CHAPTER - I

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1.1. In the developing countries, agriculture had been a primary source of livelihood and sustenance for majority and its growth provides the greatest hope for improving the living standards of the people. Agriculture provides food for the people, raw materials to industries, capital and labour to other sectors of the economy. Thus, the development of agriculture plays a major role in the total economic development of any country. The growth of agricultural outputs depends on the quality of inputs. Since, the availability of land is limited, only quality inputs can improve the production and productivity in agriculture. The different inputs of agriculture are: labour, fertiliser and pesticides.

In the Indian agriculture, there was a major break through in the technological progress during the Green Revolution. The food grain production increased from 52 million tonnes (mt) in 1950 - '51 to 206 million tonnes in 2003-'04. Behind India's success story in agriculture sector, not only in meeting total requirements but also having exportable
surplus of food grains, the significant role played by chemical fertiliser has been recognized and established beyond any doubt.\textsuperscript{1}

Chemical fertilisers have played a vital role in the success of India’s Green Revolution and consequent self-reliance in food grain production.\textsuperscript{2} The increase in fertilizer consumption has contributed significantly to sustainable production of food grains in the country. The overall consumption of fertilizers in nutrient terms: Nitrogen, Phosphate and Potassium (N,P, and K), currently is 175 million tonnes per annum. The country has achieved near self-sufficiency in production capacity of Urea and Di Ammonium Phosphate (DAP), with the result, India could manage its requirement of these fertilizers from indigenous industry. That is why, imports of all fertilizers except Muriate of Potash (MOP) have presently been nominal. The production of Nitrogenous (N) and Phosphate (P) fertilizers taken together has increased from a mere 3 million tonnes in 1950-'51 to 14.628 million tonnes in nutrients terms in 2003-'04. Similarly the overall consumption of fertilizers in nutrients terms (N, P and K) has increased from 0.07 million tonnes to 17.36 million tonnes during the same period. Accordingly, per hectare consumption of fertilizers which was one kg in 1951-'52 has gone up to the level of 90.1 kgs in 2003-'04.
The green revolution has boosted the increase in the use of fertilizer in agriculture. This has helped the growth of fertilizer Industries and the competition among them. The importance of fertilizer to Indian agriculture was emphasized way back in 1928 by the Royal Commission on Agriculture, which observed that the repartative effects of natural processes in the soil to restore the combined nitrogen annually removed by the crops, need to be supplemented by the application of chemical fertilizers. This ensures that the availability of nutrient does not become a constraint on plant development.

The use of chemical fertilizers began in India in the tea plantations during the first quarter of the present century. It spread little outside the plantation section until the mid 1940’s, when the Government launched the “Grow more Food” campaign in the wake of food scarcity due to the Japanese occupation of Burma and the Bengal famine.

The development of fertilizers got a boost only in 1950’s, when India started feeling the shortage of foodgrains following population explosion that had taken the world by surprise. The Sivaraman Committee on Fertilizers and later the National Commission on Agriculture (NAC) recommended the increased and balanced use of
fertilizers, in an environment of adequate moisture availability, supported by measures to ensure easy availability of fertilizers to the farmers.

In the subsequent decades, annual fertilizer consumption rose from less than 50,000 tonnes to about fifteen million tonnes in 2003-'04 and it went on with near doubling in food grains production from about 80 mt in 1963-'64 to over 250 million tonnes in 2003-'04. If the high yielding varieties of wheat and rice were the spark which ignited the green revolution, fertilizers were the fuel which powered it. This has paved the way to have a close correlation, between increase in agriculture production and fertilizer use, while the other factors remained the same.

Efficient fertilizer use is essential, for continuous profitable crop production. In order to maximize fertilizer use efficiency, a farmer should optimize individual factors of crop production, namely: tillage practices, crop variety, fertilizer application, seed rate, row spacing, time of sowing, water management, and the use of plant protection measures.³

Agriculture in Tamil Nadu continues to be the prime economic sector. The state covers about four per cent of the country’s area. The basic issues in agricultural development are, to: expand the output,
generate employment; and self-sufficiency in foodgrains. In order to achieve these, agriculture must be progressively commercialized with the judicious use of input so as to get the satisfactory cost-price relationship.

Thus, there is much scope for increasing crop production through more use of fertilizer. This requires: first, a significant step up in fertilizer supply by domestic production or import or both and then its application by farmers. In other-words, increasing demand must be matched by increasing supply. How to stimulate demand? To answer this question, requires a knowledge of determinants of demand for fertilizers and their relative strength. A study on the demand for and supply of chemical fertilizers in the district with the existing largely, market directed economy is the felt need.

1.2. Scope of the study

The concept of brand loyalty is fundamental to policy making and executions of the firm. Hence, this indepth study will help the executives to identify the factors which could promote the sales of the products. The role of firm loyalty may be viewed, as a viable complement for the products to promote the sales. The detailed empirical analysis in terms of individual consumers and the sellers (agents) will help in understanding
the present level of the sales and the functional analysis will help in identifying the factors which could help the decision makers to retain the existing customers and also for the addition of new customers to their brand. On the whole it will throw light, on the customer's mind towards these brands. This will help in developing new strategies in business.

Taking into consideration the above, the present study has been confined to the two southern most districts of Tamilnadu, namely, Tirunelveli and Kanyakumari where agriculture is the major occupation. Further, the study covers the period from 1994 to 2004, so that the present position could be known and analysed in order to reach specified conclusions.

1.3. Objectives of the study

This study was initiated to know the causes, which make the respondents to prefer a particular brand always for their use. With this in mind the study was undertaken in Kanyakumari and Tirunelveli districts on a comparative basis with the following objectives.

The overall objective of the study is to make an insight into the brand preferences of farmers. The specific objectives are
1.3.1. To analyse the fertilizer brand preference of farmers and dealers.

1.3.2. To identify the factors influencing the preference for the use of particular brand.

1.3.3. To study the effectiveness of promotional activities carried out by the manufacturers to popularise their different brands.

1.4. Importance of the study

Fertilizer is the major input on agriculture products. The green revolution has boosted the increased use of fertilizers 33 times more than what it was in 1950–’51. This has brought in a considerable increase in the growth of fertilizer industries and this has also brought competition in the market. Thus, marketing of fertilizer needed research studies, for promoting their products. In this, the fertilizer and allied industries have several agencies in conducting research so as to market their brands. Since marketing depends on the behaviour of the consumers, this study was initiated to know the causes which make the respondents to prefer a particular brand always for their use.

Several studies have established the benefits of chemical fertilizers in the crop enterprise and also the problems encountered by farmers in the
adoption of these fertilizers. However, any analysis on the experience in using different brands, their ability to recall brands, extents of brand knowledge and the like, would enable the firms to know whether the farmers have understood their brands and whether they have been using the same in the proper manner. This would throw light on how to bring about desirable changes among farmers so that they will be able to realise the maximum benefit by using their brands.

1.5. Limitation of the study

This study is based on primary data collected from a sample of farmers and the dealers on survey method. As, many of the farmers have not maintained proper records about farming operations, they furnish the required information from their memory and experience and hence the collected data are subject to recall bias. However, every effort has been taken to minimize bias by including in the interview schedule such questions that would facilitate cross checking. Thus, the bias is minimized but could not be totally ruled out.

The time and other resources available at the disposal of the researcher, necessitated to continue the study to a small compact area and from among the total population of Tirunelveli and Kanyakumari
districts. Therefore, the findings of the study can be generalized to other situations only with extra qualifications.

1.6. Chapter Scheme

In order to have a proper understanding and logical flow in the research work, the following chapter scheme has been followed.

The first chapter under the title 'Introduction', introduces the subject matter and contains: scope of the study, the objectives of the research work, importance of the study, limitations of the study and the chapter scheme.

The second chapter has been titled as, 'Concepts and review of related studies'; under which the various concepts used in this research study has been explained as applied here, in order to have clarity of thought and understanding. In addition to this, the various previous studies which are related, to the present study, in one way or other, have been identified by the researcher and reported with their findings.
The Third chapter gives a detailed account of the ‘Research Methodology’ adopted on the present study, and also the hypotheses that are tested.

The Fourth Chapter gives a detailed account on the area profile, specially the Kanyakumari district and Tirunelveli district.

The Fifth Chapter analyses the Brand loyalty for fertilizers in Kanayakumari district, individually.

The Sixth Chapter analyses the Brand loyalty for fertilizers in Tirunelveli district, individually.

A comparative analysis has been made in the Seventh chapter.

The Eight Chapter has been incorporated to have a strong theoretical base of the subject matter and also to discuss issues which prop up during the research study.
The last chapter summarises the conclusions and gives the researcher's suggestions under the heading, 'Summary of Conclusions and Suggestions'.

References:

