

Major problems confronting agricultural marketing in Gobichettipalayam Taluk in Erode District

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Abstract

Indian agriculture has transformed significantly during the last six decades. These are reflected in the changing share of agriculture in national economy and employment. Agriculture contributes about 24.7% to the Gross Domestic Product (GDP) of the country. It also contributes about 13.1% to the total Indian exports. This sector provides employment to 58.4% of the country's work force and livelihood to more than 650 million people. Marketing of agricultural produces always pose problems to the farmers. Though India is the leading agricultural country, still several problems are faced by the farmers in cultivation and marketing of agricultural produces. The present study focused on analyzing the marketing problems of farmers in Gobichettipalayam in Erode District. Marketing of agricultural products has been posing a big problem for the farmers. Even at the time of producing the crops and at the time of selling them they face a lot of hurdles and obstacles such as the interference of brokers and middlemen, lack of insurance facility, lack of finance, high cost of inputs, storehouses and transporting problems. Certain measures that can be effected to bring out the reforms in agricultural marketing so as to ensure just and fair price for the farming community and to improve their standard of living especially in rural areas.

Keywords: livelihood, marketing obstacles and gross domestic product

Introduction

Indian agriculture has transformed significantly during the last six decades. These are reflected in the changing share of agriculture in national economy and employment. Agriculture contributes about 24.7% to the Gross Domestic Product (GDP) of the country. It also contributes about 13.1% to the total Indian exports. This sector provides employment to 58.4% of the country's workforce and livelihood to more than 650 million people. The widespread adoption of high yielding varieties, expansion of irrigation facilities, increase in fertilizer application, improvement in rural literacy, increase in agricultural credit and improved infrastructure played a significant role in the agricultural growth of the country.

India is endowed with a good degree of ethnic and regional diversity. About three-fourth of the total population resides in the rural areas and majority of them depend upon agriculture for their survival. The development of the nation largely depends upon the development of the rural population. Mahatma Gandhi had once said: "India's way is not Europe's. India is not Calcutta and Bombay. India lives in her several hundreds of villages". The continuing primacy of agriculture as the primary source of employment in the Indian rural economy calls for acceleration of agricultural growth. Ensuring sustainability and economic viability of small holders in rural areas and improving their competitiveness in production and marketing by facilitating better access to improved technology, inputs, credit and markets is crucial for higher and inclusive agricultural growth.

Agriculture Market in India

Agriculture, in the broadest sense means activities aimed at the use of natural resources for human welfare, and marketing

connotes series of activities involved in moving the goods from the point of production to the point of consumption. The subject of agricultural marketing includes marketing functions, agencies, channels, efficiency, cost, price spread, market integration, producer's surplus etc.

The agricultural marketing system is a link between the farm and non-farm sectors. Agricultural marketing involves in its simplest form the buying and selling of agricultural produce. This definition of agricultural marketing may be accepted in olden days, when the village economy was more or less self-sufficient and when marketing of agricultural produce presented no difficulty, as the farmer sold his produce directly to the consumer on cash or barter basis. But, in modern times, marketing of agricultural produce is different from that of olden days. In modern marketing, agricultural produce has to undergo a series of transfers or exchanges from one hand to another before it finally reaches the consumer. Over the years, major changes came into effect to improve the agricultural marketing system. Many institutions viz., the regulated markets, marketing boards, cooperative marketing institutions, warehousing co-operatives etc., have been established primarily to help the farmers. However, various studies indicated that modernization in agricultural marketing could not keep pace with the technological adoptions in agriculture. The various marketing functions viz., grading, standardization, storage, market intelligence, etc., need to be improved to meet the present day requirements of the farmers¹. The globalization has brought drastic changes in India across all sectors and it is more so on agriculture, farmers and made a deep impact on agricultural marketing. It is basically because of majority of Indians are farmers. It has brought several challenges and threats like uncertainty, turbulence, competitiveness, apart

¹Forlaringbolahan Samuel, Department of Agricultural Economics and Extension, Federal University of Technology, "The Major Problems

Confronting Agricultural Marketing Nigeria", Agricultural Marketing Assignment, March 2013, pp.84-87.

from compelling them to adapt to changes arising out of technologies. If it is the dark cloud there is silver lining like having excellent export opportunities for our agricultural products to the outside world ^[2].

Agricultural Marketing

Agricultural marketing covers the services involved in moving an agricultural product from the farm to the consumer. Numerous interconnected activities are involved in doing this, such as planning production, growing and harvesting, grading, packing, transport, storage, agro- and food processing, distribution advertising and sale. There are several challenges involved in marketing of agricultural produce. There is limited access to the market information, literacy level among the farmers is low, multiple channels of distribution that eats away the pockets of both farmers and consumers.

The government funding of farmers is still at nascent stage and most of the small farmers still depend on the local moneylenders who are leeches and charge high rate of interest. There are too many vultures that eat away the benefits that the farmers are supposed to get. Although technology have improved but it has not gone to the rural levels as it is confined to urban areas alone. There are several loopholes in the present legislation and there is no organized and regulated marketing system for marketing the agricultural produce. The farmers have to face so many hardships and have to overcome several hurdles to get fair and just price for their sweat.

Agriculture in Tamil Nadu

Agriculture continues to be the mainstay of livelihood for more than 50 per cent of the population in Tamil Nadu. It contributes 12 per cent of Net State Domestic Product. It is the single largest private sector providing job opportunities for rural people besides being the source of supply of food grains and other dietary staples and serving as the prime source of raw materials for industries. Agricultural development is essential not only to achieve self-reliance in food grains at the state level, but also for ensuring household food security and to bring equity in distribution of income and wealth resulting in ultimate reduction of the poverty level. In fact, high economic growth will have no meaning for the masses of people living in rural areas unless agriculture is revitalized.

Agriculture in Tamil Nadu is beset with a number of adverse characteristics such as declining total cultivable area in relation to scarcity of cultivable land, low productivity per unit of labour in most of the regions, predominance of small and marginal farmer households, risk aversion due to production by tenants and agricultural labours under insecure conditions, vast seasonal variations and presence of a large percentage of tradition loving farmers.

Gobichettipalayam is a picturesque town located in Erode District of Tamilnadu. It is an important town in the north-western part of Tamilnadu. It is located about 35 km from district headquarters Erode, 40 km from Tirupur and 80 km from Coimbatore. It is a selection grade municipality and extends over an area of 7.5 sq.km. The economy of the town is mainly concerned with agriculture and it serves as an important source of supply for agricultural products to other parts of the

State. Its climate is moderate and humid for most of the year. The surrounding water logged paddy fields contribute to the high humidity levels. Gobichettipalayam has an average literacy rate of 74%, higher than the national average of 59.5%: male literacy is 80%, and female literacy is 68%.

The town is economically strong and is fast developing. This town can be considered as bi-functional. The workforce constitutes about 38% of the population and 31% of the workforce is engaged in agriculture, 13% in small industries (small scale and cottage) and 56 % in trading and other activities. The town serves as an important source of supply of agricultural inputs and implements and other services to the adjoining areas. There are a number of banks in the town which shows the economic prosperity of the town. Gobichettipalayam assembly constituency is part of Tirupur lokabha constituency. This lokSabha constituency is an agrarian constituency situated in the belt of Keezhhavani ayacuts.

According to 2011 census, Gobichettipalayam had a population of 59,523 with a sex-ratio of 1,062 females for every 1,000 males. Scheduled Castes and Scheduled Tribes accounted for 10.74% and .08% of the population respectively. The average literacy of the town was 78.52%, compared to the national average of 72.99%. The town had a total of 17,064 households. There were a total of 25,225 workers, comprising 512 cultivators, 2,035 main agricultural labourers, 637 in house hold industries, 21,070 other workers, 971 marginal workers, 15 marginal cultivators, 308 marginal agricultural labourers, 57 marginal workers in household industries and 591 other marginal workers.

The economy of Gobichettipalayam centers on agriculture, with paddy, sugarcane, plantain, tobacco and turmeric being the principal crops. The taluk is known for its lush green paddy fields. Gobichettipalayam is well known for its plantain cultivation and the production of coconuts. There are regulated markets for turmeric, coconut and banana. Eastern Ghats forms the border of the region resulting several hillocks. River Bhavani traverses across the region. The temperature is moderately warm in Gobichettipalayam, except during the summer months when it is very hot. Rainfall is moderate to high, unpredictable and unevenly distributed. The town is not windy but the abundance of trees and vegetation surrounding the town makes its climate pleasant. The soil mainly consists of black loam, red loam and red sand. In general, the soil in and around the town is fertile and good for agriculture purposes. The surrounding water logged paddy fields contribute to the high humidity level. The Gobichettipalayam taluk has abundant land parcels estimated to be millions of hectares. This taluk is predominantly rural with an estimated majority of the population engaged in agriculture. Farming is the major occupation of the dwellers of Gobichettipalayam taluk.

Status of Agricultural Marketing in Gobichettipalayam Taluk

Agricultural commodities are produced in specific parts of this taluk depending upon topography and climatic conditions, while the demand for the same spreads throughout the year. Hence, there is a need to move the agricultural produce from specific supply centers to various consumption centers of the

²Dr. S. Saravanan, "A Study on Production and Marketing Constraints of Farmers in Coimbatore District – Tamilnadu, Researchers World, Vol. IV, Issue.1, January 2013, pp.68-77.

country at a least cost in order to ensure supply of quality produce to consumers at affordable price. Under the present system, marketable surplus of one area moves out to ultimate consumers through a network of middlemen, traders and institutional agencies.

Channels of Distribution

Farmers producing agricultural produce are scattered in remote villages while consumers are in semi-urban and urban areas. This produce has to reach consumers for its final use and consumption. There are different agencies and functionaries through them the produce reaches the consumer. A market channel or channel of distribution is therefore defined as a path traced in the direct or indirect transfer of title of a product as it moves from a producer to an ultimate consumer or industrial user. There are several channels of distribution depending upon the type of produce or commodity. Each commodity group has a slightly different channel. The factors are:

1. Perishable nature of produce. e.g. fruits, vegetables, flowers, milk, meat, etc.
2. Bulk and weight—cotton, fodders are bulky but light in weight.
3. Storage facilities.
4. Weak or strong marketing agency.
5. Distance between producer and consumer. Whether local market or distant market.

Types of Market Channels in the Study area:

Some of the typical marketing channels for different product groups are given below:

a) Channels of rice

1. Producer—miller-consumer (village sale)
2. Producer—miller-retailer—consumer (local sale)
3. Producer—wholesaler-miller—retailer—consumer
4. Producer—miller-cum-wholesaler-retailer-consumer
5. Producer—village merchant—miller—retailer—consumer
6. Producer—govt. procurement—miller—retailer—consumer

b) Channel of other foodgrains

1. Producer – consumer (village sale)
2. Producer—village merchant—consumer (local sale)
3. Producer—wholesaler-cum-commission agent - retailer—consumer
4. Producer—primary wholesaler—secondary wholesaler—retailer—consumer
5. Producer-govt.procurement—retailer—consumer.

c) Channels of vegetables

1. Producers—consumer (village sale)
2. Producer—retailer—consumer (local sale)
3. Producer—trader—commission agent—retailer—consumer.
4. Producer—commission agent—retailer—consumer
5. Producer—primary wholesaler—secondary wholesaler—retailer—consumer (distant market).

d) Channels of Fruits

1. Producer—consumer (village sale)
2. Producer—trader—consumer (local sale)
3. Producer—pre-harvest contractor—retailer—consumer
4. Producer—commission agent—retailer—consumer.
5. Producer—pre-harvest contractor—commission agent—

retailer—consumer

6. Producer—commission agent—secondary wholesaler—retailer—consumer (distant market).

These channels have great influence on marketing costs such as transport, commission charges, etc. and market margins received by the intermediaries such as traders, commission agents, wholesalers and retailers. Finally this decides the price to be paid by the consumer and share of it received by the farmer producer. That channel is considered as good or efficient which makes the produce available to the consumer at the cheapest price and also ensures the highest share to the producer.

Regulated Markets

In Gobichettipalayam taluk, there are two regulated markets one in Gobichettipalayam and the other at Vellankovil. They are functioning under the control of the State Government. They have a market committee where farmers, traders, commission agents, local bodies and the state government are represented. Regulated market is a centre for collecting all types of nearby traders to buy the product of the farmers. They sell through the closed tender method which secures good price for the farmers. Prices are fixed through an open auction in a transparent manner in front of an official of the auction committee. They conduct meetings periodically to give market information to the farmers. When the crop price falls suddenly then the regulated markets extend the loan upto Rs.2,00,000 which constitutes usually 50% of the market value of the produce at the interest rate of 5% pa. If the farmers deal with the regulated markets up to 1 metric tonne in a year, they are allowed to take insurance policy up to Rs.1,00,000. The premium amount will be regularly paid the Government on behalf of the farmers. If any of the member farmers meet with accident, regulated markets pay compensation according to the type of injury caused to them. The main criticism of regulated markets is that they do not reduce the long chain of intermediaries between the farmer and the consumer, which adds to the cost of agricultural commodities to consumers on the one hand, and decreases returns for farmers on the other.

Primary Agricultural Co-Operative Society

There is a Primary Agricultural Co-operative Society at Gobichettipalayam. They deal in mostly banana and coconut. Regularly they invite traders from nearby districts to buy the produce of the farmers. They do proper and accurate grading and standardization for their produce. Sales takes place through open tender (auction sale) method through wholesaler and retailers. Usually they fix the price by observing previous marketing price in other places. They provide free go down facility for one month. But after that they charge Rs.6 for one bag as a charge to keep their products at go down. During the time of fall in price level farmers are allowed to keep in this go down until they get good price for their produce. Farmers are allowed to take insurance policies on the goods kept in godown. They give jewel loan at the rate of 14% p.a to the farmers. They accept deposits from them which carries 10% interest p.a. They extend produce pledge loan upto Rs.3,00,000 to the farmers but it should be repaid within three months. They provide market information about wholesalers, retailers, current market price of the crops etc., to the farmers then and there. The whole activities of this society is being controlled by the Regulated

Market and the society functions as a licensee of the regulated market.

The present study is carried out with the aim to find out the marketing problems faced by the farmers in the study area. The focus of this study therefore, is to examine marketing problems faced by the farmers in Gobichettipalayam Taluk. The present study is an attempt to elicit answers to the following questions:

1. What is the present structure of agricultural marketing system in Gobichettipalayam Taluk?
2. To what extent the farmers are satisfied with the existing marketing facilities in the study area?
3. What are the marketing problems faced by the farmers in the study area?

The scope of this study is restricted to marketing problems faced by the farmers in Gobichettipalayam Taluk. The present study highlights the features of existing market structure and the satisfaction level of the farmers and various marketing problems faced by them. The sample size is 200 farmers for the study as a whole. Further, while selecting the villages in the selected blocks for identifying the potentiality as well as concentration of farmers and had an interview with the officials of the Department of Agriculture at Taluk level. Factor analysis and Garattee Ranking Methods are used for the analysis of marketing problems faced by the farmers in the study area.

Challenges faced by the Farmers in the Marketing Process

Though rural markets are a huge attraction to marketers, it is not easy to enter the market and take a sizeable share of the market in the short time due to the following reasons.

Seasonal Demand

Demand for goods in rural markets depends upon agricultural situation, as agriculture is the main source of income. Agriculture to a large extent depends upon monsoon and, therefore, the demand or buying capacity is not stable or regular.

Distribution

An effective distribution system requires village-level shopkeeper, Mandal / Taluka- level wholesaler or preferred dealer, distributor or stockiest at district level and company-owned depot or consignment distribution at state level. The presence of too many tiers in the distribution system increases the cost of distribution.

Traditional Life

Life in rural areas is still governed by customs and traditions and people do not easily adapt to new practices. For example, even rich and educated class of farmers do not wear modern dress.

Buying Decisions

Rural consumers are cautious in buying and decisions are slow and delayed. They like to give a trial and only after being personally satisfied, do they buy the product.

Media for Promotions

Television has made a great impact and large audience has been exposed to this medium. Radio reaches large population in rural areas at a relatively low cost. However, reach of formal media is low in rural households; therefore, the market has to undertake specific sales promotion activities in rural areas like participating in melas or fairs. Apart from the above problems, farmers in the study area are facing many practical difficulties like:

- Inadequate storage capacity and warehousing facilities
- Lack of Transport Facilities
- Poor Handling, Packing, Packaging, and Processing Facilities
- Large Number of Middlemen
- Forced Sales
- Technological Development Problems
- Lack of Uniform Standardization and Grading
- Adulteration of Produce and Malpractices in Market
- Communication Problem
- Lack of Information about Production and Marketing
- Lack of Farmers’ Organization
- Inadequate Research on Marketing

The present analysis related to marketing problems in study area is presented through various tables.

Table 1: Level of satisfaction of farmers about the existing marketing practices

Level of satisfaction	Number of farmers	Percentage
Highly Satisfied	14	7.0
Satisfied	18	9.0
Neutral	13	6.5
Dissatisfied	130	65.0
Highly Dissatisfied	25	12.5

Table 2: Selection of channel of distribution marketing channel preference

Channel Of Distribution	No. of Farmers	Percentage
Pre harvest contractors/ sugar factory (Channel I)	150	75
Regulated markets / Co-operative Societies (Channel II)	32	16
Wholesalers and Retailers(Channel III)	18	9

Farmers prefer channel I consisting of pre harvest contractors and sugar factories. The farmer is helpful to farmers by

sanctioning the required advances and the sugar factories absorb the farmers’ produce with the assurance of payment.

Table 3: Reasons for selecting pre harvest contractors/ sugar industry as channel

Reasons	Pre harvest/ Sugar industry		Regulated market/co-operative society		Wholesalers and Retailers	
	Mean	Rank	Mean	Rank	Mean	Rank
Accurate Measurement	4.55	8	7.23	2	4.02	10
Availability of Credit	7.84	1	6.94	4	4.09	9
Less expensive	4.01	10	4.02	9	7.64	2
Less Commission	4.06	9	4.45	8	8.38	1

Convenient Sale	7.38	2	7.17	3	4.78	7
Low Volume of Rejection	6.96	3	4.00	10	4.13	8
Continuous Sale	6.17	5	6.11	5	7.41	3
Reasonable Sale	4.77	7	5.34	6	6.71	4
Less Risk	6.55	4	4.66	7	5.16	6
Immediate Payment	5.71	6	8.09	1	5.70	5

The above table explains about the reasons for preferring different kinds of channels of distribution by the farmers.

Relationship between the socio-economic characteristics of the farmers and their level of satisfaction about the marketing practices

Table 4: Chi-square (χ^2) analysis

Factor	Calculated value	Degrees of freedom	Table value	Level of significance	H ₀ accepted/ rejected
Age	82.63	8	15.51	5%	Rejected
Annual income	17.2	8	15.507	5%	Rejected
Acres of land	16.46	8	15.507	5%	Rejected
Present Market condition	238	12	21.026	5%	Rejected

Channel preference

The channel preferred by the farmers plays a pivotal role in increasing their level of satisfaction towards the marketing facilities. The better the channel they select, the better the marketing of their produce. For the purpose of analysis, the sample farmers have been categorized into three on the basis of their preference in selection of a channel viz., channel – I

(Farmers – Pre harvest contractors / sugar factory – Consumers), Channel – II (Farmers – Co-operative societies/Regulated markets – Consumers and channel III (Farmers – Wholesalers – Retailers – Consumers), Channel preference by the farmers and the average satisfaction score of farmers towards the functioning of intermediaries is presented in the below table.

Table 5: Distribution of farmers by the marketing channel preference and satisfaction scores

Channel of Distribution	No. of Farmers	Total Score	Average Score
Pre harvest contractors/ sugar factory (Channel I)	150 (75)	4835	34.31
Regulated markets / Co-operative Societies (Channel II)	32 (16)	1014	31.79
Wholesalers and Retailers (Channel III)	18 (9)	611	31.31
Total	200 (100)	6460	32.30

The above table shows that the average satisfaction score of Group I farmers who preferred channel I is more than the other two groups. Hence, to test the significance of the difference in

the average satisfaction score of the different groups of the farmers based on their channel preference, the analysis of variance has been applied.

Table 6: Distribution of farmers by the channel selection and level of satisfaction – ‘F’ test

Sources of Variation	Sum of Squares	Degrees of freedom	Mean Square	F – Value	Result
Between the Groups	562.169	2	281.084	4.877	Significant at 1% level
Within the Groups	17118.83	297	57.639		
Total	17681.00	299			

The chi-square analysis is used to test the significance of relationship between the farmers according to the channel preferred and their level of satisfaction. The details of the findings are shown in the following table.

Table 7: Distribution of farmers by the channel selection and level of satisfaction

Channels	Low	Medium	High	Total
Channel I	10(6.66)	50(33.33)	90(60)	150(100)
Channel II	12(37.5)	10(31.25)	10(31.25)	32(100)
Channel III	8(44.44)	5(27.77)	5(27.77)	18(100)
Total	30(15)	65(32.5)	105(52.5)	200(100)

It is clear from the above table shows that the farmers who prefer channel I (60%) with high level satisfaction is greater than that of the other two groups of farmers. The calculated value of chi-square (12.96) is more than the table value (9.488). Hence, the relationship between farmers with different channel preference and their level of satisfaction is sign.

Factor analysis

The factor influencing the problems in the marketing process of agricultural produce are narrated with the help of factor analysis. The technique of factor analysis provides a fascinating way of reducing the nature of variables in research problem to a smaller and manageable number by combining related ones into factors. This relieves the confusion arising through overlapping measures of the variables. The cost of further research may be reduced by focusing efforts on fewer variables for study. Factor analysis has many alternative algorithms that can be used. The method used here is the principal components analysis. The primary decision in each stage of factor analysis is to decide how many factors are to be extracted from the data.

Before applying factor analysis, it is decided to use Barlett’s test and Kaiser-Meyer-Olkin (KMO) Measure. Barlett’s test of sphericity is a test statistic used to examine the hypothesis that the variables are uncorrelated in the population. In other words, the population correlation matrix is an identity matrix, whereby

each variable correlates perfectly with itself (r=1) but has no correlation with other variables (r=0).The Kaiser –Meyer-Olkin (KMO) measure is an index used to examine the appropriateness of factor analysis. High values (between 0.5 and 1.0) indicate Factor Analysis is appropriate. Values below 0.5 imply that factor analysis may be appropriate [3].

Table 8: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.672	
Bartlett's Test of Sphericity	Approx. Chi-Square	380.637
	Df	28
	Sig.	.000

The above Table reveals that the measured value of Kaiser-Meyer-Olkin measure of sampling adequacy is 0.672. As it is greater than 0.50, it is decided to apply the Factor Analysis.

Table 9: Component Matrix^a

	Components		
	1	2	3
Price Fluctuation	.057	.896	.318
Communication	-.272	.725	.260
Training	.072	-.054	.718
Grading Standard	.144	.720	-.316
Storage Facilities	.875	.370	-.576
Govt Subsidies	.720	-.024	.131
Commission Charge	.847	-.057	.143
Ready Payment	.483	.011	.044

Extraction Method: Principal Component Analysis.- 3 components extracted

Garrett Ranking Analysis

As per the scale conversion Table, the scale value for the ranks is calculated. Similarly the scale values for the other fifteen ranks are computed. A total score value is calculated for each factor by multiplying the number of farmers with respective scale values. Apart from the above ranking analysis, to identify the significance of problems in marketing of agricultural produce, Garrett Ranking method is also used to rank the problems. By referring the Garrett Table, the per cent position estimated is converted into scores. Then for each problem, the scores of each farmer are added and then mean value is calculated. The problem having highest mean value is considered to be the first.

Findings of the Study

Present Market Structure

It is found that majority of the farmers cultivate paddy and sugarcane, then they prefer to grow only paddy, rest of the farmers engaged in the production of different combination of crops like paddy and banana, paddy, sugarcane and banana and sugarcane and banana. It is found that majority of the farmers prefer the pre harvesters to sell their produce who made advance payment to the farmers, rest of them prefer to sell through regulated market or co-operative society and prefer to sell through wholesalers and retailers.

Marketing Channels

Marketing channels consist of various agencies which perform

different marketing functions. The sample farmers are not concerned with the distribution of their produce to the consumers. In the study area, the intermediaries play a dominant role as marketing is done through three marketing channels viz.,(i) Farmers – Pre harvest Contractors-Sugar Factory- Consumers (ii) Farmers – Regulated Markets / Co-operative Society – Consumers (iii) Farmers – Wholesalers – Retailers – Consumers.

From the present study it is found that the majority of the farmers prefer the channel through pre harvest contractors and sugar factory to sell their crops because of the reasons like credit availability, convenient sale, low volume of rejection, less risk, continuous sale and immediate payment. It is found that only few farmers sell through regulated markets and primary co-operative societies as their medium to sell their produce

Functioning of Middlemen

From the present study, it is found that farmers are satisfied about the functioning of middlemen with respect to convenient sale, price benefit and payment and settlement whereas majority of the farmers are not satisfied with the aspects of high commission charges, measurement, weighing, grading and higher volume of rejection.

Functioning of Regulated Market and Co-operative Society

It is found that majority of the farmers were satisfied about the functioning of primary agricultural co-operative society and regulated markets about the aspects of weighing, processing facilities and immediate payment whereas they are not satisfied about price fixation, commission charges, produce pledge loans, cold storage facilities, getting market information and gathering of traders.

Satisfaction Level of the Farmers about the present Marketing Facilities

From the present study, it is found that majority of the farmers were not satisfied with the existing transport facilities, grading and standardization, commission charges paid to the middlemen and lack of market information. It is found that many farmers receive the market information from the middlemen involved in the marketing process, some of them from other farmers and minimum farmers get from regulated markets and co-operative society. Majority of the farmers were not satisfied with the factor ‘Availability of Storage Facilities’ From the present study, it is found that many of the farmers avail credit facilities through primary agriculture co-operative society, many of them from money lenders, rest of them secure credit facilities from commercial banks and regulated markets through produce pledge loans.

It is found that majority of the farmers expressed ‘lack of godown facilities’ is the main reason for their forced sales and rest of them to meet their financial commitments. Maximum farmers experienced their views as present marketing process is very complex and majority of them were not satisfied with the prices fixed for their produce. Many farmers were not satisfied with the subsidies provided to them. It is found that majority of the farmers were not satisfied about the number of existing regulated markets and co-operative society.

³Naresh, Malhotra and SathayabganDesh (2009), Marketing Research – An applied Orientation, Pearson Education, New Delhi, pp.610-635.

Socio Economic Variables and Level of Satisfaction of Farmers

The result of chi-square analysis shows that there is a significant relationship between the factors like age, education, number of acres hold, market price, experience, annual income, expenditure and market condition and the satisfaction level of the farmers. However, the factor education did not have a significant relationship on the satisfaction level of the farmers in respect of the available marketing facilities.

Problems in Marketing of Agricultural Produce

From the present study it is found that many problems faced by the farmers in the process of marketing their produce through the Factor Analysis and Garatte Ranking Method. According to the magnitude of the marketing problems, the order of merit given by the sample farmers is converted into ranks. In these two ranking analyse it is found that 'Price fluctuation' is the most important problem with the highest mean score followed by high commission charges, lack of market information, low price for their produce, lack of government support and storage facilities.

Suggestions

- It is suggested that steps can be taken by the regulated market and the co-operative society to encourage the farmers to bring their produce directly to them in order to protect them from the exploitation of market functionaries. Under the regulated markets, its management should be vested with market committees in which the members would be producers, traders and officials of the marketing societies to deal marketing problems and they can extend the period of produce pledge loans to the farmers.
- It is found that lack of storage facilities is an important problem faced by the farmers in the study area because of the perishable nature of many crops cultivated. Reduction of physical damage and quality deterioration in the agricultural products can be brought down through the appropriate storage facilities depending on the nature and characteristics of products and the climatic conditions of the study area. To this effect, a licenced storage and cold storage facility of various commodities is needed. So that the farmers can be protected from the forced sale and selling their produce at low price.
- It is also suggested that the middlemen, regulated markets and co-operative societies can take efforts to provide market information related to date and time of auction, gathering of traders through sms and digital displays. Market information centers can be opened by the government exclusively to provide market information to assist the farmers to know all details about the present market condition for all crops.
- It is found that the farmer needs to be trained in product planning i.e. crops and varieties to be grown, preparation of produce for marketing, malpractices and rules and regulations, market information, promotion of group marketing etc., It is also suggested that proper training programmes can be arranged for farmers through the regulated markets, co-operative societies and agriculture extension centers.
- It is suggested that the Government should fix the Minimum Support Price for the crops. A thorough investigation should be conducted by the Government by

considering the input costs of the produce. Also the Government should revise the Minimum Support Price for crops every year according to the increasing cost of cultivation.

- The regulated markets and co-operative societies can enhance their produce pledge loans and extend the period of retaining crops at godowns at low interest rate. It may help to reduce the financial burden of the farming community.
- It is suggested that the government can support the farmers to form separate committee for each crop at each village to encourage direct selling, to get better price for their produce and to protect them from the clutches of middlemen.

Conclusion

Marketing of agricultural produces always pose problems to the farmers. Though India is the leading agricultural country, still several problems are faced by the farmers in cultivation and marketing of agricultural produces. The present study focused on analyzing the marketing problems of farmers in Gobichettipalayam in Erode District. Price fluctuation has been identified as the major problem in marketing of agricultural produce. Farmers prefer to sell their produce mainly through pre harvesters and factories, wholesalers and retailers and few farmers through regulated markets and co-operative societies. Based on the findings of the study, several suggestions have been offered. If these suggestions are properly considered and implemented, agricultural marketing would certainly be improved in the study area and the standard of living of the farmers would definitely be improved.

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