

Problems Encountered by the Groundnut Farmers and Suggestions to Overcome the Problems in Marketing of the Produce in Anantapuramu District of Andhra Pradesh

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ABSTRACT

The Present investigation was carried out to study the problems faced by the groundnut farmers and suggestions to overcome the problems in marketing of the produce in Anantapuramu district of Andhra Pradesh. The results of the study revealed that major problems faced by the farmers were lack of timely market information (95.83%) was ranked first followed by lack of remunerative prices (94.17%), improper weightment (91.67%), fluctuation in market prices (89.17%), involvement of middle men (82.50%), high cost of labour during harvesting (75.00%), lack of cooperative marketing systems (71.67%), high commission charges (68.33%), long distances to the markets (62.50%), delayed cash payment (60.83%), scarcity of labour for transportation and marketing (57.50%), absence/insufficient storage facilities (22.50%) and high cost of transportation (12.50%). Provision of information about current marketing situations (91.67%) followed by establishing cooperative and rapid expansion of regulated marketing systems (90.00%), provision of minimum support price for groundnut (87.50%), efforts to minimize the commission charges by the concerned authorities (81.66%), adequate and appropriate transport facilities (70.83%) and provision of sufficient storage facilities (41.66%), establishment of procurement centers in the villages (35.83%) and recruitment of mandal level marketing officers by government (30.83%) were the major suggestions given by the farmers.

Key words: Problems, Groundnut farmers, Middle men, Commission charges, Suggestions

INTRODUCTION

Groundnut is a major oilseed crop that has achieved tremendous popularity in the country. It is called as the king of oilseeds. It is one of the most important food and cash crop of our

country. While being a valuable source of all the nutrients, it is low priced commodity. India is the world's leading producer of groundnut with 25.00 per cent share in the production.

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In Andhra Pradesh, the area covered under oilseeds was 12.29 lakh hectares covering 16.57% of the total cropped area, while the groundnut crop alone covered an area of 82.39% of the total area under oil seeds. Anantapuramu is the predominant groundnut cultivated district in the state with an extent of 624000 hectares with the production of 164000 tons. The groundnut farmers are at a disadvantage particularly in the marketing of groundnut as they lose their bargaining strength and got exploited. Monthly data on minimum prices of groundnut in Anantapuramu regulated market yard show a highly erratic behaviour. Such kind of fluctuations in the prices of groundnut reflects on the poor withholding capacity of the marginal and small farmers while marketing their final produce. The present research paper focuses on the problems encountered by the groundnut farmers and suggestions actually studied in the main research study.

MATERIAL AND METHODS

Anantapuramu district of Andhra Pradesh was purposively selected as groundnut was being extensively cultivated in the district. Out of 63 mandals of Anantapuramu district, three mandals were purposively selected based on the highest area under groundnut cultivation. Four villages from each mandal were selected based on highest area under groundnut cultivation, thus making a total of twelve villages for the study. From each of the twelve selected villages, 10 respondents were selected by following simple random sampling procedure, thus making a total of 120 respondents. *Ex-post facto* research design was followed. The data were collected by personal interview method through structured interview schedule and analyzed by employing suitable statistical tools like Arithmetic mean, Standard deviation, Frequencies and percentages were used.

RESULTS AND DISCUSSION

Table 1: Problems faced by the groundnut farmers

S. No.	Problems	F	%	Rank
1	Lack of timely market information	115	95.83	I
2	Lack of remunerative price	113	94.17	II
3	Improper weighment	110	91.67	III
4	Fluctuation in market prices	107	89.17	IV
5	Involvement of middle men in marketing	99	82.50	V
6	High cost of labour during harvesting	90	75.00	VI
7	Lack of cooperative marketing system	86	71.67	VII
8	High commission charges	82	68.33	VIII
9	Long distances of the markets	75	62.50	IX
10	Delayed cash payment	73	60.83	X
11	Scarcity of labour for transportation and marketing	69	57.50	XI
12	Absence/insufficient storage facilities	27	22.5	XII
13	High cost of transportation	15	12.50	XIII

From the table 1 lack of timely market information was given the first rank by the respondents. The farmers were not given timely information about the prices in the market, this made the farmers to express the problem of poor market information from the extension personnel and government agencies.

Lack of remunerative prices was given second rank by the respondents. The agents in the market were forming into a group and lowering the prices at the time of sale and in-turn they sell the produce at higher prices to the consumers after procurement. Apart from this, high cost of critical inputs were lowering

the profit margins of the farmers. Hence the farmers were also felt that the prices were uneconomic or not remunerative.

Malpractices in weighing of the produce was given next rank by the respondents as the commission agents were benefited instead of farmers. Commission agents and traders were using improper weights for weighing the produce and a part of the produce was also removed as spoilage losses.

Fluctuation of prices was given the next rank. Commission agents along with some traders were forming into a group and were lowering the prices whenever surplus quantity came into the market. This was done so that the commission agents could earn more profits than the farmers.

Involvement of middle men in the marketing was given the next rank. The farmers put across that at the time of harvest they have to depend on middle men to sell the produce quickly at the local level to get immediate payment to meet their urgent needs. Next problem faced by the majority of the farmers was high cost of labour during harvesting. Because most of the farmers were small farmers with medium level of annual income they were unable to bear high cost of labour during harvesting time.

Lack of cooperative marketing system was given next rank by the farmers which helps in elimination of the middle men involvement and commission agents.

High commission charges by the commission agents was given next rank by the respondents. After bringing the produce to the

market, the commission agents were forming into a group or syndicate and were lowering the prices but selling the same product at a higher price to the consumers. This secret understanding between the agents made the farmers to sell their produce at throw away prices many times resulting in huge losses to the producer.

Delayed cash payment was given next rank by the farmers. Because most of the farmers sought immediate payment at the time of sale which meets their immediate needs.

Next problem faced by the majority of the farmers was scarcity of labour for transportation and marketing. Due to more employment and earning opportunities in the towns and cities, more labour are migrated from villages to urban areas which lead to the scarcity of labour in the villages.

The next rank was given to absence/insufficient storage facilities. Most of the farmers were not able to store the produce due to non-availability of storage facilities within the village. But majority of the big farmers stored their produce in storage units as they were financially sound and sold their produce when the market prices were high. Hence, the government should take necessary measures to improve the storage facilities in the villages or nearer to the villages.

High cost of transportation was ranked least by the groundnut farmers, due to the higher hiring charges of the transport vehicles. This situation forced the farmers to sell the produce in the vicinity in order to reduce the transport cost.

Table 2: Suggestions given by the groundnut farmers to overcome the problems

S. No.	Suggestions	F	%	Rank
1	Provision of information about current marketing situations	110	91.67	I
2	Establishment of more number of cooperative and rapid expansion of regulated marketing systems	108	90.00	II
3	Provision of minimum support price for groundnut	105	87.50	III
4	Efforts to minimize the commission charges by the concerned authorities	98	81.66	IV
5	Adequate and appropriate transport facilities	85	70.83	V
6	Provision of sufficient storage facilities	50	41.66	VI
7	Establishment of procurement centers in the villages	43	35.83	VII
8	Recruitment of mandal level marketing officials by the government	37	30.83	VIII

From the table 2 Provision of information about marketing situation was suggested by majority of the groundnut farmers which would help them to get information about current marketing situations.

The second suggestion given by the farmers was establishing cooperative and rapid expansion of regulated marketing systems. Farmers opined that elimination of the large number of middlemen in the market yards of groundnut, use of standardized weights for weighing, put a check on undefined and unspecified charges in unregulated markets, provision of proper grading and standardization procedures in groundnut market yards, strengthening of the bargaining power of the farmers, etc., will be possible only through regulated markets and co-operative marketing system. Further, the government should also take initiative to provide sufficient number of market yards, sufficient credit facilities to the groundnut farmers to avoid the distress sales, to conduct more training programs to update the knowledge on marketing related aspects, to implement the insurance scheme to the farmers, to regulate the non-functioning market committees and also to provide the fire fighting mechanism at the market yards.

The next suggestion given was minimum support price for groundnut by the government which could eliminate the most of the problems of groundnut farmers. As most of the respondents were medium farmers, they depend on good market price for the produce, which in turn has to spend as the initial investment on groundnut cultivation and also for family maintenance. Hence the only source of getting income was the good market price for the final produce. Most of the farmers also clearly expressed that when they took the produce to the market, the market prices were somehow made low by the commission agents, brokers etc. In such cases the market yard people were also not coming to the rescue of the farmers. Hence the groundnut farmers expressed that government should take stringent action against any defaulter in the market yard and should fix the correct and

better market price well in advance by keeping in consideration of the problems of the groundnut farmers.

Farmers also expressed efforts to minimize the commission charges by the concerned authorities as a suggestion which helps them to get better price for the produce. It is known fact that the middle men and commission agents were knocking away the profits of the farmers. Hence, farmers suggested that commission charges should be reduced by establishing the farmer's societies by involving government agencies which help them to market their produce directly to the wholesalers or consumers to reap the maximum benefits.

The next suggestion given was provision of adequate and appropriate transport facilities. Farmers also wanted support from the government for transport of the produce to other places to get the maximum benefit.

The next suggestion given was establishment of procurement centers by the government in the villages. Establishment of such centers in the villages itself aid in avoiding the intervention of middlemen and commission agents.

Recruitment of mandal level marketing officials by the government was suggested lastly by the respondents. Farmers opined that the mandal level marketing officials will be very helpful in providing the up to date market information to the farmers.

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