Chapter 5

SUMMARY AND CONCLUDING REMARKS
The marketing channels take a substantial proportion of the profit with both the growers as well as the consumers being the losers. The choice of channel is highly dependent upon income of the grower. That is to say that saffron income is highly reactive or sensitive to marketing channels or income elasticity of marketing channel being very high as clearly depicted by the results of the present study. It also reveals a positive significant relationship between saffron income and the size of land holdings on one hand and saffron production and the size of land holdings on the other hand. Furthermore, results reveal a positive significant relationship between education and saffron business. Therefore, government and all the concerned departments should provide extensive support, financial as well as non-financial, particularly capacity and skill development, to saffron growers and all those associated with this trade directly so that their income will increase.

The fundamental question around which E.D. Domar builds his model can be stated as follows: Investment leading to an increase in productive capacity and income, what should be the rate of increase in investment which would equalize the increase in income and the increase in productive capacity, so that full employment is maintained? The fundamental Domar question reflects the importance of investment in an economy. Same should be realized by our economy. Investment in the provision of quality corms, better irrigation facilities, human capital formation, and formation of saffron cooperatives and marketing societies will definitely improve income and production of the growers. Once marketing is regularized the demand would increase and the farmers will get better incentives and subsequently divert more land for the cultivation of this crop. The field study uncovered one of the burning issue associated with saffron marketing viz. Adulteration. It results in the deterioration of the quality of saffron. It is one of the biggest cause responsible for decline in the demand for Kashmiri saffron in the international market. It is an emerging threat to the industry as large market share of saffron is being exported through sale of spurious saffron and thus warrants detection of adulterants.
Summary of The Major Findings

1. Government agencies play very little role in marketing of saffron and hence its distribution remains in the hands of intermediaries especially dalals and local traders, retailers, wholesalers and firms who make huge profits leaving no scope for the farmers to progress. In other words, saffron market is very unhealthy because of the lengthy chain of intermediaries who take away major portion of consumer’s rupee.

2. Comparison between the channels reveal that channel-V is most popular marketing channel in case of small and medium growers.

3. The small growers usually sell their produce to dalals and local traders. This is largely because they want to avoid a large time lag between the selling of their produce and payment of receipts.

4. Large saffron growers usually sell their produce through firms (Ganaie & Nusrath, 2016). Very small portion of high income saffron growers sell their produce to dalals and local traders.

5. Retailers and firms enjoy maximum share in consumer’s rupee.

6. Direct Marketing is most profitable for saffron growers as it doesn’t involve any intermediary leaving no scope for exploitation.

7. There is a gap between the market prices of saffron (dominated by large number of intermediaries) and the farm gate prices of saffron.

8. There is a strong association between saffron income and choice of marketing channels.

9. There is a direct and positive relationship between saffron income and the size of land holdings on one hand and production of saffron and the size of land holdings on the other hand. Higher the size of land holdings, higher the production and higher will be the income.

10. The performance, achievement and prospective earnings of the saffron growers, dalals, firms, retailers/wholesalers, like any other economic doings, depend upon their level of education because majority of the respondents regarded education as
the vital factor in improving saffron income, choosing profitable marketing channel, developing wide social contacts, availing benefits from National Saffron Mission etc.

Recommendations:

Based on the findings of the study, the following recommendations are made for overcoming the problems and increasing the prospects of the saffron marketing in Jammu and Kashmir:

a) Picking should be done just when the flowers are completely blossomed and the saffron stigma is at its reddest or bloodshot. Picking of saffron is a very careful task that must be done quickly after dawn and rather by plucking all three threads at once, not breaking them off short or pulling off one or two at a time. The task consists of picking the flowers and separating the stigmas from the petals and stamens. Flowers must be picked at the bottom of the segments and put into bag or basket in thin layers so as to avoid excess pressure and distortion of flowers organs, chiefly of the stigmas. This task should have a mechanical substitute. If left open to the sun or heat, saffron rapidly loses its colour and flavour and fades in quality. Picking saffron flowers and separation of stigmas from the flower is a most challenging task. It is very time consuming, painstaking and makes saffron the most luxurious spice of the world. Picking of 1000 flowers needs 45-55 min, and additional 100–130 min is required for removing the stigmas for drying. Accordingly, 370–470 h is necessary to produce 1 kg of dried saffron (Asimopoulos et al, 2013).

b) Although, Kashmir is supplemented with water resources, still the growers are facing water shortage. Weak water resource management and inappropriate channelization are responsible for water shortages. Kashmiri Saffron is world famous for its intrinsic quality. Therefore, if proper water facility is made available, it will be possible that our saffron can beat Iran and Spain.

c) Marketing and export of Kashmiri saffron should be through an organization in order to control and improve marketing and saffron export prices.
Furthermore, the functioning of these organizations is to be improved by providing proper marketing facilities, infrastructure and competent team. Farmers should form an organization among themselves with the support of government and NGO’s so that they can ensure rational, judicious and fair information about the market state of affairs. Development of international saffron enterprises in Khorasan is an example of such a step in recent years. Same should be developed in our state. With the help of saffron organization, who should be directed by the members of government and saffron experts and scientists, we may attain a harmonious system in production, packaging, distribution, exports of saffron.

d) We should develop saffron exchange as regional and specialized exchange in the focal areas of production and marketing. Saffron specialized exchange in the vital areas of production, productivity and marketing can be a fundamental approach to improve saffron in both quantitative and qualitative terms. Creation of regional saffron marketing board besides saffron exchange market can very well harmonize and bring into line production, marketing, exports and maintain market section. The boards so established will primarily help in the stabilization or equilibrium of growers’ prices in order to eradicate the seasonal price fluctuations of domestic and export produce. There are many other reasons also associated with the creation of regional saffron marketing board. They can provide resources for regional governments and economic growth and development of the production and marketing areas of saffron and systematic and logical saffron research in agriculture which can put an end to a series of growers’ complaints and improve of the quality of the saffron through the proper grading system.

e) The coverage of Technology Mission, particularly National Saffron Mission should be expanded to other functional areas of horticulture cultivation. Effective measures are needed to reduce marketing losses at various stages of production and distribution of saffron. The National Saffron Mission should put emphasis on the strengthening of institutions, establishment of processing units, saffron spice parks cum research centres and development of market infrastructure in all the major saffron growing villages/ Karewas so as to bring as much efficiency as possible.
f) In Khorasan province (Iran), standard packaging is followed for saffron marketing as it plays very vital role in increasing sales and profitability levels. It supplements as well as adds value to exports through quality packaging. Same standard should be adopted for Kashmiri saffron so as to improve its marketing.

g) In order to prevent actual problems of internal and external saffron market in Jammu and Kashmir so as to increase the farmer’s share in consumer’s rupee there is a need for detailed, systematic and in-depth review of the production and marketing of saffron. Help in this regard may be sought from researchers and agriculture scientists, particularly SKUAST scientists.

h) An extensive adaptation study should be conducted in agro-eco zones of Jammu and Kashmir to identify suitable area for saffron production in Jammu and Kashmir. The best way in which we can improve saffron production and productivity levels is preparation, production and distribution of quality corm. The farmer’s capacity/skill to use new methods of saffron production, harvesting and marketing should be improved. In J&K long planting cycles (>15 years) are preferred which is one of the causes for low productivity and production. Saffron farm age should be reduced from 15 to 5 years. This will give a push to productivity and production.

i) Proper credit system assumes great importance in saffron market because for most of the saffron growers, savings are insufficient to finance their cultivation and other economic activities plus marketing. This, together with a wide gap between income and expenditure and lumpiness of fixed capital investment, makes accessibility of timely credit at reasonable rates of interest, a necessary as well as sufficient condition for improving livelihood of saffron growers and accelerating their growth and development. Government should provide loan to the saffron growers at low rate of interest so that they will be free from the clutches of local moneylenders and dalals who exploit them.

j) Strong action should be taken against hoarders who buy the stocks from farmers at cheap prices and create superficial demand and then sell the stocks at very higher prices. In this way such black sheeps promote price discrimination.
**k)** Saffron is very expensive and prized crop which lure some suppliers to adulterate it with low graded material and dye it all red to make it as pure as possible. It results in the deterioration of the quality of saffron. Growers should be trained in ISO standards and food safety (HACCP) canons and should establish such a grading system or mechanism through producer groups and associations that will monitor the quality and encourage adherence to such standards.

**l)** Government should create local outlets at each saffron village where the farmers sell their stocks directly to the consumers or the authorized buyers at fixed prices. Intervention of grower’s associations, committees and organizations in this network is essential to bring the fruits to the farmers.

**m)** There should be promotion of Kashmiri saffron at national and international markets. Kashmiri saffron should be exempt from taxes for export purposes till it becomes internationally strong and competitive. Government of India in general and ministry of foreign affairs in particular can play an important role in promoting Kashmiri saffron at exhibitions and trade fairs and assisting the saffron growers and traders in networking. Saffron growers, traders, firms/sub-firms should be given good chance in participating in the government organized trade exhibitions, national /international conferences, seminars and workshops.

**n)** Media and government help should be taken by the growers and dealers of saffron to raise public awareness about the nutritional and health benefits of saffron. This will boost the demand and increase the income levels of growers and dealers.

**o)** Research sector is key to economic growth (Romer, 1994). It is ideas rather than natural resources that are more important for growth and development. Japan is finest example. Few natural resources cannot affect economic growth. Japan imported machines from US and later dismantled them to see how they worked and manufactured their better models. Japan proves that ‘Ideas are essential for the growth of an economy. Satisfactory and suitable research is needed on production and productivity of saffron in the state of Jammu and Kashmir along with a comprehensive research in the areas of
marketing and development of saffron exports. Satellite crop monitoring (Kokaly et al, n.d.) should be used. It facilitates in mapping out the good and bad dynamics of crop development. Government should establish Satellite crop monitoring under the supervision of National Saffron Research and Development (R&D) Institute in general and National Saffron Mission in particular, in different saffron growing areas so that it may understand the crop dynamics and provide solutions to the declining production and productivity of saffron. Various Research studies confirm the high positive correlation of research and development (R&D) and the growth rate of output. All those countries that allocate a larger share of output to research and development (R&D) are better off in terms of growth and development. Our economy also needs to allocate a larger share of output to research and development (R&D), education and human capital formation.

p) The importance of Agri-export zones can hardly be neglected. At present, over fifty Agri-export zones have been acquainted and operational in different states of the country for particular commodities including horticultural crops. Even for many spices such AEZ’s have done wonders as far as market expansion is concerned. Jammu and Kashmir has a natural monopoly in the production of saffron. Consequentially, saffron (Crocus Sativus) plays an important role in the economy of Jammu and Kashmir. As Jammu and Kashmir is the sole producer of saffron in India and one of the important producer of quality saffron in the world, with a view to tap export markets and serving the demand of domestic as well as global buyers, automated graded and packed houses are required in the saffron growing areas. Grading and packaging needs to be undertaken in conformity to international trade. To address these problems Agri-export zones need to be promoted as much as possible.

q) The saffron market prices in Jammu and Kashmir like Afghani market prices are apparently irregular which is why there is not high positive correlation between high quality and high prices, but if growers are well informed about market conditions and are put in direct contact with growers in other saffron producing and exporting countries they will be able to increase not only their own welfare but social welfare as well.
r) Government should lend support to those who are involved in saffron production, processing, marketing and packaging and honour those academic scholars who are contributing to our knowledge of saffron through different research papers and publications.

s) Establishment of farmer schools in villages in general and saffron growing areas in particular can help in the capacity building of saffron stakeholders. Lucas (1988) assumes that investment in education leads to the production of human capital which is crucial determinant in the growth process. Saffron growers should receive training on production, processing and marketing of saffron.

t) Saffron cultivation being highly labour-intensive activity where most of the field and post-harvest operations are performed by women (Kamli & Wani, 2004), special practical training to women saffron growers on field and post-harvest operations and marketing can help in tackling the post-harvest and marketing related issues. Moreover, establishment of women self-help groups of saffron, who inculcate the habit of thrift among members, can raise huge amount in the form of small savings. Help from NABARD can also be taken. These self-help groups can highlight all problems associated with production and marketing of saffron.

u) A robust and effective processing unit plays an important role in diversification and commercialization of agriculture. Processing units create value addition to the products and has dual role: on the one hand it generates the income of the growers and on the other hand it generates employment in the economy. At present there are no processing units in saffron in Jammu and Kashmir which is why the growers and dealers are not able to give stiff competition to their counter parts. Strong and effective processing of saffron should be started in our state and saffron spice park, Dussu, Pulwama, Kashmir, is a step forward towards such initiative.

v) Government should take on lease the saffron land from those areas which are dissuaded by involvement of huge intermediaries, who are using this land for alternate crops, so that growers as well as government is benefited immensely.
w) FAO actively encourage large investments in agriculture and rural development by helping developing economies identify and formulate sustainable agricultural development goals, policies, programmes and projects (FAO, 2017). FAO of the United Nations recognizes the fact that welfare of family farming communities is essential condition for sustainable agriculture and rural development. It is for this realization that Globally Important Agriculture Heritage Systems (GIAHS) have been developed. Same should be realized by the government of Jammu and Kashmir, agricultural scientists, academicians, researchers and other civil society members. Government needs to develop GIAHS site Pampore as much as possible both at national level as well as international level. This will definitely improve welfare of the families involved in saffron cultivation in Pampore. Help in this regard should definitely be sought from FAO of the United Nations. Problems of saffron industry need to be discussed at different forums of United Nations.

x) For tackling all problems related to saffron production and marketing, it is important to adopt an all-inclusive/holistic approach in a mission mode, wrapping all features of production and marketing as suggested by GIAHS Saffron Site Report (2012). The result of such initiative will be the dynamic safeguarding of the saffron industry which is on the brink of extinction. Moreover, it will promote the rich heritage site Pampore (GIAHS), besides considerable improvement in farmers’ income, and development of Kashmiri saffron as a global brand.

y) Geographical indications (GIs) are unique signs which help in the identification of goods in the market. If managed and protected properly, they can act as an effective marketing tool because they aim at guarding goods from brand misrepresentation and artificiality, serving consumers, by giving them proper information regarding the specific attribute and the origin of the products. Geographical Indication (GI) listing in our state must increase with every passing day as it will strengthen our economy and improve our Gross State Domestic Product (GSDP). Our state has huge prospects for registration of horticulture crops and handicrafts to Geographical Indication. Walnuts, Apple, Honey, Chain Stich, and Saffron etc. are some products which deserve GI.
Implications and future directions:

The main aim in the present study was to address the problems and prospects of saffron marketing in the Kashmir valley. We have done so by direct observation, interviews and reporting on the filed survey of the sampled villages. Accordingly, the first major practical implication and therefore, contribution of the present research is that it identified the main problems of saffron marketing and the solution to such problems are the medicines for the infected saffron industry. By working on these problems, government and the concerned persons can protect this shrinking industry thereby increasing the interest of growers towards saffron cultivation. The second major practical implication of the present research is that it identified the lengthy marketing channels involved in the saffron marketing and recognised the domination of intermediaries in saffron marketing. In order to reduce the length of the marketing channels so as to bring efficiency in the saffron market and increase the share of grower in consumer’s rupee, value chain management is an essential condition. The present study therefore, need to be extended in the areas of value chain analysis in order to create and sustain superior/ high quality performance of saffron in the market. A third important implication of the present study develops from finding statistically significant association between saffron income and choice of marketing channel. In order to improve marketing channels, it is very important to improve income and production levels. The present study therefore, need to be extended in the areas of marketing channel management. Research investigations and studies devoted to channel management has played an important role in the marketing discipline in the contemporary times. Two main areas of research work in marketing channel have evolved. First, how channels are organized or structured? Second, how current channel relationships are coordinated in a behavioural sense? The present study can be extended in these two areas. Adulteration is the killer of quality saffron in Jammu and Kashmir. It needs attention and efforts at all levels of government to cure this disease in the saffron market. The present study could thus be extended in search of the ways and means of controlling adulteration at all levels, state, national as well as international. Moreover, the present study offers the great opportunity for Geographical Indication (GI) in saffron in Jammu and Kashmir because it highlighted huge prospects of saffron marketing.
Last, but not the least, as the present study is restricted to the marketing aspect of saffron only, further research work is necessary for other areas of saffron especially in the areas of pricing. Very less research has been conducted in Jammu and Kashmir as far as price mechanism of saffron is concerned. Therefore, planners and policy makers, economists, researchers and agriculture scientists should frame proper price policy for saffron in the near future.
References


