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MARKETING PROBLEMS & PROSPECTS OF GROUND NUT OIL FARMERS IN SELECT DISTRICTS OF TELANGANA

Management

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ABSTRACT

Agriculture is different from industry and plays a significant role in the economic development of a nation. India"s prosperity depends upon the agricultural prosperity. There are many kinds of agricultural products produced in India and the marketing of all these farm products generally tends to be a complex process. India is the largest producer of oilseeds in the world and oilseed sector occupies an important position in the agricultural economy of the country. Oilseeds are among the major crops that are grown in the country apart from cereals. In terms of acreage, production and economic value, these crops are second only to food grains. India is the fifth largest vegetable oil economy in the world, next only to USA, China, Brazil and Argentina, and has an annual turnover of about Rs 80000 crore. With 12-15 per cent of area, 6-7 per cent of vegetable oil production, 9-10 per cent of the total edible oil consumption and 13.6 per cent of vegetable oil imports, India occupies a prominent place in global oilseeds scenario. In the last three decades, the oilseeds sector has remained vibrant globally with 4.1 per cent growth per annum. In India, oilseeds account for nearly 3 per cent of the gross domestic product and 5.98 per cent of the value of all agricultural products.

KEYWORDS

MSP. Irrigation sources, Dry land, Transportation

Introduction:

Groundnut is grown on a large scale in almost all the tropical and subtropical countries of the world. The most important groundnut growing countries are India, China, Nigeria, Sudan and USA. It is grown over an area of 24.7 million hectares with a total production of 33 million tons in the whole world. India occupies the first place in acreage and second in production. Groundnut is cultivated in more than 60 countries of the world. During 2006-07, groundnut occupied an area of 26,462.86 thousand hectares with production of 35,658.43 thousand tons in the world. Groundnut is mainly produced in Asian countries. During the year 2006-07, China was the largest producer of groundnuts accounting for 37.71 per cent of the total world production followed by India (21.03 per cent). China and India, together, accounted for about 58.74 per cent of world groundnut production. Nigeria (7.57 per cent), USA (5.27 per cent), Indonesia (3.86 per cent) and Sudan (3.37 per cent) were the other major groundnut producing countries. In area, India ranked first with 30.23 per cent share in the world, followed by China (19.37 per cent), Nigeria (10.58 per cent) and Sudan (7.18 per cent). However, in productivity, United States of America stood first with 3540 kg/ha followed by China (2624 kg/ha), Argentina (2018 kg/ha) and Indonesia (2016 kg/ha) during 2014- 15.

Crop rotation:

A well planned, crop rotation system can ensure good yields of high quality. In order to reduce risk in the farming system, groundnuts should be grown in rotation with other crops, especially grass type crops. Groundnuts have been shown to improve the yield of subsequent maize and other grain crops up to 20%. One of the best crop rotation systems is one in which a grass fallow is followed by groundnuts. Fewer diseases are also present in groundnuts following a grass crop. Usually groundnuts also produce a better crop on fields that have been fallowed.

Earthing up of groundnuts:

Earthing up of groundnuts is not recommended as it limits yields. Earthing up of groundnuts (where soil is piled up around the main stem of the peanut plant) is an important yield limiting factor as it influences pod formation of the lower highly productive nodes, and promotes disease development. Earthling up, especially in the early stage, has an influence on plant development leading to deformed plants with poor or no production at the lower nodes. Flowers cannot develop at the nodes, and thus no pegs or pods are formed. Earthling up later in the season normally does not lead to deformed plants (as in the previous instance) but does lead to lower yields.

The triennial (2014, 2015, and 2016) averages of area and production of groundnut indicate that 91.5% of the cropped area is distributed across six states which together contribute 91.4% of total production.

These states are Gujarat, Andhra Pradesh, Tamil Nadu, Karnataka, Maharashtra, and Rajasthan. Among other groundnut growing states are Madhya Pradesh, Odisha, Uttar Pradesh and West Bengal which together comprise nearly 7% of area and contribute about 7% of the total production.

Table 1 : Area, Production and Yield of Groundnut during 2014-15 and 2015-16 in major Producing States

State	2014 to 2015			2015 to 2016		
	Area: Million Hectares	Production: Million Tonnes	Yield: Kg/Hectare	Area: Million Hectares	Production:Million Tonnes	Yield: Kg / Hectare
Telangana	**1.35**	**1.11**	**822**	**1.31**	**0.84**	**641**
Tamilnadu	0.36	0.86	2389	0.39	1.06	2718
Gujarat	1.29	0.76	589	1.69	2.72	1609
Rajasthan	0.4	0.62	1550	0.42	0.81	1929
Karnataka	0.65	0.41	631	0.68	0.49	721
M. P.	0.21	0.31	1476	0.21	0.34	1619
Maharashtra	0.22	0.25	1136	0.3	0.35	1167
U. P.	0.09	0.09	1000	0.09	0.09	1000
Odisha	0.07	0.08	1143	0.07	0.08	1143

Source: Ministry of Agriculture , GoI

Literature:

According to R. S. Paroda (2013) , by consideration a host of factors viz., domestic production, import dependency, trade buoyancy, pattern of per capita consumption, changes in dietary standards, growing trend of out-of-house consumption, the swiftly rising demand for vegetable oils for non industrial uses and production of biofuel; the projections have been made for the Indian vegetable oilseeds. The projections are based on the assumptions that the per capita consumption would be increasing annually at 3 per cent till 2015, followed by an increase at a declining rate of 2.5 per cent from 2015 to 1.75 per cent in 2020, with a further decline in the incremental consumption to negligible levels by the year 2050. The estimated per capita consumption is accordingly placed at 16.43, 17.52, 18.62 and 19.16 kg/annum for the year 2020, 2030, 2040 and 2050, respectively. A newer dimension of vegetable oil requirement for industrial use is estimated to grow by 15 per cent in 2020, 20 per cent in 2030 and 25 per cent post 2040, thus requiring around 3.57, 6.34, 9.69 and 10.61 million tonnes in 2020, 2030, 2040 and 2050 respectively.

As per Status peper on Oil Seeds (2014) by Department of Agriculture Divison, explained Groundnut is covered under Minimum Support Price (MSP), which is announced well before the harvesting of crop. National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) is the Nodal agency to undertake procurement of groundnut

under Price Support Scheme (PSS). Year wise details of MSP and Average Market Price of groundnut during last five years given in below table indicates that the price of groundnut falls below MSP many times mainly because of poor quality of produce brought to the market by the farmers.

As per ITC (2015) report on Edible Nuts- Ground Nuts, India is the second largest groundnut producer in the world after China (China is expected to produce 41% of the global output in 2015/16 and India 11%) and the leading exporter of shelled groundnuts (600,000 tons forecasted for 2015). Groundnuts account for about a quarter of all oilseeds produced in the country. The main producing States are, by order of importance, Gujarat, Andhra Pradesh, Tamil Nadu, Karnataka and Maharashtra. Production is highly vulnerable to rainfall deviations and displays huge fluctuations from year to year, as more than 90 % of the planted area is cultivated under rain fed condition.

According to Vibrant Gujarath (2017) Agro Process Food report "The population of India is likely to touch a figure of 1,690 million by 2050. Providing food security to such a large population would be daunting task and also a challenge to agricultural scientists for developing production technologies to bridge the gap in the demand and supply on a sustainable basis. In times to come, groundnut would play a greater role as a supplementary food crop besides continuing to be an oilseed crop. The projected domestic demand of groundnut would be about 25 million tonnes in 2050. The area under groundnut may not shrink any further and would stay around 6-7 million hectares. Considering, the current national average productivity of 1200 kg/ha, a growth rate of about 4- 5% in productivity is required to meet the demand. Higher prices in local market (due to decreased output owing to poor monsoon), followed by a ban by Vietnam, the 2nd largest importer, and resulted in a steep decline in groundnut exports in 2015-16. However, the exports have again picked up due to strong demand from Southeast Asia and other neighboring countries.

Research Methodology:

Objectives:

1) To know various factors influencing to cultivate Ground Nut oil seeds in selected districts of Telangana.
2) To Study different favorable conditions impact on cultivation of Ground Nut oil seeds.
3) To find out different marketing practices followed by farmers with reference to Ground Nut oil seeds.
4) To study various marketing channels faced by farmers with reference to Ground Nut oil seeds.

Hypothesis:

H_{01}**:** There is no significant relation between water source for irrigation and more returns on seeds.

H_{02}**:** There is no relation between investment sources and less input cost for cultivation.

H_{03}**:** There is no significant relation between sources of Income and availability credit facilities.

Sample:

The Farmers who are cultivating Groundnut oil seeds in Mahabubnagar and Nalgonda districts , and 3 years of Groundnut farming experience are considered as population.

Sampling Technique

A Representative Random sampling Technique was adopted for the proposed study. A representative sample is a small quantity of something that accurately reflects the larger entity. The sample is a fairly accurate reflection of the population from which the sample is drawn.

Sample Size:

A sample of 511 farmenrs considered as valid sample.

Data Collection Method.

Primary data collected with the help of a structured questionnaire in regional language for farmers and feedback captured respectively
Secondary data is collected from past studies done on similar topics.

Analysis:

Factors Influence to Cultivate Ground Nuts

Table 4.15: KMO and Bartlett's values of influencing factors to cultivate

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.912
Bartlett's Test of Sphericity	Approx. Chi-Square	9502.893
	df	28
	Sig.	.000

Before the researcher proceed for factor analysis, first she tested the eligibility of the data to perforam factor analysis by checking KMO-Bartlett's value which is a measure of sampling adequacy. The KMO value is 0.912 >0.7 (0.7 is statistically valid). Bartlett's Test of Sphericity indicates a measure of the multivariate normality of set of variables (Sig. value is less than 0.05 indicates multivariate normal and acceptable for factor analysis). Both the sampling adequacy and Bartlet's values are statistically valid.

The below variance matrix indicating 66.16 % (statistically 65% variance valid) variance on tested variable, i.e 34 % of other factors influencing to cultivate ground nuts.

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.583	46.794	46.794	3.583	46.794	46.794
2	2.149	19.367	59.161	2.149	19.367	**66.161**
3	.815	10.184	69.345			
4	.626	7.823	77.167			
5	.545	6.818	83.985			
6	.501	6.263	90.248			
7	.458	5.727	95.975			
8	.322	4.025	100.000			
Extraction Method: Principal Component Analysis.						

The below scree plot indicates, pictorial manner of filtered factors with more than 1 Eigen value i.e Two factors in above case.

Table 4.15.2: Rotated Componenet matrix values of influencing factors to cultivate

	Component	
	1	**2**
8 More Returns	**.978**	.124
9 Rain-fed	.267	-.044
10 Less I/P	.434	**.741**
11 Short crop	.-271	.332
12 Demand	.114	-.091
13 Less Labor	-.877	.660
14 Easy Irrigation	.646	.341
15 Labour Availability	.275	-.434
Extraction Method: Principal Component Analysis.		
a. 1 components extracted.		

The filtered factors for the purpose of influencing factors to cultivate groundnuts reflected that, most of the farmers are experienced and expected *more returns in this crop* i.e more demand for oil seeds influenced them to cultivate followed by *Less Input Cost* i.e low cost labour availability and less input investment provoking them to cultivate groundnut.

*H_{01}**: There is no significant relation between water source for irrigation and more returns on seeds.***

Table 4.20 .1: Chi square values of water source and returns to farmerns

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	863.514a	12	**.000**
Likelihood Ratio	922.784	12	.000
Linear-by-Linear Association	433.431	1	.000
N of Valid Cases	511		
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 6.80.			

From the above table chi square is significant (sig. value is < 0.05), **Reject null hypothesis.** It means that irrigation source means water for cultivation have huge impact on crop returns.

*H_{02}**: There is no relation between investment sources and less input cost for cultivation.***

Table 4.21.1 : Chi Sqaure values of investment source and Input cost			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1210.594a	12	.012
Likelihood Ratio	1085.840	12	.000
Linear-by-Linear Association	453.221	1	.000
N of Valid Cases	511		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 6.01.

From the above table chi square is significant (sig. value is < 0.05), **Reject null hypothesis.** It means the investment source will have huge impact on crop input cost.

H_{03}: There is no significant relation between sources of Income and available credit facilities.

Table 4.22.1 : Chi square values of income source and credit facility			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	796.838a	12	.171
Likelihood Ratio	832.170	12	.000
Linear-by-Linear Association	352.758	1	.000
N of Valid Cases	509		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 6.05.

From the above table chi square is not significant (sig. value is > 0.05), **accept null hypothesis.** It means the income source of farmers is a deciding factor for creditors to issue loan to any particular farmer.

Discussion of Results:

The soil quality in study area represent majority area (66.6 %) soils in Mahabubnagar are Black soil which is considered as more favorable soil for growing of ground nuts. The agricultural labor (71.3%) are comparatively good with other parts of Karnataka, in peak period of the crop it is easy to engage labour. The harvested crop storage facility (44%) was not that much impressive and farmers are not at all interested to pay for cold storage centers. Farming knowledge is very good with farmers in this locality, most of them acquired experience by inheritance of their fathers and some of them gain with self experience. The aim of every farmer is to get maximum benefits from crop, which has impact on their life style. In this regard the Groundnut crop generating progressively good returns (72.3 %) in study zone to the farmers which provoking them to cultivate oil seeds. The land and environment condition also supporting farmers with rain-fed land. It is not accepted by farmers (72.3%) that groundnut is les input crop , but agreed about short-term crop which generates double income in a crop year. The irrigation process and labour availability is comparatively good.

Conclusion:

The basic constraints impeding acceleration of production of the oilseeds crops in general and groundnut in particular included the predominantly rain-fed cultivation of this crop, cultivation in soils of poor fertilizer, high degree of susceptibility to pests/disease and adverse seasonal conditions.

1. In the present study, it is found that finance shortage as an important problem in groundnut cultivation and the same has been ranked by the groundnut growers as farmer problem Analysis. Due to this, groundnut growers are facing a lot of problems. 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 Karnataka should take necessary steps to provide loans at subsidized rate to purchase the farm equipments needed for groundnut cultivation. Further, it is suggested that Government should take all possible steps to impart the adequate training to the farmers for use of equipments in an efficient manner.
2. In the present study, while examining the factors influencing the sample farmers to groundnut cultivation, it is found that sample farmers are considering more return as an important factor for groundnut cultivation and the same has been proved in Analysis. Hence, it is suggested that the Government should take necessary steps to increase the returns to the groundnut growers. In this regard, Government has to fix the price for groundnut by considering the cost of cultivation.

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