

Increased income to farming community through direct marketing in India

Abstract

ICAR-Taralabalu Krishi Vigyan Kendra, Davanagere initiated innovative marketing strategies for enhanced income to the farmers in India. The present study focused on analysis of these marketing strategies. The Saturday Organic Weekly Bazaar started during 2013 for organic growers to sell their produce directly to consumers without the involvement of middlemen. The weekly bazaar is making average turnover of Rs. 65865.00 per week from 8 entrepreneurs. The procurement and direct marketing vegetables was initiated through 3 Farmers Producer Organizations. During lockdown period of 2020, 25.23 t of vegetables procured from farmers and sold directly to the consumers in Davanagere city. Total procurement cost Rs. 504600.00 gross earning Rs. 630750.00 gross income Rs. 126150.00 (@ 25% margin), the net income was Rs. 113535.00 (average operational cost @ 10%). KVK is facilitating the marketing of safely ripened mango. In the last 3 years 1.1 t, 2.5 t and 8.5 t of mango was sold directly to consumers earning gross income of Rs. 66000.00 Rs. 200000.00 and Rs. 850000.00 respectively. These marketing interventions initiated by KVK are small steps to increase the producer share in the consumer's price and bring in marketing orientation among farming community.

Keywords: Marketing, Income, Saturday Organic Bazaar, Farmer Producer Organizations, Organic farming, Middlemen Fruits and Vegetables

Introduction

One of major problem the farmer is facing is the post-harvest processing, value addition and marketing of their produce. Since 7 decades the production led extension system in India has achieved near self-sufficiency in food production but at farmers level better marketing price for his produce is difficult phenomena to achieve. Increased production not always bring better income to the farmers but better marketing of his produce will definitely fetch higher income to farmer. The present extension system take care how to produce and how much to produce but failed to answer where to sell and at what price.

Motivation of farmers from production orientation to marketing orientation is not easy task as farmers perceive that higher production is his role and marketing is not given

importance. ICAR-Taralabalu Krishi Vigyan Kendra, Davanagere initiated innovative marketing strategies to involve farmers in direct marketing of their produce to bring higher income. Although these initiatives are small scale in terms of volume and number of farmers involved but certainly the models can be adopted in similar situations. The additional income realised by the farmers through these marketing initiatives are analysed in this study.

Mango is grown in 4855 hectares and all the vegetables occupy 8844 hectares in Davanagere district (Anonymous 2020) and thousands of farmers earning their livelihood through these crops. It is very much necessary to make these farmers to realise maximum profits through marketing of these crops.

Objectives

1. To analyse the innovative marketing strategies initiated by ICAR-Taralabalu Krishi Vigyan Kendra, Davanagere
2. To analyse additional income realised by the farmers through innovative marketing strategies.

Methodology

The marketing interventions are taken up by ICAR-Taralabalu Krishi Vigyan Kendra, Davanagere to achieve enhanced income to the farmers. The Saturday Organic Bazaar is organised in KVK premises since 8 years and the data of last 2 year turnover in the bazaar is analysed, The mango marketing by producers initiated since last 3 years and quantity of mango sold and gross income to the growers was documented for the same period. The direct marketing of vegetables through 3 FPOs was initiated during lock down period of 2020. The quantity of vegetables procured directly from producers and additional income realised by FPOs was analysed and presented in the study.

Results and Discussion

A) Saturday Organic Bazaar

Promotion of organic farming by both State and Central Governments in the last 2 decades encouraged many farmers to take up organic farming in Davanagere district. This has promoted the production of organic inputs including pest and disease management, nutrient management, green manuring, farm yard manure, use of bio-digesters. The agricultural output produced through organic farming is need to be marketed through

separate channels without mixing with regular markets because the yield levels especially in the initial years are low when compared to normal practice. The farmers are finding it difficult to market these produce as there are no exclusive organic markets available. ICAR-Taralabalu Krishi Vigyan Kendra, Davanagere initiated Saturday Organic Bazaar during 2013. This marketing facility in the KVK premises facilitated organic farmers to sell their produce directly to the consumers without the involvement of middlemen. The organically produced rice, millets, jaggery, traditionally extracted groundnut oil, sunflower oil, safflower oil, coconut oil, fruits, vegetables, dry fruits value added products of rice and millets among other products are sold. From consumers point of view, they are getting healthy and good quality organic produce directly from farmers.

A perusal of Table 1 indicates that average transaction per week in Saturday Organic Bazaar from 8 participants is Rs. 65865.00 and average profit to farmers is Rs. 26675.00 which accounts for 40.5%. Since the organic farmers are selling their produce directly to consumers without involvement of middlemen resulting in enhanced income to the farmers. This model is continued since 2013 indicates the acceptance from consumers who are getting daily needs at their doorstep. The organically produced fruits, vegetables, rice and other produce definitely have better quality for which consumers are ready to pay extra price. One of the participant farmer in the organic bazaar Mr. Anjaneya A. N., from Kumbaluru village of Harihar taluk, Davanagere district grows organic paddy since 20 years and also conserves and preserves more than 150 traditional rice varieties. The farmer distributes seeds of these traditional rice varieties to other interested farmers and takes up primary and secondary value addition in rice. He prepares rice, puffed rice, idli mix, dosa mix, par boiled rice and sell in the organic bazaar. The economic analysis of his paddy production (Table 2) reveals that the cost of production is Rs. 52450.00/ha, gross income of Rs. 196000.00/ha and net income of Rs. 145550.00/ha. The average gross income through Saturday Organic Bazaar is Rs. 3769.00/week whereas, average net income is Rs. 2799.00/week. The higher net income per hectare is attributed to value addition in rice and selling directly to consumers in the organic bazaar at higher price.

Table 1. Details of Saturday Organic Bazaar

Particulars	Values
No. of Participant farmers	08 Nos
Average turnover/week	Rs. 65865.00
Average profit to participant farmers	Rs. 26675.00 (40.5%)

Table 2. Economics of paddy production and marketing of Mr. Anjaneya A. N

Particulars	Values
Cost of production/ha	Rs. 52450.00
Gross income/ha	Rs. 196000.00
Net income/ha	Rs. 145550.00
Average gross income/week	Rs. 3769.00
Average net income/week	Rs. 2799.00

B) Vegetable Marketing through Farmer Producer Organizations

Lockdown period impacted all walks of life including agricultural sector. In the agricultural sector perishable products like fruits and vegetables suffered seivour set back. The harvesting, packing, transporting, market access, distribution etc. are affected due to breakdown in supply chain. In other words, whole marketing channel came to standstill. ICAR-Taralabalu Krishi Vigyan Kendra, Davanagere initiated marketing of vegetables through 3 Farmer Producer Organizations (FPO's). The ordinary farmers are facing problems in transportation and marketing of vegetables. The FPO's were guided to procure vegetables directly from farmers and KVK scientists were went around Davanagere city and convinced urban community to purchase vegetables which came directly from farmers. In all 25.23 t of vegetables procured and sold directly to consumers. The total procurement cost was Rs. 504600.00 gross income earned was Rs. 630750.00 with net income of Rs. 126150.00 Although the quantity of vegetables procured and net incomes earned was not so high through FPOs. The model inspired the local traders and they started to purchase vegetables, fruits, tender coconut directly from farmers instead of APMC at higher cost than FPOs. This helped the farming community to earn enhanced profit even in distress situation for their perishable produce.

Table 3. Details of vegetable marketing through Farmer Producer Organisations

Particulars	Values
No. of FPO's involved	3 Nos
Total vegetables procured and sold	25.23 t
Total procurement cost	Rs. 504600.00

Gross income	Rs. 630750.00
Net Income	Rs. 126150.00

C) Direct Marketing of Mango

The normal procedure followed in Mango marketing is leasing out whole plantation for 2 to 3 years to local traders. The average earning to farmers through this marketing channel is ranges from 20 to 25 per cent of consumer price. ICAR-Taralabalu Krishi Vigyan Kendra, Davanagere organized several frontline demonstrations on integrated crop management in mango and given technologies like integrated nutrient management, integrated pest and disease management, pruning and also introduced ‘mango special’ technology released by ICAR-Indian Institute Horticultural Research, Bengaluru. The frontline demonstrations resulted in increase in yield of mango up to 15 per cent. This increase in yield of mango has not helped the farmers in getting higher income due to poor marketing channels. Along with these technologies KVK also established community mango ripening chamber for safe ripening of mangos using ethrel and castic soda. KVK convinced 5 farmers not to lease out mango plantations and instead harvest themselves and take up ripening using safer chemicals and provided opportunity in KVK premises to sell mangos directly to consumers. The analysis of direct marketing mango by the producer farmers reveals (Table 4) that during 2018-19 1.1t mango sold and earned gross income of Rs. 66000.00 followed by 2.5 t with gross income of Rs. 200000.00 during 2019-20 and 8.5 t and earned gross income of Rs. 850000.00 during 2020-21. The traditional way of marketing wherein leasing out of mango plantations could have fetched 20 to 25 per cent of gross income only.

Table 4: details of direct marketing of Mango by the farmers.

Year	Quantity Sold (t)	Gross Income (Rs.)
2018-19	1.1	66000.00
2019-20	2.5	200000.00
2020-21	8.5	850000.00

Conclusion

Institutional extension system in the last 7 decades brought greater changes in production orientation of farmers for increased production. The marketing aspects left untouched and bringing marketing orientation to farmers is not easy task because farmer thinks that production is his only duty and depends on somebody for marketing of his produce. These innovative marketing strategies initiated by ICAR-Taralabalu Krishi Vigyan Kendra, Davanagere helped the farmers to involve in direct marketing and increased their profit share. This is the small step to address the larger issue of 'increased producer share in the consumer price.

References

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Image 1 : Fruits and Vegetable marketing through Farmer Producer Companies during lockdown period



Image 2 : A view of Saturday Organic Bazaar



Image 3 : Direct marketing of mango by the farmers