

Agricultural Marketing Issues in Telangana: A Study

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ABSTRACT

This paper is based on the primary data and tried to elevate the major challenges facing by the farmer community of Nizamabad district in marketing their produce. There is lack of proper and sufficient storage facilities for the produce. Moreover, these facilities are also bad and unscientific. The varieties of produce are not graded properly and the transport facilities are also highly inadequate. There is a chain of middlemen in marketing. The farmer has no capacity to wait for better prices and forced to sell his produce immediately to clear off the debt. This may distress and weaken sales and leads to miserable living conditions of the farmer community. Non institutional credit is main source of their credit. Various types of charges like Katti, Hamali, Arhas, Tulai, Palledari, Garda etc., were collected in sizable quantity from the farmers. Majority of sales takes place on the advice of middlemen, where the ruling prices were not properly followed. It is the open fact that the farmers suffering with low bargaining power and are in the clutches of middlemen.

INTRODUCTION

Agricultural marketing plays a significant role in a country like India though the share of agriculture in GDP has declined from 51.9 per cent in 1950-51 to 13.7 per cent in 2012-13 at 2004-05 prices. A well organized and efficient marketing system is the pre requisite to bring reasonable returns to the farmers and to make goods available to consumers. Though various steps are taken from the side of the government at central and state levels, lot of controversies and depressions are existed in marketing of agricultural produces. There arise the question of dissatisfaction and injustice in determining the prices received by the farmers and the prices actually paid by the consumers because most of the agricultural goods are bought and sold through the hands of middlemen.

This paper is based on the primary data and tried to elevate the major challenges facing by the farmer community of Nizamabad district in marketing their produce. There is lack of proper and sufficient storage facilities for the produce. Moreover, these facilities are also bad and unscientific. The varieties of produce are not graded properly and the transport facilities are also highly inadequate. There is a chain of middlemen in marketing. The farmer has no capacity to wait for better prices and forced to sell his produce immediately to clear off the debt. This may distress and weaken sales and leads to miserable living conditions of the farmer community. Non institutional credit is main source of their credit. Various types of charges like Katti, Hamali, Arhas, Tulai, Palledari, Garda etc., were collected in sizable quantity from the farmers. Majority of sales takes place on the advice of middlemen, where the ruling prices were not properly followed. It is the open fact that the farmers suffering with low bargaining power and are in the clutches of middlemen.

REVIEW OF LITERATURE

A number of studies on agricultural marketing have been found in field of the literature of agricultural marketing. Some

of the literatures that have been reviewed for this paper are presented as: The National Commission on Agriculture has defined agricultural marketing as a "process that starts with a decision to produce saleable farm products that also includes pre and post-harvest operations, assembling, grading, storage, transportation and distribution".

It is observed from many theoretical and empirical studies that transfer of agricultural produce from the hands of farmers to the hands of consumers takes place through a chain of middlemen or agencies. On the basis of this, markets are classified as primary, secondary and terminal or export market. These markets are operated through various channels: such as government channel, cooperative channel and private channel (Krishnamacharyulu. and Ramakrishnan, 2011, p 494-495). Among these, lots of intermediaries exist in private channel.

Jaffer et.al (2005), show that lower the number of intermediaries higher is the market efficiency and vice versa. Sudha. et.al (2005) has found that 'the producers share in consumer's rupee is higher where no middleman existed then where middleman existed'. So marketing efficiency is more where there is no middle man existed.

A study conducted by Khatkar et. al., (2005) have found that, in 'Marketing of Mushroom in Haryana'; major share of consumer's rupee is gone to the pockets of the middlemen. He therefore advocated the government intervention to safeguard the farmers' interest by introducing cooperative marketing and processing of agricultural products.

A number of studies revealed that a large number of middlemen function at various stages of agricultural marketing in India.

Ahmed (1979) opined that the jute growers in Assam are deprived of getting the actual prices due to the middlemen like commission agents etc.

In Mishra, J.P's, (2010) study, disputes between Govt and traders is one of the causes that makes farmers' ultimate loser from the provision made by regulated market act in favour of farmers. The cooperative network in the state is inadequate and unable to procure agricultural produce from the growers for safeguard the interest of the farmers.

The most important factor that exists in developing countries is widespread imperfection in market mechanism. It is due to lack of market information and presence of uncertainty in market demand. Besides, market may be efficient in allocating resources at the margin; therefore a Govt. intervention is crucial in market mechanisms in favour of country's development (Todaro and Smith, 2008).

METHODOLOGY & OBJECTIVES

This paper is based the findings of a field survey of 65 farmers in Jukkalmandal of Nizamabad district. The survey was conducted to identify the prevailing agricultural marketing defects of the sample area. The survey was conducted in during January, 2018. A simple random sample design was followed to identify the samples. Mehbapoor and Dospally villages were identified for survey. A total of 33 farmers from Mehbapoor and 32 farmers from Dospally and in total 65 farmers of Jukkalmandal were selected for survey.

There is lack of proper and sufficient storage facilities for the produce. Moreover, these facilities are also bad and unscientific. The varieties of produce are not graded properly and the transport facilities are also highly inadequate. There is a chain of middlemen in marketing. The farmer has no capacity to wait for better prices and forced to sell his produce immediately to clear off the debt. This may distress and weaken sales and leads to miserable living conditions of the farmer community. Non institutional credit is main source of their credit. Various types of charges like Katti, Hamali, Arhas, Tulai, Palledari, Garda etc., were collected in sizable quantity from the farmers. Majority of sales takes place on the advice of middlemen, where the ruling prices were not properly followed. It is the open fact that the farmers suffering with low bargaining power and are in the clutches of middlemen.

OBJECTIVES

1. To understand the nature of agriculture of the selected area.
2. To identify the prevailing defects of agricultural marketing of the sample area.
3. To suggest the measures to overcome the malpractices in the marketing.

RESULTS AND DISCUSSION

Marketing Problems

Type of problem	Yes	Percent age	No	Percent age
Lack of transportation	43	66.15	22	33.85
Undue deductions	47	72.31	18	27.69
False weighing	41	63.08	24	36.92
Price manipulation	33	50.77	32	49.23
Delayed payment	50	76.92	15	23.08

Source: Field survey

It is open fact that agricultural marketing in India is full of deficiencies and farmers are not getting suitable price and losing remarkable share paid by the consumers. Our survey revealed that there are problems like undue deductions like Hamali charges, Katti charges, Tulai and Palledari charges [72.31%], delayed payment with an average of 1 to 2 months [76.92%], lack of transportation [66.15%], false weighing [63.08%] and price manipulation [50.77%].

Source of Credit

Source of credit	No. respondents	percentage
Commercial banks	05	07.70
Cooperative banks	03	04.63
Money lenders	28	43.07
Traders	17	26.15
Input suppliers	12	18.46
Total	65	100.00

Source: Field survey

Inadequate access of credit is one of the major constraints faced by the farmers in the study area. Majority of the farmers i.e. 70 percent of them depend on money lenders and traders, 18.46 per cent depend on input suppliers and on the whole 88.46 per cent of farmers availed non institutional credit and only 12 per cent from institutional source. This reveals that government role should expand in this field.

Source of Irrigation

Source	No. respondents	Percentage
Well	08	12.31
Canal	00	00.00
Tank	06	09.23
Tube well	11	16.92
Rainfall	40	61.54
Total	65	100.00

Source: Field survey

Details about the problems related to irrigation shows nearly 61 percent of farmers depend on rainfall, which is uncertain and near about 17 per cent of farmers depend on tube wells for irrigation. It is clear from the data that 78 percent of farmers are suffering with shortage of irrigation facility in the survey area. Irregular electricity supply and high maintenance cost were mentioned as most effecting constraints of tube well irrigation.

Post Harvesting Problems

Type of problem	Yes	Percentage	No	Percentage
Storage	48	73.85	17	26.15
Processing	51	78.46	14	21.54
Transportation	49	75.38	16	24.62
Forced sales	57	87.69	08	12.31

Source: Field survey

A large number of farmers mentioned problems related to storage, processing, forced sales and transportation. The problem of forced sales was mentioned by 87.69 per cent farmers, 73.85 percent farmers complained about storage facility, 78.46 percent mentioned that they are not practicing

any method of processing of producing and selling total produce all together. 75.38 Percent farmers expressed about road connectivity were poor and most of them were not suitable in all seasons.

Problems Related to Agricultural Inputs

Type of problem	Poor and insufficient		Sufficient	
	No. of Farmers	Percentage	Yes	No
Irrigation	59	90.77	06	09.23
Credit	55	84.62	10	15.38
Electricity supply	09	86.15	56	86.15
Fertilizer supply	49	13.85	16	24.62
Manure availability	38	58.46	27	41.54

Source: Field survey

The problems faced by the farmers in procuring various agricultural inputs are listed in the above table. 90.77 percent farmers expressed as poor availability of water, 84.62 percent farmers mentioned as non availability and insufficiency of credit. 86.15 percent farmers noted there is irregularity and

shortage of electricity supply. 75.38 percent farmers expressed their opinion fertilizers as poor quality and insufficient supply. High cost and poor quality, shortage as the main problems associated with manure and pesticides.

SUGGESTIONS

1. Expansion of institutional credit.
2. To minimize the number of middlemen.
3. On time and un-interrupted electricity supply.
4. on time supply of sufficient and quality manure, fertilizers and pesticides.
5. Steps to increase the ground water level.
6. Improve the length and quality of road connectivity.
7. To construct minor, medium and major irrigation projects.
8. Strict rules to pay minimum support price.
9. Educate the farmers.
10. Construction of warehousing, weekly market yards.

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