

## TOBACCO GROWERS PERCEPTION TOWARDS ALTERNATIVE CROPS FOR FCV TOBACCO IN MYSORE DISTRICT

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### Abstract

The study has conducted in selected taluks such as Periyapatana, Hunsur and H. D. Kote in Mysore District of Karnataka. The sample size of the study is totally 450, in each taluk 150 tobacco growers were selected for the study. The multi stage stratified and purposive random sampling was adopted in the study. The statistical tools and techniques adopted in the study are Annual Compound Growth Rate (CAGR), Markov Chain Analysis, Pearson's Correlation Analysis, ARIMA model, GARREET Ranking Techniques and more importantly SPSS – Frequency Analysis was adopted to draw the definite and precise inferences of the study. The study highlights that, none of the single crops is equally and economically viable alternative crops to FCV tobacco in the study area. The study also reveals that, there is a weak relationship between and area under tobacco cultivation and its yield. The Benefit-Cost Ratio found to be more than unity indicating the investment in tobacco cultivation in financially viable BCR1:50 per barn are directly proportional to the magnitude to net returns obtaining it was highest among commercial crops in the study area. Nevertheless, in export, Russia was one of the most stable country among importer of FCV tobacco from India as reflected in high probability retention of (0.7777) probability matrix and retain its export trade over a period of time. The alternative crops suggested by the tobacco growers are Maize, Ginger, Banana, Sericulture, cotton.

**Keywords:** Alternative crops, FCV tobacco, Light Soils of Karnataka, Cultivation.

### Introduction

Tobacco industry in India is one of the largest in the world with India having the largest area under tobacco cultivation. It plays an important role in the country's economy, in more ways than one. India has well integrated tobacco cultivation, processing and distribution facilities. Tobacco is an agro based item produced and consumed both in the unmanufactured and manufactured form in India. The industry makes a sizeable contribution to

seasonal and fulltime employment and has significant export potential. It has been a major source of tax revenue.

Worldwide trend in the area of cultivation and production registered the relatively modest growth in the area under tobacco cultivation. India's share in the world tobacco production was 9.6 per cent in 2014 with 725 Million Kgs. Tobacco is an important commercial crop in tobacco grown regions in India. Flue Cured Virginia tobacco is the principal type

grown in the states of Andhra Pradesh and Karnataka under varied agro-climatic conditions. It is grown in the light soils of Karnataka as rain-fed crop and in the heavy soils of Andhra Pradesh. The study is mainly focused on trend in area, production and Productivity, production and Marketing costs, degree and direction of exports of FCV Tobacco and to study the suitable alternative crops to FCV tobacco in the context of economically viable.

The FCV Tobacco is a hardy, drought tolerant, disease tolerant crop. It has been grown largely in semi-arid and rain fed areas. The farmers find difficult to substitute this crop and it yields much higher returns compared to other tobaccos. Virtually, only FCV tobacco has a demand in international market and also it brings revolutionary changes in socio-economic conditions among tobacco growers. The present study identifies the strengths and weaknesses in the production and marketing of FCV tobacco in Mysore District and suggests remedies to overcome the problems identified.

#### Objectives of the Study

1. To examine the preparedness of farmers in shift into alternative crops to FCV tobacco in line of the proposed government policies to ban FCV tobacco in the study area.
2. To study the problems relating to production and marketing of FCV Tobacco and to suggest remedial measures thereof.

#### Data Collection and Research Methods

This study is based on both primary and secondary data. The primary data has been collected from Tobacco growers and tobacco buyers/exporters by

administering the questionnaire. The time series of secondary data on the area, production and productivity of Tobacco was obtained from the Tobacco Board, Periyapatna, Mysore Regional Offices, Central Tobacco Research Institute, Hunsur, Directorate of Economics and Statistics, Bangalore, District Statistical Office, Mysore, Department of Agriculture and other agencies that are engaged in production, marketing and export of Tobacco products in the state in particular and for all India level in general. In addition, the secondary data from the published books, journals, research papers, seminar volumes, leading newspapers and authorized websites were collected.

#### Statistical Tools and Techniques

The systematic statistical tools and techniques were adopted to draw definite and precise conclusions on the study. The Growth Equation Model was adopted to determine the growth trends of the Tobacco in the study area. The simple frequency and percentage analysis was adopted to facilitate the descriptive account and interpretation of the survey data, from the farmers interviewed and the SPSS v.22 was used to draw the *Frequency and percentaget*o assess the trends and associations of the data variables. In addition to this, the tables, graphs and charts were generated from the analysis of both the primary and secondary data collected to draw appropriate inferences. The SPSS v.22 was utilized to assess the *Compound Growth Rate, Correlation Analysis, Markov Chain Analysis, Benefit Cost Ratios (BCR), ARIMA and ANOVA* were adopted in the study.

#### Growers response towards Alternative crops to FCV Tobacco

Table : Alternative Crops for Tobacco suggested by the respondents

Taluk	Maize	Ginger	Sugar-cane	Cotton	Groundnut	Sericulture	Banana	Total
H. D. Kote	66 (44.00)	25 (16.67)	2 (1.33)	40 (26.67)	3 (2.00)	7 (4.67)	7 (4.67)	150 (100)
Hunsur	88 (58.67)	35 (23.33)	2 (1.33)	15 (10.00)	2 (1.33)	2 (1.33)	6 (4.00)	150 (100)

Periyapatna	51 (34.00)	67 (44.67)	4 (2.67)	15 (10.00)	2 (1.33)	3 (2.00)	8 (5.33)	150 (100)
<b>Total</b>	<b>205</b> <b>(45.56)</b>	<b>127</b> <b>(28.22)</b>	<b>8</b> <b>(1.78)</b>	<b>75</b> <b>(16.67)</b>	<b>5</b> <b>(1.11)</b>	<b>9</b> <b>(2.00)</b>	<b>21</b> <b>(4.67)</b>	<b>450</b> <b>(100)</b>

Note: Figures shown in Parentheses are in percentage  
Source: Primary Survey 2015

### Key

#### Maize & Ginger

Alternative crops to tobacco given the first priority

#### Cotton & Ginger

Alternative crops to tobacco given the second priority

#### Sericulture & Banana

Alternative crops to tobacco given the third priority

Table describes the alternative crops for tobacco suggested by the respondents in the study area. Accordingly, in H. D. Taluk among 150 respondents, majority 44.00 per cent of the respondents have suggested for Maize crop, while 26.67 per cent of the respondents were suggesting for Cotton crops, 16.67 per cent of the respondents were suggesting for Ginger crop, while the 4.67 per cent of the them were suggesting for sericulture, the other 4.67 per cent of them were suggesting for Banana crop, while the other 2 per cent respondents were suggesting for Groundnut crop and the rest 1.33 per cent were suggesting for sugarcane crop.

In Hunsurtaluk among 150

respondents, majority of the 58.67 per cent of the respondents were suggesting for maize Crop, 23.33 per cent of the respondents were suggesting for Ginger Crop, 10 per cent respondents were suggesting for Cotton crops, 4 per cent respondents were suggesting for banana, 1.33 per cent were suggesting for sugarcane and 1.33 per cent were for Groundnut. In Periyapatnataluk among 150 respondents, majority of the 44.67 per cent respondents were suggesting ginger crop, 34 per cent respondents were suggesting for Maize, 10 per cent were suggesting for Cotton crop, 5.33 per cent of the respondents were suggesting for banana, 2.67 per cent for sugarcane and 1.33 per cent for cotton crop.

**Table: Problems in production and marketing of FCV tobacco among the respondents**

Problems	H. D. Kote	Hunsur	Periyapatna	Total
Inadequate & Untimely availability of Inputs	17 (11.33)	28 (18.67)	8 (5.33)	53 (11.78)
High Price of Inputs	67 (44.67)	58 (38.67)	75 (50.00)	200 (44.44)
Inadequate Extension Services	9 (6.00)	8 (5.33)	8 (5.33)	25 (5.56)
Monopolistic market offers low price	16 (10.67)	8 (5.33)	23 (15.33)	47 (10.44)
Poor relationship between tobacco growers and company	8 (5.33)	4 (2.67)	12 (8.00)	24 (5.33)
No crop Insurance	1 (0.67)	3 (2.00)	0 (0.00)	4 (0.89)
Lack of Capital	19 (12.67)	29 (19.33)	10 (6.67)	58 (12.89)
Poor Infrastructure	3 (2.00)	3 (2.00)	3 (2.00)	9 (2.00)

Incidences of Pests and diseases	3 (2.00)	7 (4.67)	0 (0.00)	<b>10</b> <b>(2.22)</b>
Lack of Institutional Finance	1 (0.67)	0 (0.00)	3 (2.00)	<b>4</b> <b>(0.89)</b>
Lack of Grading Knowledge	6 (4.00)	2 (1.33)	8 (5.33)	<b>16</b> <b>(3.56)</b>
<b>Total</b>	<b>150</b> <b>(100)</b>	<b>150</b> <b>(100)</b>	<b>150</b> <b>(100)</b>	<b>450</b> <b>(100)</b>

Table explains the opinion of the respondents about the Tobacco Industry in the Mysore District. In H. D. Kote Taluk among 150 respondents, 67 respondents were in the opinion that the price of the inputs in the study area is very high. 17 respondents are of the opinion that the inputs are inadequate and untimely availability of inputs. 9 respondents were in the opinion that there is inadequate extension services, 16 respondents are of opinion that monopolistic market offers very low price, 8 respondents are of the opinion that poor relationship between tobacco growers and company, 1 respondent is of the opinion that no crop insurance, 19 respondents were the opinion that lack of capital, 3 respondents are of opinion that there is poor infrastructure, 3 respondents are of opinion that there is incidences of pests and diseases, 1 respondent is of opinion that lack of institutional finance and 6 respondents are of opinion that lack of grading knowledge. In Hunsur Taluk among 150 respondents, 28 respondents are of the opinion that there is inadequate and untimely availability of inputs, 58 respondents are of the opinion that high price of inputs is one of the problem, 8 respondents were in the opinion that there is inadequate extension services, 8 respondents are of the opinion that the monopolistic market offers low price, 4 respondents are of the opinion that there is poor relationship between tobacco growers and company, 3 respondents were of the opinion that there is no crop insurance for tobacco in the study area, while 29 respondents are of opinion that there is lack of capital, 3 respondents were the opinion that there is poor infrastructure, 7

respondents are of the opinion that there is incidences of pests and diseases, 2 respondents are of the opinion that there is a lack of grading knowledge. In Periyapatnataluk among 150 respondents, 8 respondents are of the opinion that there is inadequate & untimely availability of inputs in the study area, 75 respondents are of the opinion that the price of inputs are very high, 8 respondents are of the opinion that there is inadequacy in extension services, 23 respondents are of the opinion that monopolistic market in the study area offers low price, 12 respondents are of the opinion that there is a poor relation between tobacco growers and company, 10 respondents are of the opinion that there is lack of capital, 3 respondents are of the opinion that there is poor infrastructure, 3 respondents are of the opinion that there is lack of institutional finance, and the rest 8 respondents are of the opinion that there is lack of grading knowledge.

**Table: Garret Ranking Techniques for FCV Tobacco growers problems**

Problems	Score	Rank
High Price of Inputs	<b>62.86</b>	1
Incidences of Pests and diseases	<b>60.71</b>	2
Poor bond of tobacco growers and company	<b>58.33</b>	3
Lack of Institutional Finance	<b>58.33</b>	4
Inadequate Extension Services	<b>57.62</b>	5
Monopolistic market offers low price	<b>53.81</b>	6
Inadequate & Untimely availability of Inputs	<b>53.10</b>	7
Lack of Capital	<b>52.14</b>	8
No crop Insurance	<b>43.81</b>	9
Lack of Grading Knowledge	<b>40.47</b>	10
Poor Infrastructure	<b>37.86</b>	11

## Conclusion

India has a prominent place in the production of tobacco in the world due to varied agro climate conditions and different types of tobacco produces. The FCV is important among them in terms of exports. Different types of FCV tobacco is produced in Karnataka and it have been exported to over 100 countries across the world. China occupies the preposition followed by Brazil and India respectively. In terms of exports, Brazil and USA are ahead of India. Nevertheless, it provides opportunities in enhancement of the export market and becoming a major player. FCV Tobacco is a region specific crop produced in limited states like Andhra Pradesh and Karnataka, which account for more than 90% of total tobacco production in the country.

Area under FCV tobacco is only 348.1 thousand hectares (CMIE, 2014) accounting for 35% of tobacco crop area in the country and around 0.1% of net sown area in the country. Around one lakh farmers grow FCV tobacco in Karnataka and Andhra Pradesh including a few from Orissa and Maharashtra. So it may not be difficult for the government to intervene to

rehabilitate these farmers by facilitating cash and other benefits to take up alternative crops in the study area.

The financial assistance may give as recompense towards barns constructed by FCV Tobacco growers for curing tobacco. FCV tobacco is a crop regulated by the rules of the Tobacco Board in India. This makes it easy for intervention in terms of any policy changes and to introduce reforms or compel limitations on production of FCV tobacco in the interest of the farmers, society and environment. Similarly, the government should encourage the FCV tobacco growers in the tobacco growing areas of mysore district by providing the organized markets for alternative crops as parallel to FCV tobacco marketing system.

## References

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