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Challenges and Oppourtunities of Marketing Practices on Organic Paddy in Thanjavur District

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ABSTRACT

The rapid increase in production of organic paddy is creating new and more complex challenges for marketing. The study and understanding of existing marketing practices and issues of organic producers will help the stake holders, authorities, researchers and producers to identify the loopholes and plug them correctly. India is a large country with inherent geographic, ecological and cultural diversity and providing safe food to the nation is a challenging task. Production and marketing of organic paddy is one of the way outs for providing safe food to the people. So, in order to analyse the opportunities and constraints in organic paddy marketing, a study was conducted in Thanjavur district, taking a sample size of 60. Major findings emanated from the study which is based on the analysis on the constraints faced by the organic paddy farmers revealed that the prime constraint was the "risk of low yield" for the initial two years of transition from conventional to organic farming. The study indicated that 76 per cent of the farmers had awareness regarding certification and out of which only 64 per cent materialized the certification process. Reasons attributed for not growing certified organic rice showed that the "purpose for own family consumption" was the prime reason. Marketing channel study revealed that the farmers preferred to market organic paddy through contract farming with Farmers producers company, Kumbakonam. Awareness on consumption of organic rice showed that 60 per cent of the consumers having awareness on organic paddy, out of which only 40 per cent of them were turned into organic paddy consumers. Traders had awareness regarding organic paddy but out of the total trader's only 20 per cent really marketing organic paddy. The price factor appeared to be the key motivating factor for organic paddy production, the health and safety factors were appeared to be the key motivating factors in the consumption or purchase of organic paddy and unavailability of organic rice was found to be the major constraint in organic rice marketing.

KEYWORDS: Opportunities, Constraints, Organic paddy, Marketing

INTRODUCTION

Organic agriculture is a unique production management system which promotes and enhances agro-ecosystem health, including biodiversity, biological cycles and soil biological activity, and this is accomplished by using on-farm agronomic, biological and mechanical methods in exclusion of all synthetic off-farm inputs. In this context, a major thrust towards organic cultivation, however, will require a number of other initiatives and infrastructural support. Active involvement in studying crops and their diseases, development of organic manure, natural pesticides, training of farmers, and provision of storage and connectivity are all important areas to look into.

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Organic farming has become increasingly important in agriculture given the rising number of concerns that use of chemical fertilizers and pesticides are throwing up. GMO (genetically modified) crops may provide an excellent yield but their long-term effects are as yet untested and people are not quite ready to trust these foods. Apart from this, there has been a significant rise in the demand for organic food across the world. Promoting these organic-farming techniques only leaves India best poised to cash in on the immense export potential of these foods.

The country wise export of organic products from India in 2013-14 showed that the share of export of organic products in terms of volume to USA (42.16%) was highest followed by European Union (32.3%), Canada(21.68%) and the share of import of organic products by these three nations was around 96 per cent. The total value of export of organic products from India was177765.26 metric tons export value was Rs. 1328.6crores during the period of 2013-14Organic rice production gained importance both in domestic and export with total production of around 1382tons of paddy in 2004. The yield of organic paddy is significantly lower than paddy production using conventional production method. India is strong in high quality production of organic paddy. India has rich heritage of agricultural traditions that are suitable for designing organic paddy production system. India will surely emerge as a leader in organic paddy production and export. The major Indian paddy producing states are Punjab, Haryana, Assam, Maharashtra and Tamil Nadu. The price premium obtained for organic paddy varies greatly from country to country for organic paddy depending on distributional channel and prevailing market condition. However, an average across country organic paddy shows that the price premium range is 20-44 per cent (trader level) for the organic paddy. The present study was attempted in Thiruvidaimaruthur block of Thanjavur district.

OBJECTIVES OF THE STUDY

1. To analyse the farmer's status and their problems and constraints in organic rice production.
2. To study the consumer's awareness, preference and attitude towards organic rice in the study area.
3. To analyse the supply chain constraints in organic rice marketing and to offer suggestions for developing organic rice market.

METHODOLOGY

Thiruvidaimaruthur block was purposively selected since organic farming is popular here because of the schemes implemented by the Farmers Producer Company, Kumbakonam. With the help of records maintained by the Farmers Producer Company this block was selected for the study. A sample size of 60 was considered adequate for this study in which 25 organic paddy producers, 25consumers and 10 traders were considered. All the respondents in each category were randomly selected.

DATA COLLECTION:

Primary data required for this study were collected through personal interview method with the help of retextured questionnaire. The questionnaire was prepared in three parts, one for the organic rice producers (farmers), second one for consumers and another for traders.

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TOOLS:

The following tools of analysis were employed in analyzing the various aspects of the study to fulfil the objectives.

RESULTSANDDATA ANALYSIS:

The results obtained from the present investigation have been presented in the following sub heads:

CONSTRAINTS IN ORGANIC RICE PRODUCTION:

The objectives of the study were to identify the constraints in the organic paddy production. The various constraints faced by the respondents in the organic production given in the Table 1.It was notice from Table 1 that out of several factors that limits organic rice cultivation "risk of low yield" for the initial years of transition from conventional to organic farming was opined as the important constraint by the sample organic paddy farmers. In many cases the farmers experience some loss in yield in discarding synthetic input son conversion of their farming method from conventional to organic. Lack of technical support, proper established marketing channel and land not suitable for organic farming were all the other constraints enlisted in the ranking order. Unless such a clear and unambiguous direction is available in terms of both financial and technical supports from the centre to the panchayath levels mere regulation making will account to nothing. Since organic paddy is in primitive stage of marketing, the network was not well established by linking the trader and potential organic paddy consumers. Because of this fact farmers are not realizing their due share in export market and price premium from the consumers.

AWARENESS AND ADOPTION ON ORGANIC CERTIFICATION:

It could be noticed from the Table 2 that around 76per cent of the farmers had awareness regarding certification out of which only 64 per cent materialized the certification process. This indicated that though most of them had awareness when the procedure of execution comes farmers fail in their efforts.

FARMER'S PREFERENCE OF CHANNEL IN ORGANIC RICE MARKETING:

It could be observed from the Table 3 that among the marketing channels the farmers preferred to market organic paddy through "contract farming with Farmers producer company" which accounted for the highest share (64 %) followed by Retail shop, direct consumer and sale of seed purpose which constitute 20,12 and 4 per cent respectively. It could be observed from the tablet hat the majority of the organic farmers had grown organic rice in contract with Organic farmers producer company

TABLE 1
CONSTRAINTS IN ORGANIC RICE PRODUCTION IN THE STUDY AREA

SL.NO	PARTICULARS	MEAN SCORE	RANK
1	Organic input unavailability	53.13	2
2	Low price premium	52.50	3
3	Land not suitable for organic farming	40.73	7

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4	Cumbersome certification procedure and cost	51.46	4
5	No proper market channel	43.53	6
6	Low yield	57.26	1
7	No proper technical support	47.36	5

Source: Primary data

TABLE 2
AWARENESS AND ADOPTION OF ORGANIC CERTIFICATION IN THE STUDY AREA

SL. NO.	PARTICULARS	AWARENESS	ADOPTION
1	Yes	19(76.00)	16(64.00)
2	No	6(24.00)	9(36.00)
Total		**25(100)**	**25(100.00**

Source: Primary data

TABLE 3
FARMER'S PREFERENCE OF CHANNEL IN ORGANIC RICE MARKETING IN THE STUDY AREA

SL.NO.	PARTICULARS	NUMBER	PERCENTAGE
1.	Direct consumer	3	12
2.	Retail shop	5	20
3.	Seed	1	04
4.	Farmer producer co.,	16	64
Total		**25**	**100**

Source: Primary data

REASONS FOR ORGANIC RICE CONSUMPTION:

The analysis revealed that "health" is the main attribute preferred by the consumers for shifting to organic paddy consumption followed by the "nutritional status" these two factors scored high and ranked first and second in consumer's opinion, respectively. "Safety" aspects of organic food ranked 3rd position and "affordability" (purchasing power with premium price) followed by "availability in locality" was other importance parameters of consumer' decision on organic paddy consumption. Organic food preference for "managing illness" and "eco-friendly" nature of organic paddy production were considered with lesser importance in consumer's opinion on organic paddy consumption (Table4).

TABLE 4
REASONS FOR ORGANIC RICE CONSUMPTION IN THE STUDY AREA

SL.NO.	PARTICULARS	MEAN SCORE	RANK
1	Health	60.93	1
2	Nutrition	57.93	2
3	Safe to consumer	50.56	3
4	Affordable	50.43	4
5	Readily available	49.06	5

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6	Management of illness	46.83	6
7	Eco- friendly	45.43	7

Source: Primary data

TABLE 5
TRADERS AWARENESS ON ORGANIC RICE AND MARKETING IN THE STUDY AREA

SL.NO.	PARTICULARS	AWARENESS	TRADING
1.	**Yes**	**7(70)**	**2(20)**
2.	**No**	**3(30)**	**8(80)**
	Total	**10(100)**	**10(100)**

TRADERS AWARENESS ON ORGANIC RICE AND MARKETING:

The Table 5 shows that 70 per cent of the trader shad awareness on organic rice, out of which only 20 percent really marketed organic rice. This clearly indicated that despite having awareness substantial numbers of traders were not selling organic rice due to some practical difficulties. Altogether around 80 per cent of traders are selling only the conventional rice (Gowri, 2015).

CONCLUSION:

Organic farming is based on the principle of maximum production with high quality without affecting the soil fertility and environment. The most important constraint felt in the progress of organic paddy farming in the inability of the government policy in making a firm decision to promote organic agriculture. It's quite natural that a change in the system of agriculture in a country of more than a billion people should be a well thought out process, which requires utmost care and caution. Farmer's apprehension lies in non-availability of sufficient amount of organic supplements, bio fertilizers and local market for organic produce. Lack of access to guidelines, lackof market information, risk of low yield which strongly discourage small farm holders who constitute over 80per cent of farming community in the study area. The key motivating factors for organic paddy production, the health and safety factors were appeared to be the key motivating factors in the consumption or purchase of organic paddy unavailability of organic paddy was the major constraint inorganic paddy marketing. From the findings of the study, it is imperative to call for attention from government, policy makers, and planners to design effective paddy marketing and export policy/strategy that would ensure to overcome the constraints faced by the farmers for promoting paddy production and export.

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