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ECONOMIC CONDITIONS OF PADDY MARKETING IN THIRUVARUR DISTRICT

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Abstract :

Agriculture is the most predominant sector of the economy of Tamil Nadu, a state in India. 70% of the states population is engaged in agriculture and allied activities for their livelihood. Tamil Nadu has as an area of 1.3 Lakh km2 with a gross cropped area of around 58.43 lakh hectares of which the Gross Irrigated Area is 33.09 lakh hectares which is 57% and the balance 43% of the area are under rainfed cultivation. Tamil Nadu is the home land of Dr M.S. Swaminathan, known as the "Father of the Green Revolution" in India. The state is historically known for its agriculture from ancient times. Annual food grains production in the year 2007-08 was 100.35 lakh mt.[3] But now this is steadily declining due to industrialisation and real estate business. The younger generation rapidly moves out of villages due to education and white collar jobs and that is also worstly hit this sector.

Agricultural marketing covers the services involved in moving an agricultural product from the farm to the consumer. Numerous interconnected activities are involved in doing this, such as planning production, growing and harvesting, grading, packing, transport, storage, agro- and food processing, distribution, advertising and sale. Some definitions would even include “the acts of buying supplies, renting equipment, (and) paying labor", arguing that marketing is everything a business does. Such activities cannot take place without the exchange of information and are often heavily dependent on the availability of suitable finance.

Marketing systems are dynamic; they are competitive and involve continuous change and improvement. Businesses that have lower costs, are more efficient, and can deliver quality products, are those that prosper. Those that have high costs, fail to adapt to changes in market demand and provide poorer quality are often forced out of business. Marketing has to be customer-oriented and has to provide the farmer, transporter, trader, processor, etc. with a

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profit. This requires those involved in marketing chains to understand buyer requirements, both in terms of product and business conditions.

NEED FOR THE STUDY

Paddy cultivation is to improve the standard of living and the capacity of people to spend for food, housing, clothing, education, medicine and the other amenities of life. Marketing costs are needed in the flow of goods from producers to consumers. They affect the prices of goods from producers to consumers. They affect the prices of goods at the producers' and the consumers' level. Reduced marketing costs increase the farmers earnings, indicating the marketing efficiency of the farmer. It is important to distinguish between the income from the usual marketing channel and from alternative marketing channels. By selling two different kinds of products to different kinds of intermediaries, farmers got different prices. Therefore, the researcher has conducted a scientific study on paddy marketing and its significant in the study area.

MOTIVATION FOR THE STUDY

The most significant characteristic of a sound marketing system lies in the distribution channel. Marketing is a strong instrument whereby per capita income could be raised leading to a higher standard of living. Using an efficient marketing channel ensures the highest price of the product, which leads to raising income; and thus ultimately improves living conditions. The marketing channels used by the agricultural producers are not always performing at the same efficiency in terms of their earnings i.e., different channels have different earnings. Socioeconomic conditions, disorganized conditions of the producer, nature of the product, lack of infrastructural facilities, marketing complexity etc., create obstacles against the use of efficient alternative channels although these channels help to earn more returns than the usual channels.

By using efficient alternative channels farmers create competition among the middlemen, as a result, farmers are benefitted by the competitive price by enhancing their bargaining power.

STATEMENT OF THE PROBLEM

Thanjavur district is said to be the granary of Tamil Nadu. It is naturally inferred that agriculture is the primary source of livelihood for the majority of people in Thanjavur district. The economy is predominantly agrarian with about 75 per cent of work force depending on

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agriculture paddy is the principle crop which account for the major portion of cropped area while the other crops are sugarcane, banana, coconut, pulses and oilseeds. And in the context of marketing again the farmers are not able to obtain satisfactory returns from paddy cultivation. Therefore this research has great significance from the point of view of production and marketing of paddy.

In recent years the agricultural problem has become more severe and intense. Thanjavur district has suffered from deficit of irrigation. Thanjavur district agricultural has continued to be a gamble in the hands of monsoons, failure of rainfall and excessive rains and consequent floods also affected these areas. The Mettur Dam was not opened for delta irrigation on the usual date of June 12, but was opened later.

This study attempts to analyse the different situations of marketable surplus of paddy and how the farmers in terms of channel, price, time pattern of sales. In addition to that it attempts to study the character of marketing practices and channels involved in marketing of paddy, to estimate the marketing cost, margins and price spread in different channels and to find out constraints experienced in the post harvest period.

OBJECTIVES OF THE STUDY

(i) To identify the marketing practices and channels involved in marketing of paddy (private trader and TNCSC).

(ii) To estimate the marketing cost, margins and price spread in different channels.

(iii) To find out constraints experienced in the post harvest period i.e. from field level to consumer.

HYPOTHESIS OF THE STUDY

(i) There is a significance relationship between the intermediary influences and paddy marketing.

(ii) There is no correlation between cost of marketing of paddy and price realized.

REVIEW OF LITERATURE

Kavitha (2001) says that the major reason why irrigation has become critical for agricultural development in India is the onset of monsoon and pattern of rainfall which is generally capricious in its incidence and variable in its amount. Rainfall in concentrated in a few months of the year and this is a serious problem for rice cultivation.

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Ragini Jain and Shashi Dahiya (2001) suggested the potential internet tools which can serve as an aid to farmers as to increase the absorption of these technologies in agriculture sector sand driving it closer to agriculture. Target of agriculture should be to provide by the marginal farmers (Rs.4742.23), the semi-medium arms (Rs.4521.29) and medium farms (Rs.4143.50). In the case of the non-farmers yield school farms the per hectare average cost of labour varies from Rs.4935.44 to Rs.3700.55. The cost of labour of the non-farmers' field decreases with the increase in size of the group. The overall per hectare average cost of the non-farmers' field school farms it is Rs.4133.74 which indicates a comparatively higher investment by the famous field school farms because of the use of more man-days per hectare.

Satapathy and Tripathy (2001) reveal that the borrowers had used higher amount of critical inputs which enabled them to obtain higher per hectare rice yield compared to their counterparts. Both borrowed and owned funds can be used in rice production. As regards optimization of resources, the credit recipients could get maximum profit from rice producton through optimum use of credit financed inputs. The non-borrower farmers can also allocate their resources optimally by higher investment from own fund through increase in their non-farm income.

Suu and Kombairaju (2001) found that the compound growth rates were computed for area, production and productivity of rice based on the exponential function for three periods (like pre-green revolution period (1949 to 1965), post green revolution period (1966 to 1998) and the entire period under consideration (1949 to 1998). From the study an increasing trend of production and productivity has been observed. In the pre-green revolution period, the growth in production was solely due to increases in area under rice in the state. The post-green revolution period showed a positive and significant growth in productivity.

Raja Mohammed (2010) stated that in India is making a substantial surge in the GDP growth. We are contemplating a 10 per cent + increase with euphoria. Among the major sectors, namely, agriculture, manufacturing and services. The main GDP growth is due to manufacturing and services. In spite of the meagre 2.1 per cent growth in agriculture, we are still able to achieve a substantial increase in GDP largely because of manufacturing and services.

Apart from GDP growth, a populous nation like India which constitutes about $1/6^{th}$ of the human race – has to think seriously about food security for its future. The food habits are also changing fast. In the past, the priority was to feed million of poor people at least one

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square meal a day. Today, the priorities are changing. More affluence, resulting out of the GDP growth, has paved the way for more successful people to look for variety and quantum, which has in turn increased the demand for supply of food.

We have to educate people to develop multiple skills in using agricultural equipment. This will also help the work force to get better pay and hence result in prosperity. Unfortunately from agriculture to manufacturing, we have too many specialists in India and multi-skills are lacking.

In the field of dairying the first revolution in the 60's has ensured the survival of several millions of people. Today India stands ahead of any other country producing 91 million tonnes of milk but productivity fares much below any other country of repute. 5 million animals in France produce 24 million tonnes of milk per annum and India produces 91 million tonnes with 70 million animals. Not that we have to match France or Germany, but better productivity is definitely possible with the existing setup by educating farmers, using better tools and creating awareness of modernization and mechanization of even small farms.

N.Chithra (2010) stated that Technologies played a major role to bring the horticulture to limelight. The various steps taken up government and non government organizations involved in promotion of horticulture will further help to focus on the role horticulture can play in the overall agricultural productivity and in meeting nutritional needs of the population so vital for its health and future of the country. Increasing Profitability to Farmers : In addition to increasing the productivity per unit area, higher benefit to cost ratio must be ensured. While technologies aimed at increasing the input use efficiency reduce the cost off season production and export promotion increase the benefit – all leading to higher benefit : cost ratio.

(i) Enhancing the input use efficiency : In the changing horticulture scenario, unless cost and quality competitiveness are given due emphasis, farming in India will be at cross roads.

METHODOLOGY

Thiruvarur district was selected purposely for the study because it covers major part of area under paddy cultivation Tamil Nadu. Three zones namely Paamaniyaru (Muthupettai), Koraiyar (Needamangalam) and Paamaniyaru (Mannargudi) division were selected purposely for the present study on the basis of the highest area under paddy cultivation. All paddy cultivating farmers were stratified into three zones, from each zone there is one division selected based on intensive paddy cultivation, in total there are three

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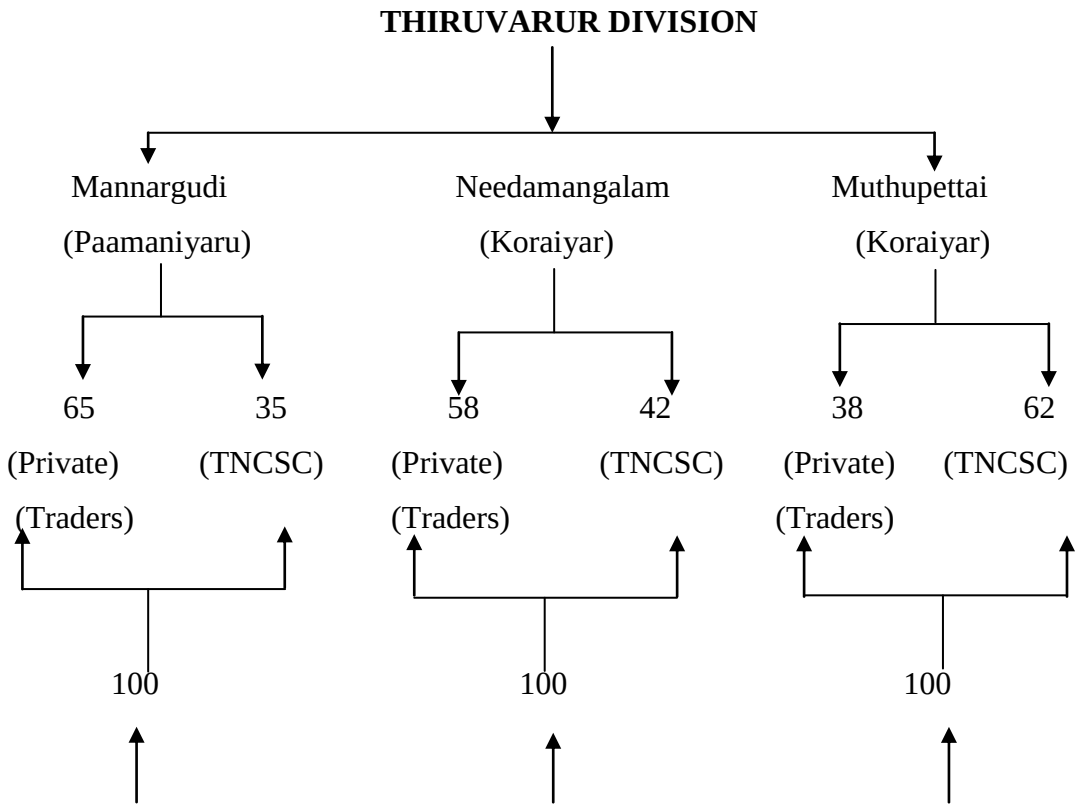
sample divisions. From the sample division farmers are categorized and classified on the basis of land holding pattern, such as small farmers, medium and large from each sampled division is done on the basis of local consideration of each division (Irrigation potentiality, cropping pattern and acres of paddy cultivation). From each sampled division is done on the basis of local consideration of each division (Irrigation potentiality, cropping pattern and acres of paddy cultivation). From each sample division 100 sample respondents have been selected for and in total 300 samples are based on random sampling method. The sample respondents are paddy cultivators. To study the paddy marketing a well structured interview schedule has been prepared based on the objectives.

To elucidate the scientific inference, Thanjavur division has been classified into three division namely Mannargudi (Paamaniyaru division), Needamangalam (Vennaru) and Muthupettai (Koraiyar). In these three different divisions both the private traders and Tamilnadu Civil Supply Corporation (TNCSC) have been considered for the present study. In the Mannargudi division there are 65 private traders and 35 TNCSC units have been sampled, in the Needamangalam division 58 private traders and 42 TNCSC units have been taken as samples and in the Muthupettai division there are 38 private traders and 62 TNCSC units have been taken as samples and in the Muthupettai division there are 38 private traders and 62 TNCSC units have been taken as samples. On the whole there are 300 samples have been taken for the present study.

The structured interview schedule has included social aspects, economic aspects, marketing practices and channels, marketing cost price spread and constrains. The following table picturises the sample village and sample respondents.



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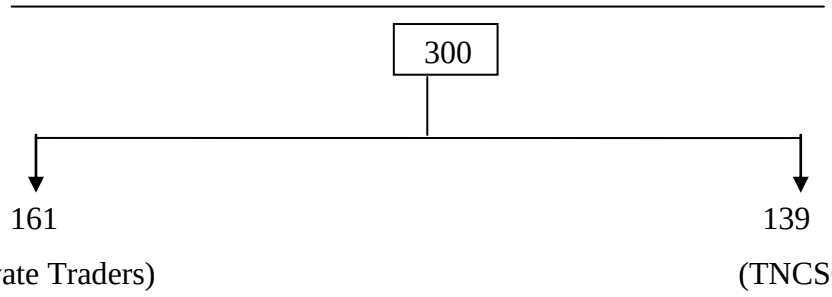

The data collected through the interview schedule were scrutinized and the statistical packages for social studies (SPSS 12.0) are used for analysis. Apart from simple trend, percentage analysis, ANOVA the following tools were used in the analysis of data. To measure the cost and returns of paddy cultivation, multimedia regression analysis has been used.

The study has employed both primary and secondary data. The primary data were collected from February 2019 to February 2020.

MAJOR FINDINGS OF THE STUDY

The following are the major findings of the study

- Among the districts of Tamil Nadu, Thanjavur occupies the first place both in the area of cultivation, production, and marketing.

The cultivation of different varieties of paddy consequently results in increase in the area of cultivation. With the result the farmers are facing the problem of marketing. Difficulty in getting pest resistant, quality seeds, increase in loss, inability to protect the crops from cyclone are some of the production problems faced by the farmers. Moreover, the farmers are also facing the problems of marketing due to uneconomic transport cost, inadequate marketing structure and the problems of finance.

- The more important factor in the cultivation of paddy is the cost. The cost factor plays a vital role because it is the cost, which determines the profitability of the farmers. So the computation of cost of cultivation is paramount before analyzing the marketing behaviour. Estimation of cost has been in the following manner. (a) Human labour and family labour including, bullock labour and machine labour, b) Seeds and manure, c) depreciation on implements, d) land revenue, e) interest on working capital.

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- As regards the socio economic constraints the ten top most damaging problems are irregular power supply for irrigation, non availability of labour during peak period high cost of plant protection, chemicals, high wage rate of labour, high cost of chemical fertilizer, non availability of quality seeds, price risk non availability of canal water and low price of farm products (low price of output).
- The analysis shows that the farmers sold through the private agency like rice millers, retailers and wholesalers because the private agencies pay rice than the regulated price of Govt. The study area Muthupettai shows the highest sale of 62 per cent with the lowest of 35 per cent in Mannargudi and 42 per cent in Needamangalam. The private agencies wholesalers and pre-dominant buyers of paddy in the study area are followed by retailers and rice millers. During the peak season the private traders are present in the paddy field.
- Form the analysis we come to understand that the majority of farmers are selling their products through wholesalers Needamangalam accounted for 78 per cent followed by Muthupettai and Mannargudi which accounted for 48 and 41 per cent respectively.
- Most of the farmers in marginal, small, medium and large category prefer to sell their produce to private agencies which accounted for 70 per cent , 14 per cent, 60 per cent and 28 per cent and 28 per cent respectively.
- The analysis of age wise survey of respondents in the three taluks of Mannargudi, Needamangalam and Muthupettai shows that middle aged farmers are pre-dominant with 70.0 per cent.
- In the analysis of educational status of three taluks the majority of the respondents are High school educated (51%). No farmer has technical education or training in agriculture.
- 70 per cent of the respondents have joint families and the remaining 30 per cent belong to nucleus families.
- The analysis found that Mannargudi taluk stands first having 76 farmers belonging to backward cast followed by Needamangalam and Muthupettai taluks with 71 and 75 belonging to backward caste.
- The Muthupettai taluk stands first having 80 farmers depending on canal source i.e., 80 per cent. Followed by Needamangalam and Mannargudi taluks having 76 and 40 depending on canal sources.

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- The researcher found out that for the sources of money available for irrigation, co-operative banks play a leading role in extending farm loan to a majority of farmers in Mannargudi Needamangalam and Muthupettai taluks. The role of commercial banks and private money lenders is only meagre in the area of study.
- The majority of the farmers are dependent on either own or private seed for cultivation in Mannargudi, Needamangalam Muthupettai with 90 and 93 farmers respectively. The government depot seed is the lowest in Mannargudi, Needamangalam, Muthupettai with 7, 10 and 7 farmers respectively.
- The researcher found out the pattern of fertilizer and manure use. one may observe that majority of the farmers in the study area covering Mannargudi, Needamangalam and Muthupettai applied fertilizer and manure maximum of twice for their crop and only very farmers applied fertilizer and manure more than two times.
- It is interesting to note that out of the sample of 300 farmers 86 per cent are not aware of the existence of the crop insurance scheme at all. Hence there is a need to popularize this scheme among the paddy farmers.
- In the study area the variety of paddy has been classified under two categories called common and fine. In Kuruvai and Thaladi season only those varieties are IR-20, ADT-36, TKM-9, Co-43, CR-1009 and fine varieties are white Ponni and Katta Ponni.
- The researcher found that Mannargudi taluk, stands first having 66 farmers cultivating IR-20 followed by 52 and 36 farmers producing to IR-20 variety.
- The researcher found when both kuruvai and Thaladi productions are compared in the study area, kuruvai production is much higher than the Thaladi production. This is an example of marginal diminishing utility. When land is being used repeatedly, the production capacity of the land keeps on decreasing.
- Paddy is the major food crop grown in all villages in the district. The tank and well irrigation encouraged the farmers to undertake paddy cultivation. There are two main crops in Thanjavur district, single cropping and double cropping. The double cropping is called kuruvai/ Thaladi season. Generally production of paddy is relatively higher in kuruvai season.
- The analysis of the inter linkage of the paddy revels that farmers have to depend on the private money lenders for getting required funds for carrying out the farming

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operations. Further many of the farmers are not aware of the scheme offered by the Government.

- The analysis of trends of variations in paddy prices and analysis of market prices and analysis of market integration reveal that there is wide fluctuation in the price of paddy due to Government policy and controls imposed and also it is very much dependent on the demand and supply of paddy.

POLICY IMPLICATIONS

1. More regulated marketing centres of government agency should be opened in many places in the district.
2. Government should provide subsidized loans to farmers to dig wells and to install pumpset to overcome the problem of water supply.
3. Government should popularize the various finance schemes among the farmers, so that they can avail themselves of the benefit of those schemes without resorting to the benefit of those schemes without resorting to the private financiers.
4. Details regarding crop insurance, soil testing centres, use of modern methods of cultivation are to be informed to the farmers by conducting group meetings at various places with in the taluk.
5. Educate the farmers through conducting training programmes to inform of the need for modernization.
6. co-operative marketing system should be revived mainly to reap the benefits of price etc.

- Since, Thanjavur is the granary of paddy and is meeting the demand for rice of the state special attention should be paid by the Government to increase the production of paddy by alleviating the problems faced by the farmers.
- The majority of farmers sell immediately after harvest to meet the cash requirement at the time of harvest. As a result they get lower income. To overcome this, Government should extend schemes like pledge loan so that their financial requirements are met with. At the same time, it would help them to fetch a higher price by postponing their sale.

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- Monopoly procurement prices should be enhanced so that it leaves a sufficient margin to the cultivators. To avoid higher transportation cost and hardship faced by the farmers while selling on TNCSC, large number of procurement centres should follow monopoly procurement schemes. In season I, irrespective of farm size. the majority of the farmers market paddy immediately after harvest primarily due to higher moisture context, and the climatic conditions prevailing in the harvest period. It there is no Government procurement, private traders will offer only very low price will act as floor price for open market price. So, the monopoly procurement procurement system is essential for kuruvai season.
- The major problem faced by the farmers is the price of fertilizers. which is very high. Adequate steps should be taken to bring down the cost,
- Paddy cultivation under rainfed conditions is always a gamble with weather factors especially rainfall. Excessive or deficit rainfall, uneven distribution and untimely rainfall usually lead to high risks and uncertainties. Owing to more risks, farmers ate discouraged to use more purchased inputs since returns to inputs applied are quite uncertainties. Owing to more risks, farmers are discouraged to use more purchased inputs since returns to inputs applied are quite uncertain. Thus, drought resistant, submergent / flood tolerant varieties and late planting varieties that stand are needed to reduce risks to some extent. Utilization of ground water sources for establishing early crop is another means of averting the uncertainties of planting time.
- Banking assistance may be provided to the farmers at a reasonable rate of interest so as to enable to say the machinery and agricultural instruments.
- Co-operative farming can be undertaken, where possible. This will enable the growers to minimize the fixed cost of cultivation like. Cost of machine power, depreciation of fixed investment etc. If the fixed cost of cultivation is reduced, it will increase the average profit per acre.
- Permitting outside traders to take part in the commission at the open market will pave the way for competitive bidding and consequently increase the prices offered to the farmer.
- Provision of community borewells, community paddy nursery and good paddy seed at proper time to the marginal and small farmers will also enable them to get higher prices by earlier harvesting. Presently, because of the lack of these facilities, small and marginal farmers get lower price than the large groups.

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- Some of the farmers from lower size groups reported that the immediate each requirement is the reason for sale immediately after the harvest. So, the Government should formulate schemes like hypothecation loans against stock to the needly farmers. This will help in fetching higher price for small and marginal farmers. This will help in fetching higher price for small and marginal farmers through sale at a later period.
- There are wide differences among the farm groups in the percentage of marketable surplus of paddy in a given season. The percentage is low for marginal and small farm groups, because a large proportion of paddy is retained For irrigation charges for purchased water, seed etc. Government assistance to these farm groups in the form of establishing community borewells and providing good quality paddy seed at reasonable prices will enable them to mobilize more surpluses to the market.

CONCLUSION

The-state-of-the-people depends mainly on the profits which they derive from their produce. But, the farmers are facing numerous problems like lack of infrastructure facilities, poor transport facility, inadequate storage facility, etc. The government should take immediate steps in creating basic facilities like creation of infrastructure, provision of storage facilities etc. The timely release of Paamaniyaru water will also alleviate the problem faced by the farmers. The government should also taken necessary steps to provide loans to farmers to modernize agricultural operation and also to remove the middlemen from exploiting the farmers. Since, this sector can bring so much foreign exchange to the country by exporting rice, the government should extend all the assistance to the farmers not only to solve their problems but also to take the agricultural industry to the global level.

FURTHER RESEARCH AREA

The present research has been undertaken only a micro level study. Further can be undertaken state level, to have an appropriate policy making.

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