

## FARMER AND MARKET FUNCTIONARIES RESPONSE ON ROLE OF ITC IN TURMERIC PROCUREMENT IN CHAMARAJANAGAR DISTRICT, KARNATAKA

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### **Abstract**

*In the competitive world of commodity trading, India has two distinct advantages - the largest arable land and diverse climatic conditions, favorable for a wide range of agri products. It was in such a scenario that ITC's Agri Business Division was created to offer the world the best of India's produce. ITC Agri business Development Started in 1990, ITC-ABD today holds a prominent position among the exporting community in India. It contributes over 60% of ITC Group's total foreign exchange earnings. ITC-ABD attributes its leverage in the industry, to a focused approach on strengthening its core competencies in select commodities. Today, ABD continues to deliver the pick of India's agri commodities like Feed Ingredients - Soyameal; Foodgrains - Rice (Basmati); Coffee & Marine products like Shrimps and Prawns, Processed Fruits - Mango, Papaya and Guava Products and Spices. This paper highlights the role of ITC in Turmeric Procurement in Chamarajanagar District.*

**Keywords:** ITC, Procurement, Turmeric, Agri Commodities, Feed Ingredients - Soyameal; Foodgrains

### **Introduction**

India is the largest producer, consumer and exporter of turmeric. Other producers in Asia include Bangladesh, Pakistan, Sri Lanka, Taiwan, China, Burma (Myanmar), and Indonesia. Turmeric is also produced in the Caribbean and Latin America: Jamaica, Haiti, Costa Rica, Peru, and Brazil. The use of the spice spread widely in Oceania, but it is not used as a condiment in Melanesia and Polynesia. Major importers are the Middle East and North African countries, Iran, Japan and Sri Lanka. These importing countries represent 75% of the turmeric world

trade, and are mostly supplied by the Asian producing countries. Europe and North America represent the remaining 15%, and are supplied by India and Central and Latin American countries. Taiwan exports mostly to Japan. The United States imports of turmeric come from India at 97%, and the rest is supplied by the islands of the Pacific, and Thailand.

### **Indian scenario**

India has 185.32 lakh hectares under turmeric cultivation with a total production of 701.66 lakh tones. Andhra Pradesh topped both in area and production with 73.93 lakh hectares

and 375.77 lakh tones respectively. Tamil Nadu follows with 33 lakh hectares with 158.64 lakh tones (As per latest Statistics). Productivity was highest in Tamil Nadu 6118 Kg/ha.

Turmeric is a seasonal product which is available in the market mainly in two seasons, commencing in mid February to May and second season is mid August to October.

The important varieties used in India are: 'Alleppey Finger' (Kerala) and 'Erode and Salem turmeric' (Tamil Nadu), 'Rajapore' and 'Sangli turmeric' (Maharashtra) and 'Nizamabad Bulb' (Andhra Pradesh). In Tamilnadu, the important varieties cultivated are Erode local, BSR-1, PTS-10, Roma, Suguna, Sudarsana and Salem local.

Some of the important turmeric varieties exported from India are Alleppey Finger Turmeric, Rajapuri, Madras and Erode variety. The processed forms of turmeric exported are dry turmeric, fresh turmeric, turmeric powder and oleoresin.

#### Importance of the study

In chamarajanagara district farmers are facing so many problems in production and marketing of turmeric. the situation of the commission agents, traders is also critical in purchasing the turmeric.

ITC is procuring turmeric in chamarajanagara distirct directly at farm gate but most of the farmers are not aware of the services provided by ITC to farmers.

I am really interested to study the farmers perception towards ITC company and the procurement system of ITC and also to understand problems faced by both farmers and market functionaries

#### Objectives of the study

- ❖ To know the perception of farmers towards ITC company in procurement of turmeric.
- ❖ To study the Turmeric marketing problems in the study area.

#### Methodology

The present study on "the role of ITC in procurement of turmeric - Case study in chmarajanagara district" is based on both primary and secondary data.

The studies on topic like this require not only the secondary data but also the primary data, the primary data is crucial to understand the problems faced by the farmers otherwise the appropriate conclusions and proper suggestions cannot be made therefore the present study used both primary and secondary data.

The priary data will be collected by deferent catogaries producer, commission agent, traders it helps to analyse the perception towards ITC Company. These information will be collected through questionnaire. In addition to this other information's required to understand the subject through several officers in ITC Company to analyse their turmeric procurement in study area.

The secondary data will be gathered from Agricultural produce market committee (APMC) chamarajanagara to make use of such data it helps to analyse the present situation of the turmeric study area.

#### Sample Design

There are 4 taluks in Chamarajanagara District I will select 4 taluks namely 1.Chamarajanagara 2. Gundlupet 3. Yelandur 4. Kollegala

Taluks	village	no.of farmers	Total
Chamarajanagara	2	10*2	20
Gundlupet	2	10*2	20
Yelandur	1	10*1	10
Kollegal	1	10*1	10
Total	6		60

The total sample size will be 60 farmers Apart from this the Trader,Commission agent,will also be interviewed in Chamarajanagara Disrict.

Traders	4
Commission agent	6
Total	10

## Results and Discussions

Regarding to analyzing the primary data which I got in from questionnaire and some secondary data from ITC company this following features can be discussed about the ITC procurement in turmeric in Chamarajanagara District.

1. procurement of Turmeric by ITC
2. Marketing of Turmeric by ITC

ITC Agribusiness has helped the farmers in many ways, such as encouraging among the farmers to access the latest technology for knowledge in the Agricultural sector, sustainable income levels and skill development for improving productivity and ITC can buy the output from the farm to the processor unit, polishing, cleaning, storage, and then to transfer it for concern factory.

As a view of the study area only 43% of the farmers were aware of the ITC procurement in turmeric, rest of them 57% will not aware of the ITC procurement and their produced turmeric sell APMC only.

ITC is an one of the trader, The APMC in study area All the farmers, omission agent, Traders are facing many problems while marketing, such as Basic facilities, Infrastructure facilities, Management problem, problems in turmeric Auction procedure, labour problem, transportation problem etc.

### Data analysis

Education	No. of farmers	Percent
Literate	40	66.67
Illiterate	20	33.33
Respondents awareness about the ITC's procurement facility		
Opinion	No. of farmers	Percent
Yes	26	43.33
No	34	56.67

Decide growing area for next year		
Opinion	No. of farmers	Percent
Market price	13	21.67
Water availability	23	38.33
Availability of seed	5	8.33
Finance	4	6.67
Both 1-2	2	3.33
Both 1-3	7	11.67
Both 3-2	2	3.33
Both 3-4	4	6.67

Mode of payment	No. of farmers	Percent
Cash	51	85
Credit	9	15

Respondent awareness about the crop management practice		
Opinion	No. of farmers	Percent
Yes	8	13.33
No	52	86.67

sale of turmeric commodity		
Opinion	No. of farmers	Percent
Direct sell	14	23.33
Intermediates	40	66.67
Contracts	6	10

whom to sell the turmeric commodity		
Place	No. of farmers	Percent
Erode	20	33.33
APMC	24	40
ITC	14	23.33
Others	2	3.33

Perception about marketing to ITC		
Opinion	No. of farmers	Percent
No response	35	58.33
Good	11	18.33
Poor	14	23.33

How long selling to ITC		
Opinion	No. of farmers	Percent
Not selling	35	58.33
1-2 Year	14	23.33
2-3 year	9	15
above 3 year	2	3.33

Getting any backward linkages		
Opinion	No. of farmers	Percent
Not aware of ITC	36	60
Yes	5	8.33
No	19	31.66

Farmers Marketing problems		
Problems	No. of farmers	Percent
Labour	5	8.33
Transportation	8	13.33
Price variation	10	16.67
Competition	4	6.67
Both 2-3	7	11.67
Both 1-3	17	28.33
Both 1-4	3	5
Both 3-4	2	3.33
Both 1-2-3	4	6.67

commission agent opinion for the market		
Opinion	No. of commission agent	Percent
Good	2	33.33
Bad	4	66.67

Commission agent attend the market		
In Year	No. of commission agent	Percent
2-3Year	2	33.33
3-5Year	4	66.67

Commission agent opinion for stall		
stall is useful	No. of farmers	Percent
Yes	2	33.33
No	4	66.67

Turmeric arrivals come from to APMC		
District	No. of commission agent	Percent
Chamarajanagara	2	33.33
Yelandur	0	0
Gundlupet	4	66.67
Kollegala	0	0

Cleanness of the market		
Opinion	No. of farmers	Percent
Good	1	16.67
Poor	4	66.67
Very poor	1	16.67

Opinion to APMC procedure		
Opinion	No. of farmers	Percent
very Good	0	0
Good	3	50
Poor	2	33.33
Very poor	1	16.67

Trader opinion for the market		
Opinion	No. of farmers	Percent
Satisfied	1	25
Not satisfied	3	75

Trader opinion for services in the market		
Opinion	No. of farmers	Percent
Good	1	25
Average	2	50
Poor	1	25

Trader opinion for the cleanness of the market		
Opinion	No. of farmers	Percent
Average	1	25
Good	0	0
Poor	3	75

Source: Primary Data – 2018

In this study Out of 60 farmers, 66.67% farmers are literate and rest of 33.33% farmers are illiterate. It shows that majority of the farmers are literate and they can easily understand the changes in the market and they can easily adopt new development in the field of production and marketing of agricultural commodity.

In this study 56.67% of farmers are not aware of the ITC procurement facilities and the rest of 43.43% of farmers are aware of ITC procurement. It shows that majority of farmers are not aware about the ITC. It shows that ITC procurement department comity did not took proper steps to make aware of its procurement facility to farmers.

In this study out of 60 farmers 38.33% them are deciding the growing area for next year based on availability of water and 21.67% of farmers decide based on the market price and 11.67% of farmers decision based on the both market price and availability of seed and 6.67% of farmers decide based on the finance. It shows that majority of the farmers pre-planned based

on market price, water availability and seed availability.

In this study out of 60 farmers 85% of the farmers are getting payment through cash and rest of 15% of the farmers are getting through credit payments. It shows that transaction in the marketing majority happen Through cash mode of payment.

In the study the 86.67% of farmers were not aware of the crop management practice and rest of 13.33% of farmers aware of the crop management practice. it shows that majority of the farmers don't know the crop management practice they are adapt traditional pattren.

The 66.67% of farmers selling their produced turmeric through intermediaries and 23.33% of the famers sell directly and rest of the 10% farmers selling through contractors. It shows that majority of the farmers selling their commodity through intermediaries, because of reducing the risk in the marketing and minimize the marketing cost.

The 40% of the farmers are selling their produce turmeric commodity to APMC and 33.33% of the farmers are selling Erode and 23.33% of farmers selling to ITC rest of 3.33% of farmers are selling in other local market. it shows that majority of the farmers selling to APMC, compare to APMC and Erode, farmers selling to ITC is low, because of farmers are not aware the ITC procurement. And 59% of the farmers are not responded to this question because they are aware of the ITC procurement and their work. Rest of 23% of farmers who are selling to ITC their opinion to ITC is poor. It shows that ITC procurement in the study area not give the satisfaction services to the farmers.

The 58.33% of farmers not responded to this question because they don't know the ITC procurement. Rest of that 23.33% of the who are know the ITC procurement they are selling from 1-2 years and 15% of the farmers are selling 2-3 year. It shows that majority of the farmers are not selling to the ITC only rest of

the farmers are selling to minimum 3 years.

In this study out of 60 farmers 60% of the farmers are not responded to this question because they don't know the ITC procurement and they don't get any backward linkages. Rest of them 31.33% of the farmers who are already Having interaction with the ITC they are not get any backward linkages through ITC, rest of 8.33% of the farmers will get the information and sufficient help through ITC.

In this study represent the problems faced by the farmers while marketing. Out of 60 farmers 28.33% of the farmers are facing labour problem and price variation problem. Rest of the 13.33% of farmers is facing problems in the study area. It shows that in the study area all the farmers are facing problems by the time of marketing majority of the farmers facing labour, transportation, price variation in the market.

In this study represent the opinion of the commission agent in the market towards market facilities. Out of 6 commission agent 4 members are not satisfied with the market structure and rests of 2 of the members are satisfied with the market. It shows the majority of the commission agents are not satisfied with the current market Layout.

In this study represent that of 6 commission agent. Out of this 67% of the commission agent are attend the market more than 3 years. Rests of them are attending below 3 years in the market. It shows that majority of the commission agent are attend the market more than 3 years. They are all the license holder and they are involved in the other marketing activities in the market.

In the study represent that opinion of the commission agent towards the place provide in the market. Out of 6 commission agent 67% of the members are not satisfied with the current market provided place and rest of them are accept the market place. it shows that majority of the commission agent are not satisfied with

the place because of the basic facilities are not available in that place.

In the study represent that commission agent opinion towards Turmeric arrivals to the market. 67% of the commission agent were tell to Gundlupet taluk and rest of them opinion are Chamarajanagar. It shows that majority of the turmeric arrivals come in to the Gundlupet taluk because high productions of turmeric take place in Gundlupet.

In the study represent that opinion of the commission agent towards their business income. Out of 6 members 83.33% of the commission agent will not get the sufficient income from their business and rest of the 16.67% of the members get sufficient income from the business. It shows that average number of commission agent will not get the income because of the price fluctuation, marketing cost is high, and this is the opinion of the commission agent.

In the study represent that opinion of the commission agent towards cleanliness of the market in study area. Out of 6 commission agent 66.67% of the members are the opinion that cleanness maintenance is poor, rest of the members 16.67% were satisfied the market cleanness and rest of 16.67% of members very poor satisfaction give to the cleanness of the market. It shows that average members are not satisfied the overall cleanness of the market.

In this study represent that the opinion of the commission agent towards the APMC procedure in the marketing. 50% of the members are satisfied the marketing procedure, rest of the members will give poor satisfaction to the APMC procedure because of the late process and management problem.

In this study out of 4 traders, 75% of the traders are not satisfied compare to other market rest 25% of the traders are satisfied the market. It shows that majority of the traders are not satisfied with the market environment, because of the marketing problem and other

activities.

In this study out of 4 trader 50% of the traders get average satisfaction from the market and 25% of the traders will get the good satisfaction from the market. It shows that majority of the trader are not satisfied with the market services because of the late process in the market and in proper facilities.

In this study out of 4 traders 75% of the traders are not satisfied with the cleanliness of the market and 25% of the traders are get average satisfaction from the market services. It shows that majority of the trader are not satisfied with market services because of the no infrastructure facilities and auction problem.

#### Findings of the study

- The majority of the farmers are not aware of the ITC procurement in turmeric in the study area.
- Farmers are not aware about ITC services and the farmers who are aware of ITC services are not satisfied with the service provided by the ITC.
- As the awareness regarding ITC is very less among farmers so they sell their commodity through the village traders and five farmers sell directly to the APMC.
- ITC don't have the strong linkages with the farmers, as they are not providing any kind of backward linkages such as inputs, credits, and etc. to build the better relationship.
- Awareness about the ITC is more among farmers in Gundlupet, so majority of the turmeric arrivals to ITC are coming from Gundlupet taluk.
- Pre-plan of production of turmeric totally depend on availability of water, if the farmers gets the good irrigation facilities they are ready to produce the turmeric in the study area.
- Farmers do not follow any crop management practices such as inter

cropping, Growing pattern and proper harvesting management etc.

- Commission agent in the markets are not gaining sufficient income through turmeric sale because of high lab our cost which is reducing their income and also problem in proper market facilities such has e-trading problem, basic facilities like infrastructure facilities, storage etc.

#### Suggestions

- ITC should provide awareness program me to farmers in order to aware procurement services provided by ITC.
- ITC should provide a backward linkage such has Inputs, credit benefits, and storage facilities to the farmers in order to create awareness.
- ITC should provide crop management practices to farmers in order to help them in taking out better output.
- Market should provide basic facilities such has infrastructure facilities, storage facilities, Effective management of e-tendering,

#### Conclusion

ITC shares a century long relationship with the farming community reaching directly to the farm gate, linking the farming community to the global business circuits and international best practices. A spice is a part of ITC's Agri-Business which is one of India's largest exporters of agricultural products. In the study area turmeric arrivals come to ITC in Gndlupet, chamarajanagara taluk. Because in study area all the farmers are not aware of the ITC procurement in turmeric. And the major turmeric production come from Gundlupet taluk.in study area turmeric farmers facing many problems such has No crop services management practice, not getting better seeds, finacial problem etc.In order to provide these services through ITC, it help to the farmers going with the good production way and also it help to the ITC to more aware of their company

In the study area, it helps to extend their procurement in big way. In turmeric marketing farmers, commission agent, and also traders facing problems in the market such as basic facilities, e-tendering process, management problem ,storage problem etc.Market will provide necessary facilities to the turmeric marketing all the farmers, commission agent to get the good environment to marketing.

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