions : The cultivators face the problems like late granting of loans, partial granting of loans and no granting of loans. While raising loans from financial institutions like banks, co-operative societies etc. the cultivators, in general, struggle very hard.

6.1 PRODUCTION :

1. Low Yield : The average production of Betelnut per acre in Sagar Taluka is 707 quintals. It is only 703 quintals in case of small and medium farmers. It is 8 to 10 quintals per acre in rainfall lands in Shimoga and South Canara.

2. Some problems like absence of rainfall, irregular rainfall, unfavorable climate, disease etc. are resulting in low yield.

3. Farmers always face Labour Problems such as, non availability and non-cooperation which affects the productivity.

4. Diseases and insects affects the production of Betelnut and pose a great problem.

5. Farmers do not have any training in scientific method of cultivation of Betelnut.

6.2 ASSEMBLING OF GOODS FROM LANDS :

Majority of the farmers do not have any problems in assembling Betelnut from lands. The remaining 22 percent of the respondents face the problems such as, inadequate availability of labour, high charges etc.

6.3 GRADING :

MAMCO's Sagar has appointed graders. But they do not grade Betelnut because of want of time and skill. So commercial grading is done by marketing functionaries sometimes, leading to injustice to the farmers. Majority of the farmers are not satisfied with the present grading system adopted.

Lack of skill, lack of information about standards, mixed quality, etc. do not allow the farmers to grade Betelnut before sales.

6.4 STORAGE :

Due to lack of proper knowledge of storage Betelnut often deteriorate in quality, colour etc. Farmers do not have the knowledge of scientific method of storage. Majority of the medium farmers do not have proper storage space. Many respondents were not aware of the godown provided by the MAMCO's.

6.5 INSURANCE :

All the farmers are ignorant about the procedures of availing of insurance facilities and the type of insurance available.

6.6 TRANSPORT :

In order to bring the Betelnut to Sagar market, from any place in Sagar taluka farmers have to expend heavy transport charges, goods for a short distance ranging between 10 kms to 25 kms. Transportation problem is acute among the medium farmers. MAMCO's has not provided even a single vehicle for transportation of Betelnut.

6.7 MARKET INFORMATION :

Absence of correct market information relating to prices is another problem. Practically, the farmers neither have any contact with outside world nor have the knowledge of the trend of market prices. They depend on friends, relatives and marketing functionaries to obtain information. In Sagar taluka, about 40 percent of the respondents get adequate market information regularly. As a result of this, majority of the respondents get unremunerative prices for Betelnut.

6.8 SALES :

About 68 percent respondents have opined that they do not have any sales problems. But it is noticed that farmers face practically the following problems :

1. High commission is paid for selling the Betelnut through commission agents. According to Karnataka Government regulations, farmers need not pay commission to any body at the time of sales. But, most of the farmers have paid commission at the rates varying from 2 to 3 percent of the sales value.

2. Farmers do not know the technique of preparing Betelnut for marketing. They mix different quality Betelnut like pudi, churu, chali, UNDE, Nayampak damaged nuts, Betelnut with more moisture content etc. in one lot and some times they also mix water to increase the weight. The result is that the quality becomes dull and fetches low rates.

3. Some times market suddenly closes without intimating the farmers, on account of strike, or death of a license holder of MAMCO's however, this is not a regular problem.

4. Rate fluctuation comprises another problem.

5. Marketing functionaries take high remuneration for their services and such remuneration accounts for 27.47 percent of a consumer rupee.

6.9 SOME GENERAL PROBLEMS :

1. Respondents do not have adequate finance to make use of modern tools and techniques for cultivation of Betelnut.

2. Respondent farmers do not get seeds, fertilizers, pesticides, etc. at cheaper rates.

B) PROBLEMS OF MARKETING FUNCTIONARIES :

6.10 PURCHASE :

1. As mentioned earlier the farmers bring mixed quality Betelnut to market. Hence, it is very difficult to decide the grade of betelnut and to select accordingly. About 50 percent of small, 25 percent of medium and 42 percent of big market functionaries face this problem.

2. Without having the correct market information of other markets, it is very difficult to decide the rates. In majority cases correct and reliable information is not available.

3. Some new businessmen lack the skill of deciding and judging the grades and rates accordingly.

4. The cost of purchase increases on account of the Govt. policy. The buyers have to bear the sales tax which is shifted by sellers, market, commission charged by the commission agents, etc. This is a problem for fixing the selling price at competitive rates. Cost of purchase of license holders is more than the cost of purchase of persons who deal illegally in the names of farmers at the time of sending goods outside the state.

5. Over buying is a significant problem for marketing functionaries in Sagar market yard. In order to purchase Betelnut functionaries have to quote their rates through tender forms. At the time of tendering rates they do not know whether the Betelnut will be allotted to them or not. Hence to have the required quantity purchased, they tender for more quantity of Betelnut. Sometimes, all betelnut tendered will be allotted to them provided the functionary happens to be highest bidder. This leads to over buying and sometimes business failure, if rates of betelnut comes down later on, opposite of this, is under buying.

6.11 ASSEMBLING :

1. During the season majority of the respondent functionaries face the shortage of coolies and carts.

2. A lot of work which arises on account of mixed quality, relating to classification of Betelnut according to quality, is involved before packing.

3. Good climate is required for the drying of the wet and fruit Betelnut. Sometimes the rain or mist may obstruct the drying process and thereby, assembling.

6.12 SELLING :

1. Selection of the persons to whom to sale : Majority of the transactions are carried on credit basis. Therefore, it is important to decide the credit worthiness of persons to whom to sell and select the prospective customer. But this is a very difficult task.

2. Selection of Market : Marketing functionaries have to get the correct market information so as to send the betelnuts for sale to different markets. Often, correct market information is not obtained, which intern makes the selection of market difficult. If wrong market is selected, by miscalculating the trend it leads to business failure.

3. Provision of credit : Without providing Betelnut on credit it is difficult to carry on business. But, because of high interest rate, tight money market, instability of financial position of buyers, etc. the provision of credit has become a crucial problem for the functionaries.

4. Government Policy : The policy of Govt. especially relating to the Sales tax, less commission, turnover tax, etc. makes the cost of purchase high and thereby, profit percentage is less. In some market like Mangalore, there is no proper control over marketing functionaries, and they transact in the names of farmers for avoiding the payment Tax.

6.13 STORAGE :

All respondent functionaries face the problem of lack of scientifically maintained godowns. In the same way all possess the problem of loss of weight, colour, damage etc. during the storage. Some percent of the sample face the problem of high storage charges. Storage problems are more among small functionaries.

6.14 TRANSPORTATION :

1. High cost of transport is the main problem among 35 to 55 percent of marketing functionaries.

2. The problem of lack of sufficient vehicles and non-availability of the proper time during the season, is faced by all the respondent functionaries.

6.15 ADVERTISEMENT AND SALES PROMOTION :

Due to high cost of advertisement almost all the respondent functionaries do not advertise their individual business either in the newspaper or any other advertising media.

6.16 FINANCE :

1. High interest rate problem is a common problem faced by all the functionaries. They pay - interest at different rates varying from 24 to as high as 36 percent.

2. Govt. policies do not permit the nationalised banks to finance marketing functionaries liberally. So they have to approach the private money lenders and pay a high interest rate.

3. Adjustment of heavy working capital during the season is another common problem of all the functionaries, since the farmers are to be paid immediately.

6.17 INSURANCE :

1. There is no insurance policy to protect marketing functionaries from loss of business arising out of price fluctuations.

2. Practically there are no problems to get the yield insured except that of high premium as opined by sample functionaries.

6.18 GRADING :

Absence of uniform standards and procedures, mixed quality, lack of skill, etc. have made the grading work difficult. Further, it is an extra work on the part of the functionaries since graders are appointed by MAMCO's, Sagar, who in turn do not grade Betelnuts.

6.19 PACKING :

The packing problems faced by the functionaries comprises of :

1. Packing material is costly.
2. After packing there is loss of weight.
3. Coolies are not available during the peak season.

6.20 LABOUR :

1. Non availability of skilled and sincere workers is the problem faced by the majority of the sample functionaries.

2. Problem of strikes and non-co-operation of employees was faced by at least 10 percent of the functionaries.

6.21 SOME GENERAL PROBLEMS :

1. Lack of sufficient time to tender the rates for all lot in the market yard is one of the major problem. During the season, if the functionary has to cover full market two to three minutes time is available for each lot.

2. Sometimes while tendering, by mistake, wrong lot numbers may be written against high prices. In that case also, marketing functionaries have to purchase inferior Betelnut at the quoted high rates in the tender form.

3. Bill should be given to the farmers on the same day when betelnut are sold, but this is difficult because of want of time and employees.

4. There is a shortage of weighmen, who are appointed by the MAMCO's, Sagar.