

## THE IMPACT OF PROMOTION AND MARKETING OF GROUNDNUT IN PUDUKKOTTAI DISTRICT OF TAMILNADU

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### Introduction

India is mostly an agricultural country. Nearly 40% of the country's national income is derived from cultivation and allied activities<sup>1</sup>. Despite highlighting on industrial development, agriculture continues to occupy a place of pride in our economy. Although the share of agriculture in the total national income has been gradually diminishing on account of the growth of the secondary and tertiary sectors, the involvement continues to be significant. Agriculture provides the principal means of livelihood for over 58.4% of India's population. It contributes approximately one-fifth of Total Gross Domestic Product and accounts for about 10% of the total export earnings and provides raw material to a large quantity of industries. About 43% of the country's total geographical area is used for agricultural purposes<sup>2</sup>. The expansion of agriculture and allied sectors was around 5.4% during 2011-2012, assisted by a good monsoon<sup>3</sup>. As per the Economic Survey made during 2011-2012, a second Green Revolution has become necessary to focus

on growing more of nutrition rich undergrowth like fruits, vegetables and pulses which were never measured in the initial Green Revolution. Awareness should be on rain-fed regions for increasing efficiency of farms. Oilseed crops are significant since they have been conventionally a very important source of foreign exchange earnings for the country through exports and in the recent past, a deficit in the production has been causing a major outflow in foreign exchange in the form of import of edible oils. According to the second advanced estimates of the Union Ministry of Agriculture, Production is anticipated to rise to 30.25 million tons in 2013-14 as against 24.8 million tons in 2012-13<sup>1</sup>.

In India, the oilseed sector has great significance. Among the commercial crops, oilseeds have emerged as major alternative, appropriate and secure crops. There are nine important oilseeds viz., groundnut, castor, sesame, sunflower, safflower, palm dates, Niger seed, linseed and rapeseed/mustard being grown in different regions of India<sup>2</sup>.

The gross cropped area under cultivation of all crops in 2012-13 was 190.8 million hectares. Out of this, 174.13 lakh hectares were under oilseeds<sup>2</sup>.

### **Statement of the Problem**

Marketing plays a vital role in Agricultural operations. But there are more constraints on agricultural marketing. These problems are very severe in oilseeds, particularly in groundnut. It is observed that cultivation of groundnut is suffering from various problems like decreasing soil quality, high cost of seeds, natural disasters, severity of pests and diseases, labour shortage, low production, high wage rate, lack of finance, lack of quality inputs and damage by rodents and birds. Hence, farmers are not interested in educating groundnut over a greater area.

The situation in the oilseeds sector in India is confusing, with a slothful and erratic growth in the production of oilseeds in the face of a relatively higher growth of population. This has resulted in a gap between demand and supply and necessitated a large scale import of edible oils causing depletion in foreign exchange reserves. Among several possibilities, area extension under oilseeds has only a limited scope. Bringing larger areas under irrigation can perhaps be achieved over a long period.

Groundnut is the most popular crop among the farming community. It helps to increase the income of the growers since almost every part of groundnut has several uses. It is used in making soap, cosmetics, shaving cream, leather dressing, furniture cream and lubricants. In fact, it the stage a fundamental role in the oilseed economy of India. Well-organized marketing is being increasingly recognized as inevitable for improving agrarian income. Marketing of groundnut remains highly unorganized and it is marketed through various private traders and agents.

This discourages growers to extend its estate. Apart from these, groundnut marketing poses problems like forced sales, price fluctuations, lack of transport facilities, lack of storage facilities, lack of credit facilities, malpractices in weighing, labour shortage, interference by middlemen and lack of the regulated market. On the other hand, inadequate technical know-how and Government's indifferent approach have compounded tribulations of cultivation and marketing of this crop.

### **Objectives of the study**

1. To examine the growth rate of area, production and yield of groundnut.
2. To study the existing groundnut cultivation practices along with

factors influencing their adoption and the problems faced by the groundnut growers.

3. To measure the efficiency of various marketing channels open to groundnut growers.
4. To identify the opinion of the sample farmers about the existing marketing system and problems faced by them.
5. To analyze the opinion of the intermediaries about their business and problems faced by them.
6. To offer suggestions for improving the cultivation and marketing of groundnut.

#### **Methodology of the study**

Scientific methods are followed in the process of the research, the data collected works and analyses are done with the help of scientific method as applied to social sciences.

#### **Sampling Design**

This study is of empirical nature and based on an opinion survey. The present study is confined to Pudukkottai District of Tamil Nadu. The Pudukkottai District is one of the primary districts in groundnut cultivation. Hence, this district has been chosen for the present study. To get the required primary data, a sample of groundnut growers was known using multi-

stage sampling method. In the first stage, Pudukkottai district has been intentionally preferred.

#### **Selection of the taluks**

In Pudukkottai district, there are 11 Taluks. Groundnut is being cultivated in the Taluks. Viz., Gandarvakottai (2,903 hectare), Karambakudi (2,532 hectare), Pudukkottai (1,437 hectare), Kulathur (1,178 hectare), Alangudi (860 hectare). This accounts for 75%<sup>1</sup> of the total area of the purposely groundnut cultivation of the District. Hence, these five taluk have been selected purposively in the second stage.

#### **Selection of the revenue villages**

In the third stage, a list of Revenue Villages in the selected Taluks has been identified and it is found that there are 272 villages (Gandarvakottai-37, Karambakudi-50, Pudukkottai-39, Kulathur-73 and Alangudi-73) further, with the cooperation of Divisional Statistical Officials, Block Development Officials, Village Administrative Officers and groundnut growers, a detailed list of groundnut growers along with area of groundnut cultivation was prepared and the same has been arranged in a descending order. It was decided to select the top 50% Revenue Villages and this accounted for 136 Revenue Villages.

### **Selection of the Groundnut Growers**

In this next stage, to select the groundnut growers, a list of groundnut growers who cultivate groundnut in at least ½ acre of land with minimum 5 years of experience during the year 2010 was prepared. As per this list, it was found that there are 1325 groundnut growers. By using simple random sampling technique 40% (530) of the groundnut growers were selected. The data were collected by a survey method. The sample farmers were interviewed personally with the help of a pre-tested interview schedule to elicit accurate and reliable data with minimum errors. Owing to non-response to some questions and non-cooperation for some of the sample farmer, 30 respondents have been ignored. The total effective sample is 500.

### **Selection of the Groundnut Intermediaries**

Groundnut growers in the learning area are marketing their groundnut to various disinterested party like Traders, commission agents and Oil millers. Hence, for the present study, only these three intermediaries were considered. Village traders are located in almost all the Revenue Villages. Commission agents are located in places like Kulathur, Pudukkottai, Alangudi, Gandarvakottai and Karambakudi Taluks.

Oil millers are located in the Pudukkottai Revenue Division and Aranthangi Revenue Division. For eliciting the required information from the intermediaries, a separate interview schedule was used.

On the basis of the information provided by the sample farmers, Village traders, Oil millers and Oil Mill Owners' Association, it is found that there are 326 intermediaries (village traders 152, commission agents 81 and Oil millers 93). By using random sampling techniques 70% (228) of the intermediaries have been selected. Owing to non-response and non-cooperation from the sample intermediaries, 28 have been ignored. Thus, the effective sample of intermediaries was 200.

### **Collection of data**

#### **a. Primary data**

Primary data were collected from sample growers and intermediaries. The market intermediaries include village traders, commission agents and oil millers.

#### **b. Secondary data**

The studies were collected from on primary data and secondary data. The secondary data were collected for the books relating to groundnut cultivation, journals, magazines, publication of the National Horticulture board, Haryana and website of Food and Agriculture Organization, Directorate of

Economic and Statistics, Government of India, Season and Crop Report on Government of Tamil Nadu and the records of Pudukkottai District Statistical Office for the period between 2002 and 2014.

### Framework of Analysis

In the present study, growth rate has been calculated with the help of Compound Growth Rate. Marketing efficiency and channel efficiency have been analyzed with the help of Efficiency index, Shepherd's method and Acharya and Agarwal method. The influence of the various personal and socioeconomic variables of the sample groundnut growers on the opinion about the existing marketing system is analyzed with the help of  $\chi^2$  test, 'F' test (ANOVA), 'Z' test, Contingency Coefficient and Multiple Regression Analysis. To find out the most significant factor motivating the farmers to cultivate groundnut, cultivation problems and marketing problems faced by the groundnut growers, the Garrett Ranking Technique has been used. The influence of the various personal and socioeconomic variables of the sample intermediaries on the opinion about their business is analyzed with the help of  $\chi^2$  test, 'F' test (ANOVA), 'Z' test and Factor Analysis. To find out the most significant problems faced by the

intermediaries, the Garrett Ranking Technique has been used.

### The Findings of the Study

The following are the findings of the study: Global, National and state level groundnut production was compared with the production of groundnut at Pudukkottai District in the present observation.

- ❖ Global level groundnut production has been examined with Compound Growth Rate and co-efficient of Variation. It is found that the compound growth rates in area, production and yield are positive, but it is statistically significant in area only. Further, it is found that the compound growth rate (1.61%) in the area is more than the production and yield. The compound growth rate result shows that the production and yield of groundnut are on the increase during the study period, but not proportionate to the area of groundnut cultivation. The results from the coefficient of variation show that the production of groundnut has a maximum variability of 18.30%, whereas it is 15.62% of yield and 5.72% for area.
- ❖ National level groundnut production has been examined with Compound Growth Rate and Coefficient of Variation. It is found that the compound growth rates in area, production and yields are positive, but it is statistically significant for production and yield. Further, it is found that the compound growth rate (45.06%)

in production is more than the yield and more than the yields and area. Hence, it is concluded that the production and yield are increasing, but not proportionate to the area of groundnut cultivation. The results from the coefficient of variation show that the production of groundnut has a maximum variety of 23.51%, whereas it is 20.41% of yield and 8.94% for area.

- ❖ The State level groundnut production has been examined with compound Growth Rate and Coefficient of Variation. It is found that the compound growth rate in area and production are negative, but it is significant, whereas yield is positive and it is significant. The compound growth rates in production and yield are statistically significant. Further, it is found that the compound growth rate in yield (2.22%) is more than the area and production. Hence, it is concluded that the yield of groundnut is increased, but area and production are decreased. The results from the coefficient of variation show that the production of groundnut has a maximum variability of 17.64%, whereas it is 15.72% for area and 12.43% for yield.
- ❖ It is found that 270 (54%) sample farmers are in the old age group. Further, 57.50% of the middle aged and 57.10% of the old aged sample farmers are dissatisfied with the existing marketing system.
- ❖ In educational level analysis, 309 (63%) sample farmers are educated up to school level. Further, 74.50% of the Illiterate sample farmers and 51.10% of the school level sample farmers are dissatisfied with the existing marketing system.
- ❖ In the size of the family analysis, it is found that 274 (54.80%) sample farmers are in the small group. Further, 57.80% of the medium size and 54.70% of the small size family sample farmers are dissatisfied with the existing marketing system.
- ❖ In the nature of the family analysis, 358 (71.60%) sample farmers are belonging to nuclear family and 58.40% of the nuclear family sample farmers are dissatisfied with the existing marketing system.
- ❖ From, the number of family members involved in agriculture analysis, it is found that 342 (68.40) sample farmers are in Group A and 59.50% of the group B sample farmers are dissatisfied with the existing marketing system.

- ❖ Based on the size of the grower's analysis, it is found that 234 (46.80%) sample farmers are in big. Further, it is clear that 81.80% of the marginal farmers and 69.10% of the small farmers are dissatisfied with the existing marketing system.
- ❖ An allocation of land for groundnut cultivation analysis, it is found that 245 (49%) sample farmers are in Group C. Further, it is clear that 66.50% of the Group B and 52.90% of the Group C sample farmers are dissatisfied with the existing marketing system.
- ❖ In farm experience analysis, 181 (36.20%) sample farmers have medium farm experience. Further, 68.60% of the high experience sample farmers and 52.80% of the less experience sample farmers are dissatisfied with the existing marketing system.
- ❖ From the Gross annual income analysis, it is found that 230 (46%) sample farmers are in the low gross annual income group. Further, 73.90% of the low gross annual income group and 52.10% of the middle gross annual income group are dissatisfied with the existing marketing system.
- ❖ From the annual net income in groundnut cultivation analysis, 203

(40.60%) sample farmers are in the high income level group. Further, 80.30% of the low annual net income sample farmers and 65.60% of the middle annual net income sample farmers are dissatisfied with the existing marketing system.

### Suggestions

In the light of the findings enumerated earlier and on the basis of suggestions offered by the sample respondents, the following suggestions are offered for effective implementation.

1. In the present study, it is found that the area of cultivation and production of groundnut in Tamil Nadu (-4.14 and -1.970) and Pudukkottai District (-6.386% and -4.877%) are declining. In this regard, sample farmers opined that this is because of unfavorable price, fluctuations in price, high cost of inputs and inadequate subsidies. Hence, it is suggested that the Government of Tamil Nadu should initiate the provision of seeds, fertilizers and pesticides at a subsidized rate through Co-operative Societies. If Government considers this suggestion seriously, it is hoped that more number of farmers will come forward to cultivate the groundnut in extensive areas and probably this will

increase the oilseed economy of the Nation.

2. In the present study, it is also observed that labour shortage as an important problem in groundnut cultivation and the same has been ranked by the groundnut growers as first as evident from Garret Ranking Analysis. In view of this, groundnut growers experience a lot of problems. Farm mechanization is the viable solution to overcome this problem. Despite the introduction of mechanization in groundnut cultivation, most of the groundnut growers are not reaping the benefits of this as they could not avail the machineries at an affordable cost. Hence, it is suggested that Government of Tamil Nadu should take necessary steps to provide credit facilities at subsidized rate to purchase the farm equipments needed for groundnut cultivation. Further, it is suggested that Government of Tamil Nadu should take all possible steps to impart adequate training to the farmers for use of equipments in an efficient manner.
3. In the present study, while examining the factors influencing the sample farmers to groundnut cultivation, it is observed that sample farmers consider

more return as an important factor for groundnut cultivation since the same has been ranked as first in Garret Ranking Analysis. Hence, it is suggested that the Government of Tamil Nadu should take necessary steps to increase the returns to the groundnut growers. In this regard, Government has to fix an attractive price for groundnut by considering the cost of cultivation. Further, it is suggested that existing Co-operative System in Tamil Nadu should be revamped for the benefit of groundnut growers.

4. In the present study, it is also observed that channel I (Growers – Oil millers) as an efficient method of marketing. Because, in the channel, producers are getting 60.19% of the consumer's rupee. Hence, it is suggested that groundnut growers may suitably be advised to dispose their produce through channel I to get more returns.
5. Based on this study, it is found that 55.40% of the groundnut growers are dissatisfied with the existing marketing system. Hence, it is suggested that the Government of India, Ministry of Agriculture, Government of Tamil Nadu, Commercial Banks and Co-operative banks should take all possible steps to provide loans, Marketing development

and technical assistance to the groundnut growers also evolving High – Yielding Varieties (HYV) of oilseeds are of utmost importance for increasing yield. Research centers should be activated and infrastructural facilities like banking, road, transport and communication should be strengthened. By doing so, it is expected that level of sample farmers' satisfaction about the existing marketing system will improve.

6. From the present observation study, it is observed that the majority of the groundnut growers are dissatisfied with the information provided by the Agricultural Officers in their respective Taluks. Hence, it is suggested that Agricultural Officers should provide necessary information to the groundnut growers relating to cultivation of groundnut through field visits or through conducting awareness campaigns at a regular intervals.

### **Conclusion**

Indian agriculture today is facing challenges in many aspects. The shortage of labour and increase in input cost are the problems that the cultivators find it difficult to cope with. It is obvious that present marketing system of groundnut is not efficient as evident from high marketing

cost, unremunerative price, and many other problems faced by both groundnut growers and traders. Groundnut is a commercial crop with certain advantages. Though the role of intermediaries cannot be totally eliminated, groundnut cultivators should choose the timing of sales carefully watching the market conditions. They should make use of the banking facilities and reduce their financial burden. Though there can be many researches in the agricultural fields, this research throws light on the problems and prospects of farmers and intermediaries in Pudukkottai District. So the research of this kind is the need of the hour as most of the people rely on agriculture and related activities.

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