

PROBLEMS FACED BY ORGANIC FARMERS IN PUNJAB: A BUSINESS APPROACH

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Abstract:

The present study is an attempt to identify the Problems faced by organic farmers in Punjab by analysing 400 farmers who have been interviewed personally through a structured questionnaire in four districts of Punjab, namely Patiala, Sangrur, Fatehgarh sahib and Mohali. Descriptive data has been used. Few variables has been asked on five point likert scale also to identify the major issues hinders in the development of organic market. The result reveals that implementation of organic farming and marketing problems effects the growth of organic farming.

Key words: organic farmers, problems, risky, implementation,market

INTRODUCTION

The companies doing Organic business and farmers are facing number of issues related to policy uncertainty, trade and lack of infrastructure in the organic supply chain. As we know that Organic farming protects our future generation from the various harmful effects of chemicals and pesticides. But organic farmers in Punjab are facing problems in the marketing of organic products. There are not any markets where they can sell their crops to the consumers. As conventional crops are very easy to sell and farmers get the best price for their conventional crop in Anaaj Mandi. But in Punjab most of the organic crops are being marketed in two ways, either by direct selling or contract farming. The farmers can adopt the farming commercially only if there are proper marketing opportunities to sell their organic crops with high amount of profits.

There must be marketing arrangements to sell the organic crops. There is requirement of supermarkets to sell the organic crops. Even in Punjab, the government has started to support organic agriculture on a large scale and at various levels but Punjab is still lagging behind while selling the organic crops. Organic farmers can earn more money than conventional farmers with small supply and charging high prices. But there should be ethical market to sell their crops to the various users. Consumer are more concerned about their health and surrounding environment, they are ready to pay the premium price to get the quality food but if it's assured that the product which is labelled, is organic. Even organic certification is the assured tool of quality for organic crops but still they are not so much confident while buying the organic product. They have number of questions in their mind. Awareness to buy organic food is to be spread among the various users

LITERATURE REVIEW:

Kaur and Kalra (2015) The study examined on the reactions and reasons for opting organic farming and problems faced by organic farmers in the four districts of Punjab (Ludhiana, Patiala , Bathinda and Muktsar) mainly selected for the research. The data were collected from 60 farmers who were engaged in organic farming under Punjab agro food grain cooperation (Punjab agri. Export Corporation) and Suttlej power pvt. Ltd. The main reason given by the farmers for opting organic farming were easy marketing, additional benefits (certification of farms), availability of inputs and technical guidance from firms. 11.67% of the total respondents wanted to discontinue organic farming in the next year due to lack of financial help, low yield and weeding problem. The major problems faced by farmers were lack of vermi compost, low yield, lack of training, lack of bio-fertilisers. It has been concluded in the research that both the firms were facing problem because of lack of awareness about the organic farming and breakdown of agreements by the farmers.

Patidar and Patidar (2015) The main objective of this research was to assess the farmer's viewpoint towards organic farming and issues related with it. The research was conducted in Madhya Pradesh, India, which consists of 39 districts; out of these a convenient and purposive

sampling technique was used to select 100 respondents from 50 villages of Khargone district of Nimar region. It is disclosed in the research that 67% of the respondents have positive attitude towards organic farming with significant relationships between age, educational background, farm size, benefits of organic farming, and social factors. This study also shows some unpredictable results such as cost associated with organic farming does not affect farmer's perception other factors like knowledge, environment and gender have no explanatory significance towards belief of the farmers.

Sriwichailamphan and Sucharidtham (2014) This study investigates the factors which affect the adoption of an organic vegetable growing system, and the problems faced by them. A sample of 600 farmers related to vegetable growing in the royal project foundation covering 15 royal project development centres in Thailand has been taken. The results revealed that, of all the samples, there were 304 farmers participating in the project of vegetable growing according to the organic system, the findings also showed that factors which affect the decision making in maturing vegetables in the organic system the most were the enthusiasm of farmers, and the meeting or training in organic vegetable growing, in that order. It was also found that none among farmers had the opportunity to willingly participate in the project.

Cranfield et al. (2010) The research is on the motives, benefits and problems of conversion to Organic production in Canada in year 2010. The data from certified organic or in-transition to organic vegetable and dairy producers in Canada has been explored. The Results advocate that health and safety concerns and environmental issues are the prevalent motives for conversion, while economic motives are of lesser importance. Problems practiced during conversion includes lack of governmental and institutional support, negative pressure from other farmers and farm groups, and lack of physical and financial capital. Reduced exposure to chemicals and improved food quality were highly ranked benefits, while economic related benefits were scored among the lowest of the listed benefits. To benefit, the Canadian organic sector must overcome fundamental marketing problems and challenges.

Stolze and Lampkin (2009) This paper explores the basic concept of organic farming policies in Europe by introducing the special issue which outlines the organic farming policy development

in Europe. Organic farming in Europe has developed significantly in current years, which is supported by significant and varied policy interventions. The study concluded that since the mid 1980s, organic farming has become the focus of significant attention from policy-makers, consumers, environmentalists and farmers in Europe and state institutions have become increasingly involved in regulating and supporting the organic sector. Reflecting on the multiple goals for organic farming and for agricultural policy, the study pointed out a varied and complex range of policy measures that have been developed and implemented to support the organic sector. However, the study contained that balancing societal and consumer/market goals and balancing institutional and private stakeholder interests in the organic sector pose challenges for policy-making both in the dimension of policies and the dimension of politics.

RESEARCH OBJECTIVES:

1. To identify the problems faced by organic farmers in Punjab
2. To identify the factors that hinders the development of Organic market

RESEARCH METHODOLOGY:

The study has been comprised of organic farmers in four districts of Malwa region of Punjab i.e. Patiala, Fatehgarh Sahib, Sangrur & Mohali. 100 organic farmers of organic crops from each of the district were selected. In total, the sample size was 400. Primary data has been collected from respondents in the form of questionnaires. The study have used governmental and non governmental publications either in print or electronic form. The sources of secondary data was statistical abstract of Punjab and economic survey of Punjab. National or local newspaper,. International and national journals had also used.

RESULTS AND DISCUSSIONS:

This section focus on the general profile of the respondents. The questions have been asked to farmers in the form of questionnaire and the respondent answer these questions and then tables have been derived on the basis of the respondent answers. The questionnaire has been given to

the farmers who are engaged in Organic farming only. Either they are certified as organic farmer from any of the agency or pre certified as organic farmer. The data revealed that most of the respondents were male. 385 out of 400 respondents were male. Female respondents consist of just 3.8 percent. As in Punjab, agriculture is the main occupation. Most of the population in Punjab is dependent on agricultural activities. Mainly male members are involved in farming and Women's engaged in farming as invisible workers. The age of the respondent plays an important role in their involvement in agricultural activities. Thus, the respondents were grouped according to their age. Table 1 Exhibits that the highest proportion i.e. 32.5 percent of the total selected sample size was in age group of more than 51 years, followed by 26.3 percent in the age group of 41 – 50 years and only 4.5 percent respondents were in the age group of less than 21 years. As it can be clearly seen from the results that in Punjab middle aged people are more involved in the farming activities. Number of dependents means the size of the family, which depicts the number of adults, children and any other member living in the family with the respondents, which may affect the usage of portion of income derive through farming. As the person who is earning has to be assured of meeting basic minimum needs of everyone living in the family. The number of dependents has been presented in Table 1, which depicts that most of the respondents having 3- 5 dependents. As 37 percent respondents have 3 – 5 dependents, followed by 25.5 percent dependents having 6 – 8 dependents and 21 percent having only 0 – 2 dependents. From the results we can clearly said that majority of the farmers having 3-5 dependents only. The result of the research clearly depicts that majority of respondents (37.3%) earning between 3.1 to 5 lakh. And 107 out of 400 respondents were earning 1.1 to 3 lakh. Only 19 percent farmers were earning more than 5.1 lakh rupees. The amount of earning depends on the area of land they are farming. And the result shows that farmers are earning good amount of income, ranges from 1.1 to 5 lakh and which is quite enough to meet their daily needs. The distribution of respondents made on the basis of their role in the farm business. The data depicts that almost 38.8 percent respondents work in their farm as single proprietor only, which is followed by 36.8 respondents work as co-owner in their farm. 23 percent of the respondents were engaged in contract farming also. Contract farming reduces the risk and uncertainty for the farmers. As it will be beneficial

for organic farmers, because they will get the assured fixed income. But it's not very much prevalent in Punjab. Farmers used to do farming of their land by himself. Either they do it individually or as Co-owner. Education plays an important role in building any nation. If people of any country are educated, the country becomes more capable and efficient. Likewise the educated farmers are more enthusiastic to adopt new farm technology and considered to be more knowledgeable. As much as 34.5 percent respondents were graduated. And 27.3 percent of the farmers having educational qualification of high school. So far as the level of higher education of these farmers is concerned, 18.3 percent of farmers having post graduation and even 7.3 respondents were doctorate. As we know that organic farming is more prevalent from last few years. Now a day's people are more concerned about their health and environment. Table 1 reveals that 36.8 percent respondents were saying that from less than 2 years they were in organic farming, followed by 31 percent from 2 – 5 years. Only 8 percent respondents were in organic farming from more than 11 years. And 11.5 respondents were in organic farming from last 9 – 11 years. Table 1 also carries the data showing out of total land they farm, how much area farmed organically. The results shows that majority of the respondents were farming only 0 – 2 acres of land organically. 29.3 respondents were farming 1 -2 acre of land and 27.5 respondents were farming just less than 1 acre land. We can say that majority of the farmers were farming just for their own food. They are not very much involved in the trading of Organic yield. Only 9 percent respondents were involved in organic farming of more than 15 acres, followed by 9.3 percent farming organically of 8 – 15 acres of land also.

Table 1: Demographic profile of the consumers n=400

Particulars	Variable	Frequency	Percentage
1. Gender	Female	15	3.8%
	Male	385	96.3%
2. Please indicate your Age	Less than 21 years	18	4.5%

	21 – 30	69	17.3%
	31 – 40	78	19.5%
	41 – 50	105	26.3%
	More than 51 years	130	12.80%
3. Number of Dependents	0-2	84	21%
	3-5	148	37%
	6-8	102	25.5%
	More than 9	66	16.5%
4. Income Group	1.1 – 3 lakh	107	26.8%
	3.1 – 5 lakh	149	37.3%
	Less than 1 lakh	68	17%
	More than 5.1 lakh	76	19%
5. Role in the farm business	Co- ownership	147	36.8%
	Contract farming	92	23%
	Single proprietor	155	38.8%
	Any other	6	1.5%
6. Please indicate your level of education	Diploma	51	12.8%
	Doctorate degree	29	7.3%

	Graduation	138	34.5%
	Post Graduation	73	18.3%
	High school	109	27.3%
7 Numbers of years farmers have been in organic farming	Less than 2 years	147	36.8%
	2-5 years	124	31%
	6-8 years	51	12.8%
	9-11 years	46	11.5%
	More than 11 years	32	8%
8. Area presently farmed organically	Less than 1 acre	110	27.5%
	1-2 acre	117	29.3%
	3-4 acre	68	17%
	5-7 acre	32	8%
	8-15 acre	37	9.3%
	More than 15 acre	36	9.0%

Source: Primary survey conducted for this research (2018).

PROBLEMS FACED BY ORGANIC FARMERS

Table 2 shows the variables which had been selected to come to know about the problems faced by organic farmers. These variables has been asked on five point likert scale. It can be easily identified from the results that due to the complicated, lengthy and costly certification process of

organic farming, few of the farmers are not interested in the adoption of organic farming. 49.5 percent respondents were strongly agreed and 12.8 percent respondents were agreed that access to certification and cost involved therein and a time lag of three years (conversion stage) often constrain farmers especially small land holders in India from adopting organic farming. Thus the farmers also consider it difficult to implement and they also claimed that it's a very risky venture. Because it takes number of years to make the land chemical free and if farmers are not using any chemicals, pesticides, it may also affect their crop production which may turn into yield loss. That's why in one of the variable 60 percent respondents were in favour of the view that organic farming is difficult to implement. And 10.8 percent respondents had neutral response. Only 29.3 percent respondents had neglected this statement. Approx 70 percent of the selected farmers also claimed that organic farming is a very risky venture. The farmers who are involved in conventional farming can earn more in comparison to the farmers who are in organic farming. Because they are using required chemicals and pesticides to maximise their production level. 68 percent of the respondents had neglected the statement that they are able to match the profits made in conventional production. Just only 10.8 percent respondents were in favour.

The another problem faced by farmers was that even they are able to sell their organic crops easily as more than 50 percent farmers were agreed that they are able to sell their crops easily, because organic products are not produced according to the demand Or we can say that demand is more than the production but still there are insufficient platforms to sell their organic crops. When it had been asked to the farmers that there are sufficient platforms to sell organic crops. But more than 70 percent of the respondents had neglected this statement. Thus, there must be organised and regulated market to sell their organic crops. Like conventional products can be easily sold in the markets (Anaajmandi) and rates are regulated by the government. One of the other problem faced by the farmers was that competition of big players in the market influences the small strategies. 199 out of 400 respondents were strongly agreed and 44 were agreed to this statement. Only 34 respondents had neutral response. Thus it's proved that small farmers are affected by the competition of big players also.

Table 2
Descriptive data on Problems faced by Organic Farmers

	Mode
C1 We are able to sell our organic crops easily.	4
C2 Consumers have knowledge about organic products.	5
C3 There are sufficient platforms to sell organic crops.	1
C4 I am able to match the profits made in conventional production.	2
C5 High process are currently a barrier to people's buying organic products and thus hinder organic production.	4
C6 The labour scarcity and cost involved therein, constrain adoption of organic farming.	5
C7 Access to certification and cost involved therein and a time lag of three years (conversion stage) often constrain farmers especially small land holders in India from adopting organic farming.	5
C8 There is lack of open local market for sale of organic produce.	4
C9 There was lack of training facility in organic farming for farmers.	3
C10 Organic products have not been produced according to the demand in the market.	4
C11 Competition of big players in the market influences small strategies.	5
C12 Unfavourable weather conditions hinder the adoption of organic farming.	2
C13 Organic farming is a very risky venture.	5
C14 Organic farming is difficult to implement.	5

Source: Primary survey conducted for this research (2018)

FINDINGS OF THE STUDY:

The study reveals that a number of problems and challenges are faced by respondents in organic farming. The finding of the study are as follows:

1. It is one of the challenging task for the farmers to actually **implement** the Organic farming. Because it takes number of years to make their land chemical free and to get the certification from the certified agencies. They have to wait for three consecutive years to get the certification from authorities. After getting the certification then they can labeled their products as certified and sold in the market as organic products.

2. The problem faced by farmers is the **labour scarcity** which is required for the maintenance of organic farm land. As in Organic farming more labour is required in comparison to conventional farming.
3. The farmers also said that there is **lot of competition**. There are many companies which used to buy in bulk from the organic farmers i.e. called contract farming. Due to which small farmers may get affected.
4. We can say that organic farming is profitable but still it's **not profitable** as much as conventional farming. Because there is huge loss of production in organic farming during first few years.
5. An organic farmer claims that it is a very **risky** venture.
6. As per the results it's also concluded that there is **lack of Input availability** for organic farmers, which increases the risk of yield loss for organic farmers.
7. The result states that farmers are able to sell their organic crops easily because demand is more in comparison to supply but still farmers said that there are **lack of open local market** for sale of organic produce.

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