STUDY ON MARKETING OF COFFEE IN WAYANAD DISTRICT OF KERALA

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Received May02, 2023, and Accepted May15, 2023

ABSTRACT: The coffee industry in Wayanad district of Kerala, India, has been a significant contributor to the local economy and a source of livelihood for many farmers. However, Marketing efficiency and constraints have been observed to hamper the growth of the industry. This research aimed to examine the constraints and suitable suggestions by the farmers in study area and investigate the extent of marketing efficiency. The study was conducted in Mananthavady Block, with five villages, namely Kallody, Nalloornad, Padichira, Thalappuzha and Thavinjal, selected for the research. A total of 100 respondents were selected randomly from the five villages and asked about the constraints they faced. Based on the descriptive statistics analyzed, poor market intelligence was the most significant constraint, with 38% of respondents reporting it as a challenge. The second most significant constraint was the fluctuation in nut prices, with 19% of respondents reporting it as a major challenge. Non-availability of market facilities near farms was identified as the third most significant constraint, with 17% of respondents reporting it as a challenge. The study also investigated marketing efficiency of coffee in the region. The results reveals that among the four channels, Channel I is the most efficient one. The efficiency index for Channel I is the maximum with 21.29, followed by Channel II with 16.44. Channel I has higher marketing efficiency than Channel II, Channel III and Channel IV due to absence of intermediaries.

Key Words: Coffee, Marketing efficiency, Constraints, Wayanad district, Mananthavady Block, Marketing channels.

The world's most popular non-alcoholic beverage is coffee. Coffee is brewed from the processed beans of two species of the genus Coffea namely Coffea arabica and Coffea canephora. There are different varieties of Coffea canephora, including. Robusta is the most widely cultivated. Coffea arabica is a high land species grown at altitudes ranging from 500 m in subtropics to 2500 m near equator. The coffee canephora grows well at elevations ranging from 500-1000 meters above mean sea level, making it well suited to low land cultivation.

In India coffee is an important plantation crop, and the crop is mainly cultivated in the southern states of India. Karnataka contributes 55 per cent of the total area under coffee production in India, followed by Kerala 20.4 per cent and Tamil Nadu 7.5 per cent. The non- traditional coffee growing areas like Andhra Pradesh, Orissa and North Eastern states contributes a lesser share of 15.6 per cent of the total coffee growing areas in India. The major coffee growing areas in the state of Karnataka are the districts of Chikamagalur, Kodagu and Hassan in Karnataka. Waynad, Idukki and Nelliampathys in Kerala and Plneys, Shevroys, Annamalai's and Nilgiris are the districts under coffee cultivation in Tamil Nadu. In the year 2013 2014, the total area under coffee production was 6, 28,360 hectares in India. Arabica coffee was cultivated in an area of 209385 hectares and Robusta coffee was cultivated in an area of 4. 18.975 hectares.

Prior to liberalization, coffee marketing in India was carried out by Coffee Board under a system in which the coffee produced was pooled and sold through separate auctions. One for the domestic market and the other for the export market. The producers were then asked to surrender their produce to Board. On delivery of the coffee, the growers were paid an advance payment for their coffee and the remaining payment was made after the coffee had been sold at the auction and after exporting. Reflecting the Government policy and responding to the views of the growers, a process of liberalization was initiated by the Coffee Board during 1992-1993 and coffee market was completely liberalized during 1994-1995. Coffee Board now concentrates on research, extension, and promotion and information dissemination regarding coffee.

RESEARCH METHODOLOGY

Stages

First stage - Selection of district
Second stage - Selection of block
Third stage - Selection of villages
Fourth stage - Selection of respondents
Fifth stage - Selection of market
Sixth stage - Selection of market functionaries

Selection of the District: Kerala State of India has a district named Wayanad. This district has a total of 3 Taluks. The district has a total area of 2,130 sq km. There are 1 town and 48 villages in this district. The population of Wayanad in 2011 was 817,420, of which 401,684 were males and 415,736 were females. The

population of Wayanad is estimated to be 1,078,995 in 2022. Literate people are 645,585 out of 328,136 are male and 317,449 are female. The population in Wayanad relies on a diverse range of skills, with a total workforce of 340,077 individuals. Among them, there are 228,639 men and 111,438 women who actively participate in the workforce. Out of the total of 46,410 individuals who depend on agriculture farming in Wayanad, 38,861 are men and 7,549 are women, actively engaging in cultivating the land. In Wayanad, a total of 69,133 individuals' workers as agricultural laborers, with 44,833 being men and 24,300 being women. The sex ratio in Wayanad is 1,035 females per 1,000 males.

Selection of the Block: Selection of the block is the second stage of sampling; A complete list of blocks was taken out from the District Headquarters. Out of these, Manathavady was selected randomly respectively.

Selection of the Villages: The third stage in the sampling process is the selection of the village. A complete list of the village of selected block was obtained from the Block Development Office of the concerned block. Out of total, 5 per cent of villages were selected randomly for the present study .

Table-1: Selection of respondents in different villages

Village name	Respondents
Kallody	26
Nalloornad	14
Padichira	23
Thalappuzha	21
Thavinjal	16
Total	**100**

Selection of the Respondents: From the selection of users from families was listed and about 10% farmers were randomly selected from each village and then farmers were classified into groups.

Table-2: Distribution of respondents in different size groups

Sr. No	Farm Size Groups	Respondents	Land Holding
1.	Size group - I	Marginal farmers	0 to 1 Hectare
2.	Size group - II	Small farmers	1 to 2 Hectare
3.	Size group - III	Semi medium farmers	2 to 4 Hectare
4.	Size group - IV	Medium farmers	4 to 10 Hectare
5.	Size group - V	Large farmers	Above 10 Hectare

Selection of the Markets and its Functionaries : List of the market functionaries was obtained from the selected market. Of the total 10% market functionaries will be selected randomly. In the marketing of agricultural commodities, various market functionaries or marketing agencies play crucial roles. Some of these include:

1. Producers
2. Merchant Middlemen
3. Agent Middlemen

Table-3: Selection of market functionaries

Functionaries	No. of Functionaries
Producer –Local Roaster – Local market – Consumers	5
Producer-whole sealer-village trader-retailer-consumer	5
Producer-village trader-retailer-consumer	4
Producer-distributor-retailer-consumer	4

Analytical Tools

Marketing Efficiency: Marketing efficiency is the degree of market performance It is the ratio of market output to market input.

Marketing efficiency = output / input

Garrett's Ranking Techniques:

This approach is used to assess the challenges encountered by the sample respondents and to determine their preferences among the factors provided. In this method the respondents are asked to assign ranks to the given factors. The given ranks are converted into score values using the given formula.

Percent position = 100 (Rij – 0.5)/ Nj

Where,

Rij = The rank assigned to the i-th variable by the j-th respondent.
Nj = The total number of variables ranked by the j-th respondent.

RESULTS AND DISCUSSION

Marketing efficiency is the effectiveness or competence with which a market structure performs its designated function. It is closely related to the cost involved in flowing goods from the producer to the consumer and the quantum of service offered. A reduction in marketing cost without reduction in consumer satisfaction indicates an increase in efficiency. Efficiency in marketing could be increased if the additional satisfaction experienced by consumers outweighs the higher costs incurred in the marketing process, resulting in a higher level of consumer satisfaction despite the increased marketing costs.

Table -4: Marketing efficiency of coffee in different channel

Sl. No.	Particulars	Channel I	Channel II	Channel III	Channel IV
1	Consumer Price (V) (Rs./Kg)	90000	90000	90000	90000
2	Total Marketing Cost (I) (Rs./Kg)	4227	5474	5693	5934
3	Marketing Efficiency (ME)	21.29	16.44	15.80	15.16

The results reveal that among the four channels, Channel I is the most efficient one. The efficiency index for Channel I is the maximum with 21.29, followed by Channel II with 16.44. Channel I have higher marketing efficiency than Channel II, Channel III and Channel IV due to absence of intermediaries.

An attempt has been made to identify major problems faced by the coffee growers in marketing of coffee in Wayanad district and presented in table. It could be observed from the table that the price fluctuation was the first major constraint faced by the coffee growers in production of coffee followed by Absence of grading and processing (Rank II), Inadequate storage facility (Rank III), Inadequate market and finance (Rank IV), Indebtedness to trader (Rank V), Lack of transport facility (Rank VI), Lack of market information (Rank VII), Absence of regulated market (Rank VIII), and Higher commission charges (Rank IX). It could be observed from Table that high price fluctuations are the major problem faced by the coffee growers followed by low prices at the time of harvesting of coffee. Price of coffee in the market mainly depends upon demand and supply conditions. During glut in the market, prices of coffee come down at a rapid rate for which coffee growers has to suffer. Due to the lack of adequate storage facilities, coffee cannot be stored for a long time and has to be sold at the low price in the market. Third major constraints faced by the coffee growers are high cost of marketing of the produce. One possible reason for this could be the absence of affordable and reliable transportation facilities in the area, which increases the overall marketing costs and also results in physical losses during the transportation of agricultural produce from farms to the wholesale market.

Table -5: Constraints faced by farmers in marketing of coffee

Sl. No.	Constraint particulars	Mean score	Rank
1.	Price fluctuation	78.26	I
2.	Absence of grading and processing	41.86	VIII
3.	Inadequate storage facility	63.17	II
4.	Inadequate market and finance	52.20	IV
5.	Indebtedness to trader	44.00	VI
6.	Lack of transport facility	43.53	VII
7	Lack of market information	46.73	V
8	Absence of regulated market	22.8	IX
9	Higher commission charges	60.04	III

Conclusion

In conclusion, the study provides valuable insights into the marketing of coffee in Wayanad district and highlights the need for policy interventions to improve the marketing system's efficiency and farmers' income and promote sustainable agriculture. The study's findings and recommendations highlight the need for a multi-stakeholder approach involving farmers,

government agencies, non-governmental organizations, and other private actors to develop a more efficient and transparent coffee marketing system. Further research and analysis are also required to explore the feasibility and potential impact of these recommendations, especially in the context of changing market dynamics and consumer preferences. Ultimately, this study contributes to the existing literature on agricultural marketing and can serve as a valuable resource for scholars, policymakers, and practitioners working in this field. The findings of the study reveal that coffee cultivation is an important source of income for farmers in Wayanad district, contributing significantly to their livelihoods. The marketing channels for coffee were found to be complex, involving multiple intermediaries and a lack of transparency. The marketing costs were also found to be high, resulting in lower net returns for farmers. The marketing efficiency was found to be low due to inadequate infrastructure, lack of market information, and poor-quality control. Furthermore, the study identified several constraints faced by farmers in marketing coffee, including the lack of market information, inadequate infrastructure, inadequate finance, and the absence of quality standards.

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