

A Study on Marketing Behaviour of Organic Farmers under Paramparagrat Krishi Vikas Yojana (PKVY)

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ABSTRACT: The need for organic farming in India arises from the unsustainability of agricultural production and the damage caused to ecology through the conventional farming practices. The study focused on marketing behaviour of the Paramparagrat Krishi Vikas Yojana (PKVY) beneficiaries which will be helpful to understand about the organic market status in North Western Zone of Tamil Nadu. A sample of 240 PKVY beneficiaries was selected from four revenue villages from each block based on proportionate random sampling technique. The supply chain in our country is underdeveloped because most of them were small and marginal farmers located in remote areas. The overall marketing behaviour of PKVY beneficiaries were studied using fifteen components to find out the procedure followed for marketing of organic produce in our study area. Percentage analysis was carried out in this study. Majority of the beneficiaries had medium level of marketing behaviour.

Keywords: Marketing behaviour, PKVY beneficiaries, PGS certified farmers, Tamil Nadu.

INTRODUCTION

Organic production and trade has been emerged as an important sector in India and in other parts of developing world. The total land under organic farming increased from 11 million hectare in 1999 to 69.8 million hectares in 2018, and the total number of organic producers increased from 2 Lakh in 1999 to 2.7 million in 2018. The organic sector is indisputably growing and is structuring itself very fast, especially in industrialized countries (FAO, 2000), a fact which is reasonable since organic farming offers many benefits, both from an environmental and a socioeconomic point of view. Healthy food, according to consumers, should be free from artificial ingredients or additives, high in healthy components, and minimally processed (Vilceanu, 2019). The market of organic products, is a market of differentiated, quality products and primarily requires long-term strategic policies and tools in order to establish effective market conditions. One set of marketing tools that a company could use to pursue its marketing objectives in the target market is the Marketing Mix. These tools are classified into four major groups, known as the four Ps: product, price, place and promotion (Kotler, 2000). The study focused

on marketing behaviour of the Paramparagrat Krishi Vikas Yojana (PKVY) beneficiaries which will be helpful to understand about the organic market status in North Western Zone of Tamil Nadu.

METHODOLOGY

In North western zone Salem and Krishnagiri districts were purposively selected because of its highest number of Participatory Guarantee System (PGS) certified farmers. From each district two blocks were selected based on more number of certified farmers. A sample of 240 PKVY beneficiaries was selected from four revenue villages from each block based on proportionate random sampling technique. The overall marketing behaviour of PKVY beneficiaries were studied using fifteen components. Percentage analysis was carried out in this study.

FINDINGS AND DISCUSSION

Form of produce. From the Table 1, it can be concluded that more than two – third (68.34 per cent) of the beneficiaries sell their products in raw form and the remaining more than one – third (31.66 per cent) of the beneficiaries sell their products in processed form.

Table 1: (n=240).

Sr. No.	Marketing behaviour	Salem (n=120)		Krishnagiri (n=120)		Total (n=240)	
		No.	%	No.	%	No.	%
I.	Form of produce						
1.	Raw	83	69.17	81	67.50	164	68.34
2.	Processed	37	30.83	39	32.50	76	31.66
II.	Grading of product						
1.	Yes	98	81.67	99	82.50	197	82.08
2.	No	22	18.33	21	17.50	43	17.92
III.	Mode of packaging						
1.	Gunny bags	40	33.33	36	30.00	76	31.67
2.	Polythene bags	31	25.83	31	25.83	61	25.42
3.	Corrugated fiber board	17	14.17	19	15.83	36	15.00
4.	Wooden box	21	17.50	22	18.34	43	17.91
5.	Plastic Trays	11	9.17	12	10.00	24	10.00
IV.	Quantify of produce						
1.	By numbers	22	18.34	20	16.67	42	17.50
2.	By volume	49	40.83	52	43.33	101	42.08
3.	By weight	49	40.83	48	40.00	97	40.42
V.	Storage of produce						
1.	On farm itself	40	33.33	37	30.83	77	32.08
2.	Storage godowns	46	38.33	48	40.00	94	39.16
3.	Warehouse	11	9.17	9	7.50	20	8.34
4.	Shops/market place	23	19.17	26	21.67	49	20.42
VI.	Preferred time to sell products						
1.	Soon after harvest	92	76.67	92	76.67	184	76.67
2.	When the need in cash	16	13.33	14	11.67	30	12.50
3.	When the price is attractive	7	5.83	8	6.66	15	6.25
4.	Pre-harvest contractors	5	4.17	6	5.00	11	4.58
VII.	Preferred place to sell products						
1.	In the village itself	32	26.67	29	24.17	61	25.41
2.	Nearby town	73	60.83	77	64.17	150	62.50
3.	Distant town	15	12.50	14	11.66	29	12.09
VIII.	Preferred person to sell products						
1.	Primary merchant	6	5.00	7	5.83	13	5.41
2.	Commission agent	25	20.83	24	20.00	49	20.42
3.	Whole sale market	36	30.00	35	29.17	71	29.59
4.	Cooperative society	41	34.17	41	34.17	82	34.16
5.	Regulated market	5	4.17	6	5.00	11	4.58
6.	Direct selling	7	5.83	7	5.83	14	5.84
IX.	Transport of produce						
1.	Own vehicle	13	10.83	14	11.67	27	11.25
2.	Two wheeler & Four wheeler						
3.	Public transport – Bus	5	4.17	8	6.66	13	5.41
4.	Hired vehicle – four wheeler	102	85.00	98	81.67	200	83.34
X.	Market distance						
1.	up to 5 km	66	55.00	67	55.83	133	55.42
2.	Above 5-10 km	50	41.67	47	39.17	97	40.41
3.	Above 10-15 km	4	3.33	6	5.00	10	4.17
XI.	Terms and conditions to sell produce						
1.	Ready cash	92	76.67	93	77.50	185	77.08
2.	To settle the loan obtained for input purchase	8	6.66	15	12.50	23	9.58
3.	On credit	20	16.70	12	10.00	32	13.34
XII.	Opinion about existing market facilities						
1.	Quite sufficient	36	30.00	34	28.33	70	29.17
2.	Sufficient	23	19.17	25	20.83	48	20.00
3.	Insufficient	61	50.83	61	50.84	122	50.83
XIII.	Opinion about prevailing market price						
1.	High	13	10.83	24	20.00	37	15.41
2.	Medium	79	65.84	80	66.67	159	66.25
3.	Low	28	23.33	16	13.33	44	18.34
XIV.	Organic market status before 5 years						
1.	Increased	28	35.00	41	34.17	69	28.75
2.	Decreased	50	41.67	43	35.83	93	38.75
3.	No change	42	23.33	36	30.00	78	32.50
XV.	Awareness of price trend						
1.	Social media	52	43.33	54	45.00	106	44.16
2.	Neighbor farmers	30	25.00	32	26.67	62	25.83
3.	Shops	25	20.83	22	18.33	47	19.59
4.	Officials	13	10.84	12	10.00	25	10.42

In Salem district, more than two – third (69.17 per cent) of the beneficiaries sell their products in raw form and the more than one – third (30.83 per cent) of the beneficiaries sell their products in processed form. Whereas, in Krishnagiri district more than two – third (67.50 per cent) of the beneficiaries sell their products in raw form and more than one – third (33.50 per cent) of the beneficiaries in processed form. Sivaraj et al., (2018) had obtained similar results in an corresponding study.

Majority of the farmers sell their products in raw form because most of them were small and marginal farmers and they sell their products soon after the harvest so that they get immediate cash. Also, wholesalers and local merchants who purchase the complete crop from organic farmers pay them a fair price. Similarly, private organic shops that work with contract farmers normally make a one-time payment during the procurement process. This could be one of the reasons why most organic farmers sell their produce soon after harvest.

Grading of product. Grading is an important step in organic farming marketing. Based on grading, quality of the produce will be analysed. It is evident from the Table majority of the beneficiaries (82.08 per cent) used to grade their marketing produce, whereas 17.92 per cent of the beneficiaries did not grade their produce. In salem district, majority of the beneficiaries (81.67 per cent) graded their marketing produce and the remaining (18.33 per cent) did not opt for grading.

In krishnagiri district, majority of the beneficiaries (82.50 per cent) used to grade their marketing produce whereas (17.50 per cent) of the beneficiaries did not grade their produce.

It could be inferred from the findings, majority of the beneficiaries opted for grading their produce while selling to commission agent and other cooperative markets as they benefitted from additional income when compared to non graded products.

Mode of packaging. Packaging increases the product efficiency and safety. It could be inferred from the Table , about one third (31.67 per cent) of the PKVY beneficiaries packed their products in gunny bags followed by one-fourth (25.42 per cent) in polythene bags, 15.00 per cent in corrugated fiber board, 17.91 per cent in wooden box and a meager per cent (10.00 per cent) used plastic trays.

In Salem district, one-third (33.33 per cent) of the PKVY beneficiaries packed their products in gunny bags followed by one-fourth (25.83 per cent) in polythene bags, 14.17 per cent used corrugated fiber board, 17.50 per cent wooden box and a meager per cent (9.00 per cent) used plastic trays.

In Krishnagiri district, nearly one-third (30.00 per cent) of the PKVY beneficiaries packed their products in gunny bags followed by one-fourth (25.83 per cent) in polythene bags, 15.83 per cent used corrugated fiber board, 18.34 per cent used wooden box and a meager per cent (10.00 per cent) used plastic trays.

An overview of the table indicated that majority used to pack their produce in gunny bags. This might be because of easy availability and carrying capacity as most crops were cereals and pulses and using gunny bags will increase the storage capacity and shelf life of the produce. In Krishnagiri district, major crops were fruits and vegetables so they used corrugated fiber board for safe transportation of their produce.

Quantify of produce. More than two-fifth (42.08 per cent) of the PKVY beneficiaries weigh their produce by volume, followed by two-fifth (40.42 per cent) used to weigh their produce and (17.50 per cent) quantify their products by numbers.

In Salem district, more than two-fifth (43.33 per cent) of PKVY beneficiaries weigh their produce by volume, followed by both quantification by volume and by weight fall under same category two-fifth (40.83 per cent).

In krishnagiri district, more than two-fifth (43.33 per cent) of PKVY beneficiaries weigh their produce by volume, followed by two-fifth (40.00 per cent) used to weigh their produce and (16.67 per cent) quantify their products by numbers.

Most of the used to weigh their produce this is mainly due to get reasonable price for their produce and in organic market. There sales were mainly with cooperative market and whole sale so there quantification was a regular process.

Storage of produce. In case of storage of organic produce, nearly two-third (39.16 per cent) of the beneficiaries store their produce in storage godowns, nearly one-third (32.08 per cent) store their products on farm itself, (20.42 per cent) store their produce in marketing shops or market place itself and only (8.34 per cent) of beneficiaries store their produce in warehouse.

In Salem district, nearly two-fifths (38.33 per cent) of the beneficiaries store their products in storage godowns, two-third (33.33 per cent) store it in the farm itself, (19.17 per cent) store their produce in marketing shops or market place itself and only (9.17 per cent) of beneficiaries store their produce in warehouse.

In Krishnagiri district, nearly two-fifths (40.00 per cent) of the beneficiaries store their produce in storage godowns, nearly one-third (30.83 per cent) store their products on farm itself, (21.67 per cent) store their produce in marketing shops or market place itself and only (9.17 per cent) of beneficiaries store their produce in warehouse.

It could be revealed from the findings that most of the farmers stored their produce in storage godowns because of its easy availability and accessibility provided by the government in every district.

Preferred time to sell products. From the Table 1, it can be found that more than three-fourth (76.67 per cent) of PKVY beneficiaries sold their products soon after harvest, (12.50 per cent) sold when they are in need of cash, 6.25 per cent sold when the price is

attractive and 4.00 sell their products through pre-harvest contractors.

In salem district, it can be found that more than three-fourth (76.67 per cent) of PKVY beneficiaries sold their products soon after harvest, (13.33 per cent) sold when they are in need of cash, 5.83 per cent sold when the price is attractive and 4.17 sell their products through pre-harvest contractors.

In krishnagiri district, it can be found that more than three-fourth (76.67 per cent) of PKVY beneficiaries sold their products soon after harvest, (11.67 per cent) sold when they are in need of cash, 6.66 per cent sold when the price is attractive and 5.00 sell their products through pre-harvest contractors.

The study revealed that majority of the beneficiaries sold their products soon after harvest because of demand of the produce. Especially, for fruit products there are no cold storage units in proximity and so the beneficiaries were compelled to sell their produce immediately.

Preferred place to sell products. It is evident from the Table 1, that two-third (62.50 per cent) of them sell their produce in nearby town, one-fourth (25.41 per cent) of the beneficiaries sell their produce in the village itself and a meager (12.09 per cent) sold their produce in distance town. Raahinipriya (2018) was in line with the result of the study.

In Salem district, nearly two-third (60.83 per cent) of the beneficiaries sell their produce in nearby town, one-fourth (26.67 per cent) of the beneficiaries sell their produce in the village itself and a meager (12.50 per cent) sell their produce in distance town.

In Krishnagiri district, nearly two-third (64.17 per cent) of the beneficiaries sell their produce in nearby town, one-fourth (24.17 per cent) of the beneficiaries sell their produce in village itself and a meager (11.66 per cent) used to sell their produce in distance town.

More than two-third of the beneficiaries sold their products in nearby towns because of market availability and good transportation facility. The PKVY scheme focuses more on domestic market so the beneficiaries preferred selling nearby.

Preferred person to sell products. It could be inferred from the Table 1, that more than one-third (34.16 per cent) of the beneficiaries sold their produce to cooperative agent, (29.59 per cent) of the beneficiaries used to sold their products in whole sale market, (20.42 per cent) sold their products through commission agent, (5.84 per cent) and (5.41 per cent) sold through direct selling and primary merchant and remaining (4.58 per cent) sold their products in regulated market.

In Salem district, more than one-third (34.17 per cent) of the beneficiaries sold their produce to cooperative agent, (30.00 per cent) of the beneficiaries used to sold their products in whole sale market, (20.83 per cent) sold their products through commission agent, both direct selling and primary merchant fall under same

category (5.83 per cent) and remaining (4.17 per cent) sold their products in regulated market.

In Krishnagiri district, more than one-third (34.17 per cent) of the beneficiaries sold their produce to cooperative agent, (29.17 per cent) of the beneficiaries used to sold their products in whole sale market, (20.00 per cent) sold their products through commission agent, both direct selling and primary merchant fall under same category (5.83 per cent) and remaining (5.00 per cent) sold their products in regulated market.

The result identified that more number of beneficiaries sold their produce to cooperative agent because of their easy accessibility and also they provide reasonable price for their produce. They also fetch better price in wholesale market.

Transport of produce. Majority (83.34 per cent) of the beneficiaries used hired vehicles for sold their produce and a meager (11.25 per cent) used to sell their produce in own vehicle and only (5.41 per cent) used public transport for sell their market produce.

In Salem district, majority (85.00 per cent) of the beneficiaries used hired vehicles for sold their produce and a meager (10.83 per cent) used to sell their produce in own vehicle and only (4.17 per cent) used public transport for sell their market produce.

In Krishnagiri district, majority (81.67 per cent) of the beneficiaries used hired vehicles for transportation of their produce and a meager (11.67 per cent) used to transport their produce in own vehicle and only (6.66 per cent) used public transport for sell their market produce.

Majority of the beneficiaries used hired vehicles for transportation of their produce to nearby town or distant town or villages. For local transportation they used two wheelers and to commute to distant town they used tractors.

Market distance. It was observed from the Table 1, more than half (55.42 per cent) of the beneficiaries sold their market produce in nearby area (up to 5 km), two-fifth (40.41 per cent) of beneficiaries select their market area above 5-10 km and only 4.17 per cent of beneficiaries selected their market area above 10-15 km. The findings was in line with the janani (2016).

In salem district, more than half (55.00 per cent) of the beneficiaries sold their market produce in nearby area (up to 5 km), two-fifth (41.67 per cent) of beneficiaries select their market area above 5-10 km and only 3.33 per cent of beneficiaries selected their market area above 10-15 km.

In krishnagiri district, more than half (55.83 per cent) of the beneficiaries sold their market produce in nearby area (up to 5 km), two-fifth (39.17 per cent) of beneficiaries select their market area above 5-10 km and only 5.00 per cent of beneficiaries selected their market area above 10-15 km.

More than half of the beneficiaries sold their produce within 5 km as they procure and sold their produce only in domestic market.

Terms and conditions to sell produce. From the Table 1, it could be seen that more than three-fourth (77.08 per cent) of the beneficiaries sold their organic produce for ready cash payment followed by (13.34 per cent) used to settle the loan obtained for input purchase and the remaining meager (9.58 per cent) sell their products in credit basis. The finding was in conformity with the findings of Johnson (2009).

In salem district, three-fourth (76.67 per cent) of the beneficiaries sold their organic produce for ready cash payment followed by (6.66 per cent) used to settle the loan obtained for input purchase and the remaining (16.70 per cent) sell their products on credit basis.

In krishnagiri district, three-fourth (77.08 per cent) of the beneficiaries sold their organic produce for ready cash payment followed by (12.50 per cent) used to settle the loan obtained for input purchase and the remaining meager (10.00 per cent) sell their products on credit basis.

Regarding selling of produce majority of the beneficiaries sold their products for ready cash. This is mainly because the beneficiaries were in immediate need of cash and most of them were not aware about other terms and conditions for selling of product.

Opinion about existing market facilities. In salem district, half of the beneficiaries (50.83 per cent) said that insufficient market facilities for organic produce, less than one-third (30.17 per cent) quite sufficient and the rest of less than one-fourth (19.17 per cent) were had sufficient marketing facilities for organic produce.

In krishnagiri district, half of the beneficiaries (50.84 per cent) said that insufficient market facilities for organic produce, less than one-third (28.33 per cent) quite sufficient and the rest of less than one-fourth (20.83 per cent) were had sufficient marketing facilities for organic produce.

In our study area there was no specific availability of market place or brand for organic products. So it was difficult for organic farmers to sell their products in good price. So more than half of the farmers felt that they have insufficient market facilities.

Opinion about prevailing market price. From the Table 1, it was confined that more than two-third (66.25 per cent) price for organic farming was medium level followed by (18.34 per cent) had low level of market price and the remaining less than one-sixth (15.41 per cent) had high market price for organic products.

In salem district, two-third (65.84 per cent) confined that price for organic farming is medium level followed by less than one-fourth (23.33 per cent) had low level of market price and the remaining a meager (10.83 per cent) had high market price for organic products.

In krishnagiri district, little more than two-third (66.67 per cent) of beneficiaries said that they had medium level of market price followed by (20.00 per cent) of beneficiaries had high level of market price and the remaining (13.33 per cent) had low level of prevailing market price.

In case of market price in organic farming farmers did not meet their expectations. This is mainly due to low customer satisfaction level. Many of the buyers won't believe in the purity of the product so majority of farmers said they have minimum level of market price.

Organic market status before 5 years. Regarding organic market status, more than one-third (38.75 per cent) of the beneficiaries said that there was a decrease in organic market price before five years followed by more than one-third (32.50 per cent) of the beneficiaries had no changes in organic market price and the remaining more than one-fifth (28.75 per cent) of the beneficiaries had increase in prevailing organic market price.

In salem district, more than two-fifth (41.67 per cent) of the beneficiaries said that there was a decrease in organic market price before five years followed by more than one-third (35.00 per cent) of the beneficiaries had increase in organic market price and the remaining (23.33 per cent) of the beneficiaries had no change in prevailing organic market price.

In krishnagiri district, little less than one-third (35.83 per cent) of the beneficiaries said that there was decrease in organic market price before five years followed by more than one third (34.17 per cent) had increase in organic market price and the remaining (30.00 per cent) of the beneficiaries had no change in prevailing organic market price.

Before they enrolled in PKVY that is before five years nearly half of the beneficiaries experience low market price for their produce because of most of them have no knowledge about organic produce market price.

Awareness of price trend. From the Table 1, it could be seen that more than two-fifth (45.16 per cent) of the beneficiaries aware of price trend through social media, followed by one-fourth (25.83 per cent) of the beneficiaries aware of price trend through neighbor farmers, nearly one-fifth (19.59 per cent) aware of price trend through nearby shops and a meager (10.42 per cent) were aware of price trend through officials.

In salem district, more than two-fifth (43.33 per cent) of the beneficiaries aware of price trend through social media, followed by one-fourth (25.00 per cent) of the beneficiaries aware of price trend through neighbor farmers, one-fifth (20.83 per cent) aware of price trend through nearby shops and a meager (10.84 per cent) were aware of price trend through officials.

In krishnagiri district, more than two-fifth (45.00 per cent) of the beneficiaries aware of price trend through social media, followed by more than one-fourth (26.67 per cent) of the beneficiaries aware of price trend through neighbor farmers, nearly one-fifth (18.33 per cent) aware of price trend through nearby shops and a meager (10.00 per cent) were aware of price trend through officials.

Nowadays social media like newspaper, magazines, youtube, facebook, instagram, whatsapp etc., plays crucial role in distribution of agricultural commodities.

In organic farming more number of farmers aware of price trend using social media because, rapid rise in use of smart phones.

CONCLUSION

This study revealed that the respondents were found to have medium to high level of marketing behaviour. The result might be due to the reason that the respondents had a good knowledge about the marketing trend so as to get good price for their produce through PKVY. The government should fix premium price for organic produce and establish more number of organic outlets in all the districts through PKVY. Policy interventions should be made in order to establish organic processing industries and more organic shops in every district.

FUTURE SCOPE

Agriculture is the wisest pursuit as it contributes to creating the real wealth of our country. Thus, we can say that effectively implementing the paramparagat Krishi Vikas yojana will boost organic farming as well as the standard of living of the farmers and it can be implemented effectively with the participation of farmers, which is possible by raising awareness among them. By studying about the PKVY scheme will be helpful for the government for effective enforcement of this scheme by providing various awareness programs and made possible changes in PKVY for educating the farmers about the benefits, needs and various methods of organic farming.

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Conflict of Interest. None.

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