



RESEARCH ARTICLE

MARKETING BEHAVIOUR OF FARMERS IN CULTIVATION OF GLORY LILY

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ABSTRACT

As the globe is awakened to the calls of environmental problems and health hazards, more and more people are showing interest in natural, safer and economical herbal medicines rather than the expensive chemical drugs that have many side effects. World Health Organization (WHO) has estimated that 80.00 per cent of the populations in developing countries rely on traditional medicines, mostly plant drugs, for their primary health care needs. The studies were conducted in Dindigul and Tuticorin district of Tamil Nadu. The sample size of 100 glory lily farmers. They were selected from the respective villages by employing random sampling technique. The data were collected through a well structured interview schedule. It was found that high fluctuation in marketing process, marketing channels, distribution of buyers of the glory lily seeds, method of price fixation, post harvest management, mode of transport, sources of market information for glory lily were the major marketing behaviour of farmers cultivating glory lily

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INTRODUCTION

As the globe is awakened to the calls of environmental problems and health hazards, more and more people are showing interest in natural, safer and economical herbal medicines rather than the expensive chemical drugs that have many side effects. World Health Organization (WHO) has estimated that 80.00 per cent of the population in developing countries rely on traditional medicines, mostly plant drugs, for their primary health care needs. India has about seven lakh-registered practitioners belonging to *Ayurveda*, *Unani*, *Sidha*, *Tibertian*, etc. These systems of medicine solely depend upon herbal products for medicinal treatment. Total global market for medicinal plants is worth about 150 billion dollars and India's share is only 1.3 billion dollars (0.9%). India's dismal performance in the global trade can be attributed to many factors. Among these, the major problem is that India exports only 30.00 per cent

of the commodity in the processed form and bulk of 70.00 per cent in raw form thereby causing loss in employment as well as foreign exchange reserves. Besides, over 90.00 per cent of medicinal plants are collected from the wild source, very often in a destructive and unsustainable manner (Natesh and Ram, 1999). In this paper we are discussion about the marketing behaviour of farmers cultivating glory lily.

METHODOLOGY

Selection of the study area

The state of Tamil Nadu was selected for the present investigation. The selected medicinal plants, glory lily, are grown in this state in large geographical area. Dindigul and Tuticorin districts were selected purposively from each district selected one taluk from each taluk selected one block namely. Oddanchatram was selected from among the blocks, as it has the largest area under glory lily cultivation. Paraivalasu, Ambilikai,

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Kallimandayam, Rotupudur and Kappalpatty having large area under glory lily were the five selected villages in Oddanchatram block.

Selection of farmers

Selection of respondents using random sampling technique was used to select farmers cultivating the selected medicinal plants. Hundred farmers were selected randomly from the selected villages. The percentage analysis used for simple comparison.

Marketing channel for glory lily

The marketing channels for tubers and seeds were indentified. The tuber is the propagating material for glory lily. The seed was not preferred due to late flowering of seed propagated plants. There were two major channels available for purchase of tubers. The predominant one was 'collector - broker - local trader - farmer.' The collectors were persons in the forest or villages who collected the tubers from the wild. The tubers were collected during January to March. The major source areas for collection were near Dharmapuri border Viralimalai, Pudukottai, and Sathyamangalam. Besides, tubers were also collected from throughout the Tamil Nadu state.

Marketing channels for tubers of glory lily

I.	Collector	→	Broker	→	Local Trader	→	Farmer
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II.	Collector	→	Broker	→	Farmer
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The collectors sold tubers to brokers based in the small towns or amidst villages. The brokers purchased it daily or on weekdays in shanties. Most of the brokers used to give advances to collectors to ensure the regular supply of tubers. The brokers formed one of the main links in passing on tubers to farmers.

Local traders were part of the chain connecting brokers and farmers. The local traders supplied tubers to farmers on receiving advances. The local traders made the delivery at a farm. The tubers were packed in cardboard boxes and safely transported. The local traders provided information related to area under the crop, expected yield and price in the current and future years. The local traders used to fix the price based on demand.

The second popular channel was 'collector - broker farmer'. In this, farmers go to the places of collectors and stay there for few days. The advantage was that they could get tubers at comparatively lower prices. Further, farmers could select the type of planting material they wished. At the same time the farmers could not find suitable and sufficient quantity of tubers. Therefore, they

had to return without purchasing or with little quantity of material.

Marketing channels for seeds of glory

There were mainly three kinds of channels used to market the seeds of glory lily. Among, them, the most widely used channel was 'farmer - broker - exporter'. Fifty per cent cent of the respondents were following the above channel. The brokers had their residences in the local area and were well known to farmers. Further, the brokers used to provide the required planting material. Farmers perceived the brokers to be more credible rather than anybody else.

I.	Farmer	→	Broker	→	Exporter
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II.	Farmer	→	Exporter
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III.	Farmer	→	Trader- broker	→	Broker	→	Exporter
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Brokers sold the glory lily seeds to exporters. As far as export was concerned, very few exporting companies were in the market. The brokers had the advantage of selling in higher quantity. This provided them power in bargaining for price with exporters.

The second major channel was 'farmer - exporter'. More than two-fifth of the farmers (42.00 per cent) were found to be selling seeds directly to exporters. Generally, this category of farmers were organised as a group in selling their produce to exporters. They were of the opinion that complete dependence on broker would not serve the interest of the farmers. The broker might make a huge profit as an intermediary. Further, they were of the opinion that the settlement of transaction and payment of money were quicker in channel II compared to channel I.

Table 1. Distribution of buyers of the glory lily seeds

(n=100)		
Categories	Number	Per cent
Broker	50	50.00
Exporter	42	42.00
Trader cum broker	08	08.00

Only eight cent of the farmers were found to market their produce through the channel III. The channel involved passing on the commodity from 'farmers through trader-cum-broker to broker and to exporter'. These farmers might have opted for input dealers as their buyer, owing to several reasons. The input dealer might have been perceived to be more credible than anybody else. This arrangement helped in getting pesticides, fungicides and fertilizers on loan and to pay back the debt to the dealer. Further, the farmer took least risk in

getting the payment. In this channel, the input dealer further sold the seeds to big brokers.

Method of price fixation

The farmers felt it to be the most delicate and difficult activity in the cultivation and marketing of glory lily. The respondents adopted two major practices, i.e. negotiation with exporters or farmers receiving the determined price from brokers. In the first case, a group of farmers used to come together and assess the expected yield of the group and that of the area. Thus, they decided the quantum to be made available for sale. The exporters sent directly their representatives/ brokers to villages to get the pulse of the market situation. A group of farmers selected a few individuals for negotiation of prices with the exporters.

In the first meeting, both the parties discussed the demand and supply situations and the expected price in the current year. Farmers started quoting an initial price considering the availability of quantity with them, cost of cultivation, price of the previous year and expectations of the exporters. The exporters also offered their price to the farmers and the terms and conditions. In the first meeting, normally there would not be any formal and concrete negotiation of price, but both of them assessed the situation. The first meeting normally took place in the month of January during harvest. Then a series of meetings for negotiations were held either directly in the village or on phone. The designated individuals carried on the negotiation.

During the month of March -April they concluded their negotiations to arrive at a final price. As the time went on, both the parties got the real picture of the demand and supply. Therefore, it led to a settlement. In this negotiation, farmers did not have the real picture of the demand figures. Therefore, they were not able to hold on to their position firmly. Their grip was weakened due to their own apprehensions that it could not be sold to anybody else. In addition, the commodity does not find anywise domestically and there was no other buyer.

The farmers felt that the price negotiation was a complicated and difficult process. At times, the details of supply level, needs of the companies, and international price of the commodity were not available with the farmers. Therefore, they could not bargain for a better price for their produce. They carried out the physical transactions of the commodity without finalising the price. So the exporters could process the initial orders making it convenient for them in negotiation. These farmers were paid a certain amount with an assurance that the remaining amount would be settled in the future based on the final market price. In this context, if the

negotiation got prolonged, the farmers in the group became desperate being afraid of their commodity being rejected this year. This anxiety along with transaction prior to finalisation of the price weakened the farmers' position in price negotiations. At times farmers could not find appropriate / reliable translators to carry out negotiations. The whole scenario reflected the lack of transparency and an institutionalised mechanism for price fixation.

The second method of price fixation was that farmers placed their glory lily seeds at brokers' godown or sold seeds to exporters. The farmers were assured to be paid the price that would be fixed in the current year. These farmers were assured of a certain minimum price irrespective of the market condition. Besides, they received certain portion of the amount in advance. Further, they would not have to face the risk of their commodity not being sold in the current year. This category of farmers preferred low risk rather than high price. Further, they would also get the price as the other farmers would from the exporters. However, their practice undermined the bargaining power of all the farmers.

Post-harvest management

The matured pods were harvested manually and sun dried for a week. The glory lily seeds were separated from the pods by beating up with sticks. The glory lily seeds were easily separated as pods were dried. Further, the seeds were spread over cement floors or on empty fertiliser bags. The seeds were dried until the moisture content came down to 10-12 per cent. The seeds were winnowed to remove stubble, roots, leaves, etc. Most of the farmers followed the uniform practice of post-harvest management.

The farmers did face difficulties in finding enough space for drying glory lily seeds during peak seasons of harvesting. This problem got aggravated during the rainy days. It became very difficult to keep dried seeds of various stages separately. In addition, it had to be dried for a longer time. If the seeds were not properly dried, they got blackened resulting in the loss of the quality of seeds. In this connection, farmers opined to have common concrete drying floor. Few farmers expressed willingness to buy solar driers of the suitable type. Fabrication of suitable device would be of great help to the farmers.

Mode of transport

The harvested pods were transported to the drying floor by the labourers or tractors. The dried seeds were transported to the godown of the broker or exporters by

farmers. As the commodity was not bulky, there was no problem at all with transport.

Sources of market information for glory lily

Fellow formers and friends were the most important sources for getting marketing related information with a mean score of 2.51 out of 3.00 followed by brokers (2.10), local merchants (1.56), exporters (0.90), input dealers (0.75), university sources (0.20), and Internet (0.09), whereas the sources like extension personnel, print media, television and radio were not at all considered sources of market information.

Table 2. Sources of market information for glory lily

(n=100)			
S. No.	Sources	Number	Rank
1	Fellow farmers and friends	2.51	I
2	Brokers	2.10	II
3	Local Merchants	1.56	III
4	Exporters	0.90	IV
5	Input Dealers	0.75	V
6	University sources	0.20	VI
7	Internet	0.09	VII
8	Extension personnel	0.00	VIII
9	Print media	0.00	IX
10	TV/Radio	0.00	X

The localite sources like fellow farmers and friends and brokers obtained the mean score of above two. This might be due to the fact that they were informal in nature, interacted frequently, easily accessible and credible. Especially the innovative farmers and persons having contact with exporters and brokers were the most frequently used sources of information for marketing of seeds. Brokers were also important because they maintained a close contact with the exporters and farmers cultivating glory lily in that area. They also took keen interest in supplying vital information to farmers, to keep their business with farmers. Followed by local merchants were also major sources as they supplied tubers for planting. They provided information related to availability and quantity of tubers and expected price for tubers.

Cosmopolitan sources like exporters and input dealers, university and the internet were the other sources of information with a score ranging between 0-1.0. Exporters were the key sources for all the stakeholders. The information on marketing of seeds originated from exporters only. However, farmers consulted them only during harvesting (January- April). The accessibility of exporters to farmers was limited because of language barrier, manipulation of information by local agents of the exporters and tendency of the exporters not to disclose all the information. These impediments affected the development of a healthy

economic relation between farmers and exporters and promotion of glory lily cultivation and trade. Input dealers were also consulted by farmers for getting information related to supply of tubers, pest and disease incidence and predicted yield, expected price and position of various farmer groups about selling the seeds. As input shop served as a hub for congregation of farmers from the nearby villages, the input dealer was able to provide a variety of information related to cultivation and marketing of glory lily. University sources were of minor importance. The farmers, young, educated and innovative, used to visit scientists in Department of Horticulture at Tamil Nadu Agricultural University (TNAU), Coimbatore to get clarification about insect pest and disease problems. They could not provide specific information on marketing of glory lily effectively. Further, the accessibility to these sources was limited because of long distance, difficulty in getting appointment with scientists and relevancy of the information to farmers' needs. Interestingly, the Internet did find a place, though a minor one, among the list of marketing information sources for glory lily. The young and educated farmers not satisfied with prevailing marketing, conditions used to browse the Internet to know about buyers offering attractive prices. They had limited access to Internet facilities and unable to meticulously use the Internet tool.

Ironically and shockingly, the cosmopolitan sources like extension personnel, print media and television and radio did not find a place among information sources. Though they were readily accessible to farmers, they did not provide any information on marketing.

CONCLUSION

From the above findings and discussion, it could be concluded that exporters were the only key sources from who marketing information emanated to others. They might not provide accurate information to cultivators owing to their vested interests for maximizing the profit and not providing chance for others to enter the trade. The localite sources topped the list of information source, but were not capable enough to provide details on export-oriented crop like glory lily. The government source and mass media had minimal or some time performed no role. The medicinal plants boards, at center and state, should take initiatives to promote marketing. Extension personnel too should gear up to meet the divergent needs of the farming sector.

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