MARKETING PROBLEM FACED BY COTTON FARMERS IN COIMBATORE DISTRICT

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Abstract

India has made impressive strides on the agricultural front during the past three decades. India is the leading producer in many of the agricultural crops including the commercial crops. Objectives of the study, To analyse the socio economics conditions of the Cotton farmers in the study area and problem faced by cotton farmers in the study area. Methodology of this study, in order to estimate the impact of BT cotton on existing cropping pattern in the district of Coimbatore, a survey was conducted in the rural areas of the district. A sample of 140 respondents was taken from the cotton growing villages of the district namely, Anaimalai, Annur, Karamadai, Kinathukadavu, Madukarai, Pollachi, Sarkarsamakulam and Sulur are the major blocks were BT cotton are grown. Important findings of the study, on the use of inputs in the cotton farm activity indicated that, for a majority of the inputs, the use of these inputs increases with the increase in the size of holdings and the reason put forth was that a majority of the sample growers particularly, the small, medium and large growers adopt mechanization in cotton farming which is the cause of higher usage of agricultural inputs. Suggested in this study, the study revealed facts that the care taken by the regulated and co-operative marketing society in protecting the stored cotton in their godowns is satisfactory comparing to the care taken by the commission agents. In this context the authority concerned may take extra efforts and satisfy the storage needs of the cotton cultivators.

Keywords: Price fluctuations, storage facilities, packing materials etc.,

I.1. INTRODUCTION

Cotton is an important crop that finds application in clothing and other sectors. India ranks at 2nd position among all cotton producing countries in the world. The area in which cotton is grown is more than 125 Lakh Hectares and the total production of the cotton in 2014-15 crossed the mark of 400 Lakh Bales. The Government of India for the year 2014-15 has increased the Minimum Support Price for cotton by Rs 50 per quintal. Cotton is produced in more than 12 states in India and among all states; Gujarat is the largest cotton producing state in India with a production of 125 Lakh Bales. India has able

been able to attain self-sufficiency in the clothing and fabrication sectors due to enough production of cotton in the country. The country has very suited climate for the production of cotton and soon one can expect the country to the world's largest producer of cotton. These states have recorded highest production and collection. So below are the top 10 largest cotton producing states in India 2019 as follows:

TABLE NO.1

COTTON PRODUCTION IN INDIA(STATE WISE)

S.No.	States	Bales (in lakh)
1	Gujarat	125
2	Maharasthra	85
3	Telengana	50
4	Karnataka	28
5	Andhrapradesh	27
6	Hariyana	25
7	Madhyapradesh	18
8	Rajesthan	17
9	Punjab	14
10	Tamil Nadu	05

Source:cotton Research Centre, Tamil nadu

Tamil Nadu is the tenth largest cotton producing state in India with a production of 5 Lakh Bales. Tamil Nadu account for more than 6% in the total cotton production in the country and cotton is grown in 70,000 hectares of land in the state.Tamil Nadu is the state in India with the highest cotton yield, which is 1,214 kilograms per hectare. Coimbatore, Vallalur, Madurai, Ramnathapuram, Salem and Tiruchirapalli are some of the major cotton producing districts in Tamil Nadu.

I.2.REVIEW OF LITERATURE

Chandra Sekara Rao and IrfanUIHaq (2018)[1] in their article titled "agricultural commodities; Market update" have stated that the main hindrance to the development of the commodity market is the unawareness among the players and farmers. Price discovery and price risk mitigation will enable the farmers to take rational decisions about cropping and marketing their produce to increase farm income.

Alam, et al. (2018)[2] attempted to analyze the welfare impact of policy interventions in food grain markets during 1980–2003. They argued that the loss in consumer surplus exceeded the gain in producer surplus   from government control over food grain markets, resulting in a

deadweight loss for the society. Conversely, they further argued that the gain in consumer surplus and government revenue from liberalization of food grain markets was greater than the loss in producer surplus, implying a net welfare gain to the society.

Karfakis et al. (2017)[3] attempted to identify the impact of rice price changes on household welfare. They argued that rural households exhibited higher welfare losses than urban households from an increase in the rice price. This study examined the characteristics of rice cultivation and rural rice market in the post-liberalization era.

I.3. STATEMENT OF THE PROBLEM

The agriculture sector is the backbone of the country's economy and all time shelter for bulk of the population which provides employment throughout the year and partially restricts the flow of population from rural to urban areas. In 2017-18, agriculture accounted for 19.5 percent of India's Gross National Product[1] (GNP) while 70.0 percent of India's workforce was engaged in farming. With increasing demand for agricultural produce due to increasing population on the one hand and the fast declining area under cultivation, there is a need for increased productivity of almost of all agricultural crops and among them cotton an important commercial crop in India. In this research paper based on the socio economic conditions of cotton farmers and marketing problem faced by cotton farmers in Coimbatore District.

I.4. OBJECTIVES OF THE STUDY

1.To study the socio economic conditions of the cotton farmers in Coimbatore District, and

2. To findout the marketing problem faced by cotton farmers in Coimbatore District.

I.5. METHODOLOGY OF THE STUDY

In order to estimate the impact of BT cotton on existing cropping pattern in the district of Coimbatore, a survey was conducted in the rural areas of the district. The convenience sample method used in this study. Total 140 respondents was taken from the cotton growing villages of the district namely, Anaimalai, Annur, Karamadai, Kinathukadavu, Madukarai, Pollachi, Sarkarsamakulam and Sulur are the major blocks were BT cotton are grown. From these eight blocks, four blocks were selected at random and from these four blocks five villages were identified using the random sample method. 140

farmers growing BT cotton were identified from the list obtained from the Agricultural Cooperative Societies operating in the nearby village. This gave a total sample village of 14. From each of these identified 10 villages. These farmers were met and required data were collected with the help of a structured questionnaire. The collected data were analyzed using the simple percentage method and a weighted averaged method.

I.6ANALYSIS AND INTERPRETRATION

TABLE NO. 02

PROSONAL PROFILE OF THE RESPONDENTS

S.NO.	PERSONAL VARIABLE	FREQUENCY	PERCENTAGE
1	AGE		
	Upto 25 years	31	22.1
	25 to 35 years	42	30.0
	35 to 45 years	36	26.0
	45 and above	31	21.9
	Total	140	100.0
2	EDUCATIONAL QUALIFICATION	Frequency	Percent
	No formal education	42	29.8
	Primary	45	31.9
	High school	52	37.4
	Collegiate	1	1.0
	Total	140	100.0
3	MARITIAL STATUS	Frequency	Percent
	Married	113	80.71
	Unmarried	27	19.29
	Total	140	100.0
4	SIZE OF FAMILY	Frequency	Percent
	Upto 4 members	52	37.4
	5-6 members	20	14.3
	Above 6 members	68	48.3
	Total	140	100.0
5	TYPE OF FAMILY		
	Nuclear family	69	49.3
	Joint family	71	50.7
	Total	140	100.0
6	SOURCE OF INCOME	Frequency	Percent
	agriculture	45	31.9

	agriculture with business activities	47	33.8
	agriculture with allied activities	48	34.3
	Total	140	100.0
7	TYPE OF FARMERS	Frequency	Percent
	medium level farmers	56	39.8
	small scale farmers	69	49.3
	large scale farmers	15	11.0
	Total	140	100.0
8	ANNUAL INCOME OF THE FARMERS		
	Below rs.1 lakh	56	39.8
	Rs. 1 to 3 lakh	69	49.3
	Rs. 3 to 5 lakh	10	7.1
	above Rs.5 lakh	5	3.8
	Total	140	100.0

Source: Primary Data.

The above table represents the age of the respondents. 22.1 per cent of the respondents belong to the age category of upto 25 years, 30.0 per cent of the respondents belong to the age category of 25 to 35 years, 26.0per cent of the respondents belong to the age category of 35 to 45 years and 21.9 per cent of the respondents belong to the age category of 45 and above years.The majority of the respondents belong to the age category of 25 to 35 years (30.0 per cent). It is clear that, represents the educational qualification of the respondents. 29.8 per cent of the respondents have no formal education, 31.9per cent of the respondents have primary education, 37.4 per cent of the respondents have high school education and only one per cent of the respondents have collegiate education. The majority of the respondents have high school education (37.4 per cent). It is clear that maritial status of the respondents,80.71 per cent of the respondents are married, 19.29 per cent of the respondents are unmarried. The majority of the respondents are married (80.71 per cent). The above table represents the size of family of the respondents. 37.4 per cent of the respondents family have upto 4 members, 14.3per cent of the respondents family have 5-6 members and 48.3per cent of the respondents family have above 6 members. The majority of the respondents family have above 6 members (48.3 per cent). The above table represents the type of family of the respondents. 49.3 per cent of the respondents belongs to nuclear type of family and 50.7 per cent of the respondents belongs to joint family. The majority of the respondents belongs to joint family (50.7 per cent). It is clear that, represents the source of income of the respondents. 31.9 per cent of the respondents income source is only

agriculture, 33.8per cent of the respondents income source is agriculture with business activities, 34.3per cent of the respondents income source is agriculture with allied activities. The majority of the respondentsincome source is agriculture with allied activities (34.3 per cent). The above from the table represents the type of farmers. 39.8 per cent of the respondents are medium level of farmers, 49.3 per cent of the respondents are small scale farmers and 11.0 per cent of the respondents are large scale farmers. It represents the annual income of the respondents. 39.8 per cent of the respondents earn below Rs. 1 lakh, 49.3 per cent of the respondents earn Rs. 1 to 3 lakh, 7.1 per cent of the respondents earn Rs. 3 to 5 lakh and 3.8per cent of the respondents earn aboveRs. 5 lakh. The majority of respondents earn Rs. 1 to 3 lakh (49.3 per cent).

TABLE NO.3

MOBILIZATION OF FUND AND METHOD OF MARKETING

S.No.	Mobilization of Fund	No. of Respondents	Percentage
1	Own Fund	48	34
2	Commission Agents	34	24
3	Borrowing from financial institutions	58	52
	Total	140	100
S.No.	Method of marketing	0	
1	Own arrangement	36	26
2	Commission Agent	27	19.3
3	Regulated Market	45	32
4	Co-operative marketing socieities	32	22.7
	Total	140	100

Source: Primary Data.

It is clear from the table, 34 per cent of the respondents are arrangement of finance myself, 24 per cent of the respondents arrangement of finance through commission agents and Borrowing from 52 per cent of the respondents finance arrangement trhough financial institutions. Majority of the respondents trhough arrangement finance financial institutions. It is clear from the table, 26 per cent of the respondents mode of sales by own, 19.3 per cent of the respondents through commission agent,32 per cent of the respondents trhough regulated market

and 22.7 per cent respondents trhough Co-operative marketing socieities. Majority of the respondents sale through Regulated market.

TABLE NO.4
MARKETING PROBLEM FACED BY RESPONDENTS - WEIGHTED AVERAGE METHOD

S.no	Marketing problem	Mean	Rank
1	Price fluctuation	7.15	1
2	Non availability of storage facilities	6.85	2
3	High cost of Packing material	6.775	3
4	High transport cost	6.6583	4
5	High commission charges	6.1083	5
6	Improper method of sale	6.025	6
7	Poor customer relationship	5.9917	7
8	Lack of export promotional activity	5.975	8
9	High dominance of market intermediaries	5.3917	9
10	Unauthorized deductions	5.2083	10
11	Non availability of marketing intelligence	3.8667	11

Source: Primary Data.

The above table states the Marketing problem faced by cotton farmers in Coimbatore, .Price fluctuationhas scored first rank with mean score of 7.15,Non availability of storage facilitieshas scored second rank with mean score of 6.85,Lack of market informationhas scored third rank with mean score of 6.775,High transport costhas scored fourth rank with mean score of 6.6583,High commission chargeshas scored fifth rank with mean score of 6.1083,Improper method of salehas scored sixth rank with mean score of 6.025,Poor customer relationshiphas scored seventh rank with mean score of 5.9917,Lack of export promotional activityhas scored eighth rank with mean score of 5.975,High dominance of market intermediarieshas scored ninth rank with mean score of 5.3917,Unauthorized deductionshas scored tenth rank with mean score of 5.2083 andNon availability of marketing intelligencehas scored last rank with mean score of 3.8667.

I.7. SUGGESTIONS THE STUDY

1. It is noticed that the prices prevailing in the cotton markets are highly fluctuating which affects the margin of the farmers. In order to avoid this situation, a steady demand for the cotton has to be identified by expanding the global market for cotton which would boost the sales volume as well as the price in the local market.

2. The study compared domestic cotton marketing and international marketing and found out that the two markets are related. A comparison of the world prices and the prices offered in the domestic market found out that the two are positively correlated. There are important policy messages from these findings. Implications from these results are that policy interventions in the developed world which affect world price will affect the domestic producer price. Thus the government, private sector and NGOs should continue to lobby in the international forums for scrapping up of policies which results in decline in world prices of cotton.

3. Empirical results show that the effect of macroeconomic policy was negative, although insignificant. Thus for the country to improve cotton production, policies should be put in place that reduce inflation. The effect of cotton prices was also found to be positive and it was found that farmers were less responsive to price changes. Thus a price policy that increases the producer price of cotton will also enhance cotton production but to a lesser extent.

☐4. If the cotton is stored for more than three months in the godowns then the fumigation process is essentially needed. The fumigation process should take place within a time schedule and it has to maintain proper records about fumigation services.

5.☐The packing materials in the form of gunny bags supplied by the commission agents are of good quality and they provide transportation, loading and unloading facilities. Whereas regulated market and cooperative marketing societies do not supply the facilities. This problem leads to loss of arrivals of cotton and sale of the same in co-operative marketing societies and regulated market. The authorities of regulated markets and co-operative marketing societies should concentrate on these facilities and rectify the problems which would attract more farmers to have more transactions with regulated markets and co-operative marketing societies.

6. At present the transactions of cotton are taking in two different market places ie., regulated market and commission agents' association. In order to avoid this unhealthy environment, a common market place has to be established by the government, which would promote cotton

trade in the state. The common market place should be equipped with all infrastructure facilities. The establishment of such a place would solve many of the problems prevailing in the cotton trade. From the government point of view, this provision would facilitate mobilizing regular income in terms of service charges, rent for buildings and also make it easy to monitor the trading activities.

7. The lack of storage facility for cotton, affects the farmers to protect their cotton in a proper way. If the authorities of the markets notify the problems, farmers may be benefited more by the way of timely sales.

8. The other equally important inference of the study is finance related problem. To safeguard the growersellers from the exploitative activities emerging out of lack of adequate finance, the grower-sellers may be given the necessary financial assistance by the Regulated and the Co-operative Marketing societies at nominal rates of interests.

9. The study revealed facts that the care taken by the regulated and co-operative marketing society in protecting the stored cotton in their godowns is satisfactory comparing to the care taken by the commission agents. In this context the authority concerned may take extra efforts and satisfy the storage needs of the cotton cultivators.

10. Empirical findings of the study also reveal that, farmers are responsive to the provision of short-term credit. Short-run and long-run elasticities with respect to agricultural credit were 0.32 and 0.74 respectively. In order to improve cotton production there is need for policy to put measures that will increase credit provision. Government should put a structure that enables financial institution to participate in the financing of cotton production. Short-run and long-run elasticities with respect to research and extension were 0.17 and 0.4 respectively. Thus there is need to provide training and extension to farmers and also increase funding for research in cotton(more funds to the Cotton Research Institute) in order to improve cotton production.

I.8.CONCLUSION

Without doubt Bt-cotton in India provided a lot of impetus to the Indian textile sector thus creating a lot of employment around, but the gains made were short term in nature, manifested in the recent upheaval in our agriculture sector. Now, it's time to move over to a better and equitable upgrade to Bt-cotton and perhaps resort back to indigenously grown cotton which would create equity for farmers and sustainability to environment. It is clear from the study,

the source of income reflects the socio economic conditions and unaware of market intelligence shows their ignorance the marketing the product.

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