

CHAPTER I

INTRODUCTION

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I INTRODUCTION

1.0 GENERAL

Green revolution has laid limelight on the agricultural production and production capacity of India. But this alone is not sufficient. The farmers should get reasonable prices for their produces. The red chillies' crop is one amongst the important commercial crops.

Mexico, Bolivia, South and Central America is the motherland of red chillies. In the second half of 16th century (1585 A.D.) Portugese have brought this crop from Europe and introduced to Indians¹.

1.1 SIGNIFICANCE

(i) In India, different states produce red chillies. Amongst such states, Andhra Pradesh, Maharashtra, Karnataka, Orrisa and Tamilnadu stood as first, second, third, fourth and fifth respectively in the production of red chillies (Refer Table No. 2.2).

In Karnataka State, Dharwad, Belgaum, and Shimoga districts stood in first, second and third places respectively, in the area and production of red chillies (Refer Table No. 2.3 and 2.4).

[1] Kulkarni K. A. & Gadagimath N. B.
Conference on Chillies Crop, 1989 - 90
Horticulture Department, Dharwad, p. 1.

In Dharwad district, Kundagol, Savanur, and Haveri talukas stood in first, second, and third places respectively, in the production of red chillies (Refer Table No. 2.5).

Majority of the chillies produced in Dharwad district are sold in BYADGI market and chillies from other district also arrive to BYADGI market. Hence, it is the representative study of Karnataka State and also India.

(ii) Economic and Social Importance :- Red chillies crop is one amongst the important commercial crops like cotton, tobacco, sugarcane, etc. In Dharwad district many farmers depend on red chillies. They should get fair price to lead normal life. The social and economical life of many merchants, middlemen and the persons who are there in spices business depend upon red chillies.

(iii) Value Amongst Other Commercial Crops :- Red chillies get ready market and fetch good prices when compared to other commercial crops.

(iv) Importance in Day to Day Life :- Red chillies are required for day to day consumption of all people and for all seasons. It is one amongst important spices. It is a convenient commodity.

(v) Nutritional Value of Red Chillies :- Red chillies contain 'Vitamin C', and 'Vitamin A' in considerable quantity.²

[2] Kulkarni K. A. & Gadagimath N. B.
Conference on chillies, Horticulture Dept., Dharwad, p. 1.

It also contains iron. In 100 grams of red chilly fruits, there is 220 milligrams 'Vitamin C' ⁴.

(vi) Medical Value of Red Chillies :- Red chillies are used to control some diseases. Lotions and medicines are prepared for toothache, nerve problems and digestion problems³.

(vii) Marketing Importance :- BYADGI red chillies are well known throughout the country for the taste and colour. In Dharwad district BYADGI is the biggest market. BYADGI, Hubli and Haveri markets stood in first, second and third places respectively, in the marketing of red chillies (Refer Table No. 2.6). And also BYADGI is the biggest market in Karnataka State.

Red chillies are exported to different parts of the country like Bombay, Madras, Delhi, Calcutta, Kolhapur, Bangalore, Kerala, Tamilnadu and many other places. The red chillies are also exported to foreign countries like Bangladesh, Sri Lanka, Gulf countries, etc.

Hence, an attempt is made to study the marketing and management of red chillies in Dharwad district, with particular reference to BYADGI, as it is the representative market.

1.2 OBJECTIVES

- 1] To study the marketing system of red chillies in Dharwad district.

[3] Kulkarni K. A. & Gadagimath N.B.
Conference on chillies, Horticulture Dept., Dharwad, p.1.

[4] Hirevenkanagouder L. V. & Tarakari Belegalu (Kannada),
1988, Vijaya Printers, Dharwad, p. 9.

- 2] To find out the cost of marketing of red chillies in BYADGI Taluka.
- 3] To find out the problems faced by small farmers, medium farmers and big farmers at the time of marketing of red chillies in BYADGI Taluka.
- (4) To find the problems faced by marketing functionaries.
- 5] To study the role of APMC BYADGI, market yard in marketing of red chillies.
- 6] To suggest the remedial measures to improve the marketing of red chillies.

1.3 HYPOTHESIS

- 1) The marketing of red chillies in BYADGI taluka as compared to other talukas in the district is having a vital role.
- 2) Marketing mix of red chillies is not appropriate.
- 3) Ineffective marketing functionaries of red chillies due to inadequate support from market committee, market yard and its procedure.
- 4) Lack of consumer oriented marketing system.

1.4 SCOPE OF THE STUDY

This descriptive and empirical research covers the entire Dharwad district in Karnataka state with particular reference to

BYADGI taluka and BYADGI market. Amongst different marketing functionaries only 'merchants', 'commission agents', and 'merchant and commission agents' are covered. An attempt is made to cover the data from 1980-81 to 1988-89. It covers all aspects from production of red chillies to the ultimate sales for final consumption.

1.5 DATA AND METHODOLOGY

Selection of District :- For this investigation, Dharwad district in Karnataka state was selected on the basis of red chillies area and production. It stands first both in terms of area and production in the entire state.

Selection of Taluka :- Similarly, the selection of BYADGI taluka was made on the basis of marketing activities. BYADGI is the biggest market for red chillies in Karnataka state.

Selection of Mandals :- With the help of Agricultural Director of BYADGI taluka, six mandals and one taluka headquarter i.e. BYADGI were selected on the basis of production.

Selection of Villages :- Out of the total number of villages i.e. 63, 10 percent sample i.e. 6 villages have been selected, on the basis of production. While selecting the villages under the study, the consideration has also been given to select one village from each mandal. Besides this, one taluka headquarter i.e. BYADGI was also selected on the basis of its marketing and production activities.

Selection of Farmers :- Ultimately a sample of 5 percent (i.e. 255) was selected by using the stratified random sample technique (Refer Table No. 1.1).

Selection of the Market :- BYADGI market in Dharwad district was selected on the basis of marketing of red chillies. It stands first both in terms of arrivals and value of red chillies in the entire district.

Selection of Marketing Functionaries :- With the help of some experienced persons in the market yard BYADGI and also by referring the records of APMC BYADGI, the list of marketing functionaries and their capital investment was prepared. Ultimately, a sample of 15 percent (i.e. 40) was selected by using the stratified random sample technique (Refer Table No. 1.2).

Collection of Data :- Primary data was collected by observation, questionnaire, schedule and interview methods.

Before collection of the primary data from the farmers, some were interviewed and schedule was prepared and pretested with pilot study. Afterwards, the data was collected with the help of schedule (Appendix 'A'). Besides this, the observation method was used extensively for drawing the reliable conclusions.

Some experienced persons were surveyed, prior to the preparation of questionnaire for marketing functionaries. Afterwards, the questionnaire was prepared and pretested by conducting pilot study. The data was collected with the help of structured questionnaire (Appendix 'B'). The data was also collected by

conducting unstructured interviews of marketing functionaries. Besides these, the observation method was extensively used for drawing the reliable conclusions and to make suggestions.

Secondary data was collected by referring to the records from following sources :

- 1) All 15 Agricultural Produce Market Committees of Dharwad district.
- 2) District Office of Statistics, Dharwad.
- 3) District Horticulture Office, Dharwad.
- 4) District Agriculture Office, Dharwad.
- 5) District Marketing Office, Dharwad.
- 6) Karnataka State Agricultural Marketing Board, Bangalore.
- 7) Tahasildar's Office, BYADGI.
- 8) Office of Assistant Agricultural Director BYADGI.

Besides these, an extensive use of libraries, journals and other published materials has been made to draw the conclusions.

Further, the statistical techniques were used extensively for analysis and interpretation of the data and to test the hypotheses.

For the systematic classification of cost of production of chillies and cost of marketing of red chillies, a Cost Accounting Approach has been adopted.

1.6 LIMITATIONS OF THE STUDY

The main limitation of the present study was the paucity of time as a result, it was not possible to study co-operative marketing.

On account of non-cooperation of some respondents, the marketing-mix of red chillies could not be studied in detail and many such other difficulties were encountered during the field work.

1.7 CHAPTER SCHEME

The entire dissertation work has been divided into five chapters. The chapterwise outline is given below.

I CHAPTER

In this chapter, an attempt has been made to discuss the origin of red chillies, significance, objectives, hypotheses, scope and limitations of the study including data and methodology part.

II CHAPTER

This chapter deals with different aspects related to production, preparation of chillies for the market, assembling, grading, methods of marketing, storage, transport, finance, insurance, market information, advertising and sales promotion, packing, role of APMC BYADGI, absence of consumer oriented marketing, marketing-mix and special features related to marketing of red chillies.

III CHAPTER

This chapter throws limelight on profile of farmers, analysis of farmer respondents, profile of marketing functionaries analysis of marketing functionaries and cost of marketing of red chillies in BYADGI taluka.

IV CHAPTER

This chapter highlights different problems of farmers as well as marketing functionaries relating to the functions of exchange, functions of physical supply, facilitating functions and also some other problems.

V CHAPTER

This chapter deals with the threads of the research study that have brought in the form of conclusions and suggestions.

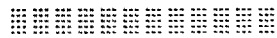


TABLE 1.1 SAMPLE OF SELECTED FARMERS

NO.	VILLAGE	TOTAL SMALL FARMERS	SELECTED SMALL FARMERS (5%)	TOTAL MEDIUM FARMERS	SELECTED MEDIUM FARMERS (5%)	TOTAL BIG FARMERS	SELECTED BIG FARMERS (5%)	TOTAL OF SELECTED FARMERS
1	BYADGI	200	10 (16.67)	220	11 (13.58)	360	18 (15.79)	39
2	CHIKKABASUR	160	8 (13.33)	260	13 (16.06)	260	13 (11.40)	34
3	KADARMANDALAGI	180	9 (15.00)	220	11 (13.58)	340	17 (14.91)	37
4	KAGINELE	120	6 (10.00)	240	12 (14.81)	280	14 (12.28)	32
5	MALLUR	185	9 (15.00)	210	11 (13.58)	308	15 (13.16)	35
6	MOTEBENNUR	200	10 (16.67)	240	12 (14.81)	380	19 (16.67)	41
7	SHIDENUR	160	8 (13.33)	220	11 (13.58)	360	18 (15.79)	37
TOTAL		1205	60 (100)	1610	81 (100)	2288	114 (100)	255

TABLE 1.1A / SAMPLE OF SELECTED FARMERS

SR.NO.	TYPE OF FARMER	TOTAL FARMERS	SELECTED FARMERS
1	Small	1205 (23.53)	60 (23.53)
2	Medium	1610	81 (31.76)
3	Big	2288	114 (44.71)
TOTAL		5103	255 (100)

Figures in parentheses denote column percentage

TABLE 1.2 SAMPLE OF SELECTED MARKETING FUNCTIONARIES

SR. NO.	TYPE OF FUNCTIONARY	TOTAL FUNCTIONARIES	SELECTED FUNCTIONARIES (15 PERCENT)
1	Small	52	8 (20)
2	Medium	130	20 (50)
3	Big	78	12 (30)
TOTAL		260	40 (100)

Figures in parentheses denote column percentage