CHAPTER- VIII

A SUMMARY OF FINDINGS, SUGGESTIONS
AND CONCLUSION

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 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 co-efficient of variation show that the production of groundnut has maximum variability of 18.30% whereas it is 15.62% for yield and 5.72% for area.
National 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 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 increased but not proportionately to the area of groundnut cultivation. The results from the co-efficient of variation show that the production of groundnut has maximum variability of 23.51% whereas it is 20.41% for yield and 8.94% for area.

The State level groundnut production has been examined with compound Growth Rate and Co-efficient 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 co-efficient of variation show that the production of groundnut has maximum variability of 17.64% whereas it is 15.72% for area and 12.43% for yield.
Pudukkottai District groundnut production has been examined with Compound Growth Rate and Co-efficient of Variation. It is found that the compound growth rate in area and production are negative but significant whereas yield is positive and significant. Further, it is found that the compound growth rate (0.864%) in yield is more than the production and area. Hence, it is concluded that the area, production and yield of groundnut decreased proportionately. The results from the co-efficient of variation show that the production of groundnut has maximum variability of 35.19% whereas it is 28.48% for areas and 13.32% for yield.

The existing cultivation practices have been highlighted. Further, factors motivating groundnut cultivation and problems faced by the groundnut growers have been examined.

Factors motivating the groundnut cultivation have been examined with Garrett Ranking Technique. From the analysis it is found that the main factor felt by the sample farmers is the more returns as indicated by its highest mean score of 64.30 followed by suitability of soil, less risk, suitable for rain-fed cultivation, less input cost, less labour requirement, experience, short term crop, more demand, cash crop, more demand and availability of land.
Cultivation problems faced by the groundnut growers have been analyzed with Garret Ranking Technique and it is found that the main problem felt by the sample farmers is the labour shortage as indicated by its highest mean score of 55.26 followed by high wage rate, lack of finance, damage by rodent and birds, lack of water facility, irregular supply of electricity, natural disasters, decreasing soil quality, severity of pest and diseases and high cost of inputs.

The existing marketing channels for groundnut, marketing cost, marketing margin of intermediaries and marketing efficiency are examined.

Marketing channels consist of various agencies, which perform different marketing functions. As a result, the produce moves from the producers to the ultimate consumers. The sample farmers are not concerned with the distribution of his produce to the customers but his activity ends with disposing of the produce to the intermediaries.

In the groundnut marketing system, the intermediaries play a dominant role. Groundnut growers are not very much concerned with the distribution of groundnut to the consumers but their activities end with disposing of the produce of the intermediaries. The marketing of groundnut in Pudukkottai District is done through three marketing channels viz., (i) Growers-Oil millers (ii) Growers-Village traders-Oil millers and (iii) Growers-Commission agents-Oil millers.
The present study revealed that as many as 228 (45.6%) sample farmers preferred channel I for marketing their groundnut. In this channel, the producers sell the produce to the oil millers. Channel II is chosen by 123 (24.6%) sample farmers. In this channel, the village trader procures the groundnut from the farmers by assembling in a particular place of villages and the same is dispatched to the oil millers. Channel III is selected by 149 (29.8%) sample farmers. In this channel, the groundnut growers sell their produce to the commission agent who in turn sells it to the oil millers.

Marketing efficiency was assessed with price, marketing cost, marketing margin and price-spread. In the present study, marketing efficiency was assessed with price-spread and some formulae are given by various authors in their studies. In this regard, it is necessary to analyze the price, cost and margin.

Regarding the analysis of the marketing efficiency of various identified existing channels, the sample farmers have been asked to reveal the price available averagely to the groundnut from the intermediaries irrespective of the place where the groundnut is dispatched during the year 2012. Such collected data are averaged and the same is used for analysis purpose. On this basis, price realized by the groundnut farmers in the first channel is worked out Rs.86.24 per kilogram. Whereas in the second channel, it is Rs.84.28 per kilogram and the third channel, it is Rs.78.40 per kilogram.
The marketing cost assume a focal point of interest in the marketing of most commodities, since, marketing cost directly affect the net returns to producers ‘as well as consumers satisfaction’. Cost of marketing, therefore, is frequently considered as an index to measure the marketing efficiency.

It is found that sample farmers incurred less cost (Rs.2,824 per quintal of 100 kg) in channel I when compared to channel II (Rs.3,108) and channel III (Rs.3,000). Hence, it is concluded that channel I is more efficient than that of other two channels.

Knowledge of the distribution of marketing cost among various market functionaries is very important for improving the efficiency of marketing system. The average marketing cost of groundnut per quintal of 100 kg incurred by the Oil millers (Rs.105.70) is more than that of Village traders (Rs.84.60) and Commission agents (Rs.55.70).

Marketing margin is the amount of revenue (both cost and profit) received for the marketing function and services. The study of marketing margin of agricultural product is very important to ascertain the producer’s share in the consumer’s rupee and also to know the margin of various functionaries involved in the marketing process.
For the present study, calculation was made on the basis of data collected from Village traders, Commission agents and Oil millers during the period of study. Marketing margin per quintal of 100 kg accounted Rs.800, Rs.1100 and Rs.1300 in channels I, II, III respectively. This proves that channel III is more efficient than the rest.

Marketing efficiency is analyzed with three methods viz., Marketing efficient index, Shepherd’s method and Acharya & Agarwal method. As per marketing efficient index methods, it is found that channel III as the most efficient channel, because its index (5.17) is higher than that of other two channels. Shepherd’s method and Acharya & Aharwal methods, reveal clearly that channel I is more efficient.

Price-spread is one of the important measures of marketing efficiency. It indicates the difference between the price paid by the ultimate consumers and the price received by the producer for an equivalent quantity of farm produce. The price-spread includes marketing cost incurred by the intermediaries as well as their profit margin.

In Price-spread analysis, it is found that channel III as more efficient than that of other two, because its price-spread of Rs.4,622.80 per quintal of 100 kg is lowest, followed by channel II and channel I as Rs.4,588.60 and Rs.3,835.40 respectively. Producers share in consumer’s rupee is found to be very high (60.19%) in channel I, followed by channel II (53.69%) and channel III (51.15%). This too shows that channel I is more efficient than that of other two channels.
Further, sample farmers opinion about the existing marketing system for groundnut and problems faced by them are examined.

- 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 upto 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 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 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.

In 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.
From the Gross annual expenditure analysis, it is found that 204 (40.80%) sample farmers are in the low level. Further, it is clear that 57.00% of the high levels gross annual expenditure sample farmers and 54.80% of the medium level gross annual expenditure sample farmers are dissatisfied with the existing marketing system.

In annual net expenditure in agriculture analysis, 296 (59.20%) sample farmers are in the medium level. Further, 69.20% of the medium level expenditure sample farmers and 65.90% of the Low level expenditure sample farmers are dissatisfied with the existing marketing system.

From the Chi-square test analysis, it is found that opinion of the sample farmers and socio-economic characteristics like gross annual expenditure is insignificant. Whereas age, educational level, size of the family, number of family members involved in agriculture, size of the growers, allocation of area of land for groundnut cultivation, experience, gross annual income, annual, net income in groundnut cultivation and annual net expenditure in agriculture and opinion of the sample farmers are significant. Contingency Co-efficient analysis supported the result of chi-square test in all aspects.

From the analysis of ANOVA, it is found that there is no significant difference between the gross annual expenditure and mean score of sample farmers, whereas, there is a significant difference between age, educational level, size of family. Size of the growers, allocation of area of land for groundnut cultivation, annual net experience, gross annual income, and annual net income and mean score of the sample farmers.
In Z test, it is found that there is no significant difference between the nature of the family and number of family members involved in agricultural and mean score of the sample farmers.

It is found that the regression co-efficient of variables like Size of the family, Nature of the family (nuclear family), Experience, number of family members involved in agriculture, Allocation of area of land for groundnut cultivation are negative but significant. Regression co-efficient of variables like Age, Educational level, size of the farmers, and Annual net income in groundnut and Annual gross income are positively significant. The $R^2$ indicates that 66% of the variation is captured from the variables included in the model. The F-value shows that the regression model fitted is statistically significant at 1% level.

By using Garrett Ranking Technique, it is found that the main marketing problem felt by the sample farmers is the price fluctuation as indicated by its highest mean score of 55.20, followed by labour shortage, middlemen’s intervention, lack of credit facilities, lack of storage facilities, forced sales, malpractices in weighing, lack of regulated market and less price.

The sample intermediaries’ opinion about their business and problems faced by them are examined. Association between socio-economic characteristics and intermediaries opinion about their business is analyzed by percentage, $X^2$ test, ‘F’ test (ANOVA), ‘Z’ test, Garrett Ranking Technique and Factor Analysis.
From the age wise analysis, 91 (45.50%) sample intermediates are middle aged group. Further, 60.94% of the young and 51.10% of the old intermediaries are having medium level opinion about their business.

From the educational level analysis, 142 (71%) sample intermediaries are in school level, Further, 70% of the illiterate intermediaries and 64.30% of the college level intermediaries have medium level opinion about their business.

In the size of the family analysis, it is found that 83 (41.50%) sample intermediaries belong to medium group. Further, 70.60% of the small sized and 53% of the medium sized family intermediaries have medium level of opinion about their business.

It is evident that 151 (75.50%) sample intermediaries are in Group 1 and 51% of the Group II sample intermediaries have medium level of opinion about their business.

In the experience wise analysis, 76 (38%) sample intermediaries have less experience. Whereas 60.50% of the less experienced intermediaries are having medium opinion and 55.60% of the medium experience intermediaries are having opinion about their business.

It is apparent that 88 (44%) sample intermediaries are village trader. While, 52.30% of the village traders and 51.60% of the commission agents express their medium level opinion about their business.
From the type of business analysis, 141 (70.50%) sample intermediaries belong to sole trader whereas 62.70% of the partnership business intermediaries have medium level of opinion about their business.

From the Chi-square test analysis, it is evident that opinion of the intermediaries about their business and socio economic characteristics like age, number of family members involved in business and nature of the business and opinion of the intermediaries about their business are insignificant, Whereas, educational level, size of the family, experience and types of the business and opinion of the intermediaries about their business are significant.

From the analysis of ANOVA, it is found that there is no significant difference between the age, educational level, size of the family, nature of the business and mean score of the intermediaries, Whereas, there is a significant difference between experience and mean score of the intermediaries.

Similarly, In Z test, it is found that there is no significant difference between number of family members involved in business and mean score of the sample intermediaries, Whereas, a significant difference between types of the business and mean score of the intermediaries was evident.
In Garrett Ranking Technique, it is found that the main marketing problem felt by the sample intermediaries is the lack of storage facility as indicated by its highest mean score of 57.85, followed by low price, inadequate finance, inadequate transport, poor export facilities, no permanent place, credit sale and high marketing cost.

Further, it is also evident from the analysis that inadequate working capital is also another factor experienced by intermediaries.
8.8 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.

Besides, considering the importance of groundnut oilseeds production to agricultural economy, the Government of Tamil Nadu has to take all possible efforts to popularize the basic oilseed production technology by way of improved varieties of seeds, fertilizer recommendations and plant protection schedules. The basic constraints impeding acceleration include 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.
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 loan, 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. In the present study, it is observed that price fluctuation has been identified as an important marketing problem to the groundnut growers and the same has been ranked first in Garret Ranking Analysis. In this regard, Government of India has to provide a Price Support Policy (MSP) in order to protect the interest of the sample farmers from the exploitative practices of the private traders.
7. From the present observation, it is apparent that lack of storage facility as an important problem to the intermediaries and the same has been ranked first in Garret Ranking Analysis. Hence, it is suggested that Government of India, Commercial Banks and Co-operative Banks should provide loan liberally to intermediaries for construction of storage.

8. In the present study, it is also observed that the groundnut market is still unregulated in Pudukkottai district. Hence, it is suggested that groundnut market should be well-regulated. In this regard, Government of Tamil Nadu should intervene to ensure proper and efficient functioning of Regulated Markets and Co-operative Societies.

9. From the present observation study, it is observed that 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.
8.9 SCOPE FOR FURTHER RESEARCH

The present study is an attempt to examine the cultivation and marketing problems of the groundnut growers and traders in the Pudukkottai District of Tamil Nadu. However, several such areas have to be identified that warrant further research. Such areas are summarized below:

1. A study of this nature can be extended to all the districts of Tamil Nadu where groundnut is a major crop so as to get a complete picture about the problems of groundnut growers of Tamil Nadu.

2. The present study is analyzed only with the problems of groundnut growers and intermediaries. Hence, further research could be undertaken to find the problem of other oilseeds like sesame, caster, and sunflower and soya bean.

3. The present study analyzed the groundnut marketing problems up to the stage of oil millers. Hence, further research may be undertaken to identify the groundnut consumers’ problems and their behavior.

4. Research may also be undertaken to analyze the comparative returns of other crops grown by the groundnut growers of Pudukkottai District of Tamil Nadu.

5. Separate studies could be undertaken with institutional support for the promotion of groundnut cultivation and marketing.

6. Further research is needed for the better understanding of the role of groundnut cultivation in rural economy.
8.10 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.