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3.1 Significance of the Study

Kanyakumari district is the largest producer of natural rubber in Tamil Nadu. Almost 99 per cent of the total production of natural rubber is accounted by Kanyakumari district. Natural rubber marketing in Kanyakumari district is comparatively of recent origin. There are limited number of natural rubber market units in Kanyakumari district. Majority of the rubber marketing units in the district were established from the last twenty to thirty years. Kanyakumari district tries to solve to some extent its problems of unemployment and poverty through the rubber based units of the district. Considering the industrial backwardness and mounting unemployment rate, rubber industries have to play a vital role for the industrial development of Kanyakumari district. Therefore, it is
imperative to have a study about the growth and functional problems of natural rubber marketing in Kanyakumari district. This study is confined to the natural rubber marketing in Kanyakumari district. The study is limited to a period of ten years starting from 1992-93 and end with 2002-2003. Thus the present study attempts to analyse the growth trend of the rubber producer and marketing its functional problems and the future prospects of the natural rubber marketing in Kanyakumari district.

3.2 Choice of the Study Area

The present study is based on the natural rubber marketing in Kanyakumari district. Kanyakumari district is the largest producer of natural rubber in Tamil Nadu. Kanyakumari district is one of the smallest districts in Tamil Nadu. Agriculture is the main occupation of the people of Kanyakumari district. But adequate attention has not been paid to develop a stable marketing system that would benefit the producer and the consumer. The Tamil Nadu Agriculture Produce Market Act envisaged a ‘spread effect’ in the process of regulation of the marketing system but it is grievous to infer that so far only a ‘spot effect’ (i.e. inside the market yard only) has been achieved.
There are six rubber markets in the district run with minimum staff. The first rubber market started its functioning in the year 1967 and consequently five more rubber markets were inducted. But since 1975, no more rubber market has been established in the district. This is a clear indication of the lack of growth in rubber marketing in the district. Instead of streamlining the existing markets and bringing them under the purview of regulation by the market committee they are to operate side by side with the rubber market. This dissertation is a comprehensive study of rubber market in the district to analyse functioning of the rubber markets to consolidate the scope for development.

3.3 Sampling Design

Kanyakumari is the largest producer of natural rubber in India. It occupies major share of area and production of natural rubber in India and hence the study of performance of natural rubber economy of Kanyakumari can well be treated as synonymous with its performance in India\(^1\). Hence Kanyakumari district was selected for collecting primary data. Kalkulam taluk ranks first in the area and production of natural rubber. Hence this district was chosen for the selection of respondents.

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Kanyakumari district consists of four development taluks, of which three taluks namely Kalkulam, Vilavancode and Thovalai were selected, based on area coverage under rubber. Those three taluks cover the blocks of Killiyoor, Kurunthencode, Melpuram, Munchirai, Thovalai, Thuckalay and Tiruvattar. A sample of 1000 Rubber Cultivators were selected in random as samples. Equal importance has been given to all selected seven blocks in the selection of samples.

3.4 Collection of Data

The present study is based on both primary and secondary data. The primary data was collected from the growers through personal interview method. Based on physical, cultural and socio-economic environment of farming in the region, interview schedule was designed, pre-tested and finalised (vide appendix A). Detailed information was collected from the natural rubber growers on cropping pattern, labour utilisation, age of the natural rubber plants, variety and number of natural rubber plants.

Information regarding fixed capital and cost of cultivation of natural rubber and details about establishment and maintenance cost and returns were collected to estimate the cost of natural rubber production. Particulars regarding the disposal of natural rubber and
problems in marketing were collected to know about the existing marketing practices at farm level. As the growers were not maintaining any written record of their farming activities/cost, investigation was done carefully through cross checks to minimise the recall bias.

The data required for the study of marketing were also generated by interviewing the different market functionaries using another well-structured pre-tested schedule (vide appendix B). The sample covered all the development blocks selected for the study and assembling markets. The exporters, secondary wholesalers and retailers were contacted in the study area, which is the terminal market for natural rubber. Information was collected from the intermediaries on marketing cost, marketing margin, price-spread and problems in marketing. Data regarding prices of natural rubber, area, production, export and other secondary data were collected from various journals, books, rubber statistics, published by rubber board, Cochin, statistical year book, published by international rubber community, Jakarta, Indonesia and the Reports of Directorate of Economics and Statistics, Ministry of Agriculture, New Delhi and Directorate of Economics and Statistics, Trivandrum.
3.5 **Statistical Tools and Techniques Used**

In the present study, the marketing efficiency of the different channels has been studied using Shepherd’s method and Composite Index method.

The Composite Index method is used to get the final ranks which provide indication of marketing efficiency in various channels.

Hypothesis is being tested using Analysis of Variance (ANOVA) method.

Price-spread is worked out separately for the market channels using concurrent margin method.

3.6 **Period of Study**

Primary data were collected from rubber growers and merchant middlemen. Primary data collected from growers related to the year 2003 – 2004.

Secondary data relating to area under cultivation of rubber, production of rubber, quantity and value of rubber exported and prices of rubber were collected from various reports, journals, magazines, periodicals and publications (1992-2004).

3.7 **Limitations of the Study**

1. The primary data collected through questionnaires have their
own limitations. As most of the producers are illiterate, the information collected from them may not be cent per cent correct.

2. Some producers did not give their opinions categorically. In such cases, further questions were asked and logical conclusions were drawn on the basis of their opinions.

3. Traders do not have any written records of their transactions.

4. In the case of secondary data collected from various sources, the authenticity of the data is circumscribed by the reliability of the data reported by the authorities.

5. As all the producers could not express the details of marketed surplus in common unit of measurement ie, quintal, they were to be converted. In the process, the exact figures might not have been reported due to approximations.