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Constraints Faced by the Stakeholders and Contract Sponsors of their Suggestions for Improvement in Contract Farming

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ABSTRACT

The contract farming amending APMC act in Karnataka and other states of India was aimed to increase the producers share and to enhance availability of quality agricultural produce to both domestic and overseas markets. The study was conducted in six districts of Karnataka state viz., Chikkaballapur, Tumkur, Davanagere, Haveri, Gadag and Bellary. These were purposively selected as the major areas under contract farming in the selected crops which were exist in these areas. Totally six crops were selected. The total sample size for the study was 240 farmers which included 40 respondents from each of the selected crop under four types of contract farming, selected for the study. The data from 240 respondents spread over six districts were collected through personal interview by the researcher. Untimely lifting of the produce, delay in settling of payment, non-availability of labour was the major constraints faced by the farmers practising contract farming in Tomato. Non-availability of labour and seasonal based farming were constraints mostly faced by the farmers in Marigold. Untimely lifting of produce and non-availability of loan in required time and amount was farmers faced constraint in cotton. Cultivate crops on small area (0.50 to 1 ac) as a major constraints faced by the Watermelon farmers. The major constraints faced by the firm in contract farming were in fixing contract price, influence of Climatic factors and High Labour requirement, mixing of low grade with higher grade/improper grading, Improper use of inputs, power cut leads to improper irrigation and poor quality maintenance which were considered as a major constraints by the contract sponsor in contract farming. The sponsor suggested that selling of the whole produce to the contracted firm, co-operation among the farming community and involvement of the family members in cultivation should be increased to make the present contract farming more effective and successful.

Keywords

Stakeholders,
Contract farming,
Constraints

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Introduction

India is a country whose economy mainly depends on agriculture. Nearly 60 per cent of

the population depends on agriculture for their livelihood (census, 2011). The increased population has led to more land sub-division and fragmentation. This has made agriculture

less productive. As a result of market liberalization and globalization Indian agriculture in recent years created a situation in which the small farmers find difficulty in participating in the market economy. As a consequence of this there will be continuation of migration of population to urban areas. In Karnataka migration population from rural to urban area from 2001 to 2011 accounts for 4.10 lakhs, (census report, 2011).

This indicates the requirement of sustaining the rural population to achieve better agricultural productivity. In this context, contract farming could be one of the better solutions which may help in reducing gap between the different categories of the farmers.

The contract farming amending APMC act in Karnataka and other states of India was aimed to increase the producers share and to enhance availability of quality agricultural produce to both domestic and overseas markets.

Contract farming is defined as “a system for the production and supply of agricultural or horticultural products under forward contract between producers/suppliers and buyers. The essence of such an arrangement is the commitment of the cultivator to provide an agricultural commodity of a certain type at a time and a price and in the quantity required by a known and committed buyer, typically a large company”.

Contract farming models at present are gaining importance in the developing countries such as India and are considered as an important tool for commercialization of agriculture.

Contracting reduces much of the uncertainty to the farmers that would otherwise exist if the company were to buy the produce in the open market. Farming practices like contract

farming introduced by the agribusiness firms have a bearing on the development issues of the farming communities.

Materials and Methods

The study was conducted in six districts of Karnataka state *viz*, Chikkaballapur, Tumkur, Davanagere, Haveri, Gadag and Bellary. These were purposively selected as the major areas under contract farming in the selected crops were exist in these areas. Totally six crops were selected purposively based on crops considered in contract farming by the contract sponsorers, out of which three crops were contracted for seed production and another three crops contracted for the final produce. The existing models which were in vogue in state of Karnataka were considered for the study.

The farmers practising contract farming since 4-5 seasons were considered in selecting them as the respondents. The purposive sampling method was followed. The total sample size for the study was 240 farmers which included 40 respondents from each of the selected crop under four types of contract farming, selected for the study. To measure constrains faced by farmers practising contract farming a set of 42 statements were developed based on the response of the farmers major ten constraints faced by farmers in practising contract farming in selected crops were retained based on pretesting of the schedule.

These were quantified in three point continuum least, moderate. The score given were 3, 2 and 1 respectively. Result was expressed in ranking by considering mean per cent. Same procedure was followed for firms also where from each firm we have collected the information about major constraints faced by them. The data from 240 respondents spread over six districts were collected through personal interview by the researcher.

Results and Discussion

Constraints faced by the farmers practising contract farming

Constraints faced by the farmers practising contract farming in tomato

The data in the Table 1 indicates that untimely lifting of the produce, delay in settling payment, non-availability of labour were the major constraints faced by the farmers practising contract farming in Tomato. Farmers feel that perishable nature of commodities, problems faced by the farmers due to regular use of pesticides and lack of legal support were not at all hindering them in practising contract farming in Tomato.

Constraints faced by the farmers practising contract farming in gherkins

A curious look at Table 2 indicates that the constraints faced by the farmers practising contract farming in Gherkins. The data revealed that farmers prone to various problems due to regular use of pesticides which ranked 1st followed by non-availability of required technical assistance, no fixed schedules of visit by extension workers and lack of training on time and methods of harvesting were the prioritized constraints by the farmers.

Constraints faced by the farmers practising contract farming in marigold

Untimely lifting of produce, non-availability of labour and seasonal based farming were constraints mostly faced by the farmers practising contract farming in Marigold (Table 3). However, Lack of storage facility, non-availability of required technical assistance and no fixed schedules of visit by extension worker were not considered as constraints by the farmers in Marigold contract farming.

Constraints faced by the farmers practising contract farming in cotton

A look in to the Table 4 reveals that, the major constraints faced by the farmers growing Cotton includes untimely lifting of produce and non-availability of loan in required time and amount, ranked 1st, followed by, delay in settling payment ranked 2nd and low contract price and isolation problem ranked 3rd. However, high interest rate for loan, high initial investment and lack of domestic market for the produce were least ranked by the respondents in contract farming.

Constraints faced by the farmers practising contract farming in watermelon

The data presented in Table 5 indicates that, isolation problem and contract farming firm permits to cultivate crops on small area (0.50 to 1 ac) as a major constraints faced by the Watermelon farmers, followed by restriction in using child labour for cultivation in Contract Farming,

Constraints faced by the farmers practising contract farming in pearl millet

A glance at Table 6 indicates that, the constraints faced by the farmers growing Pearl millet under contract farming. Based on the response of the farmer, no proper legal support was ranked 1st among all. Which was followed by isolation problem ranked 2nd, restriction in using child labour for cultivation in contract farming ranked 3rd constraints by the farmers.

The major constraints faced by the farmers growing crops like Tomato, Gherkins, Marigold, Watermelon, Cotton and Pearl millet under contract farming was indicated in Table 1, 2, 3, 4, 5 and 6. The data reveals that untimely lifting of produce, delay in settling payment, non-availability of labour and Non-availability of required technical assistance as

the major constraints in the case of Tomato, Marigold and Gherkins and cotton. As the Tomato, Gherkins and Marigold were perishable crops which could not be stored. As the farmers made lot of investment in the initial stage and also to plan their future cultivation plan they required to get in time payment. Delayed in payment by the firm may hinder them to plan for next season crop and to repay loan taken. As contract farming was labour intensive which requires lot of labour during production and harvesting as these crops requires picking everyday and constant monitoring. In all the crops timely advice required to grow under contract, which was not provided by the firm, as all the field workers were at city and not available in time many time schedule of visit may not be known. Sometimes technical persons of the firm lack knowledge about the problems.

Farmers prone to various problems due to regular use of pesticides were major constraints faced by Gherkins growing farmers. As the contract farming in Gherkin was practiced from many years and under contract farming many times huge amount of chemicals were used which resulted in health hazards, as it was recognized by the farmers now a day's. In Cotton and Watermelon maintaining isolation was an important constraint. In hybrid seed production isolation is an important criterion. In villages all the land under farming existing at one place, if his neighbour was not growing same crop variety it was very difficult for the farmers to maintain quality.

Farmers growing crops under contract farming considered lack of storage facility, lack of transportation facilities, degradation of soil fertility and underground water pollution and electricity problem as least constraints by the farmers. As the firm was lifting the produce on daily basis and there was no problem of storage except in some extreme cases. To maintain the quality of the produce firm made

arrangements for the transportation of the produce to the processing plants so there was no problem for storage and transportation. Farmers were mainly concerned with the profit they were getting out of cultivation rather than considering long term effect. Lack of knowledge about effect of excess use of chemicals to farmers might have been made them to consider this as a least constraints. The result was partially in line with the finds of the studies conducted by Rangi and Sindhu (2000), Singh (2000), Arunkumar (2002), Chawla (2002) and Keshavamurthy (2005).

Constraints faced by the contract sponsorers in implementing contract farming

Result depicted in Table 7 indicate that the major constraints faced by the firm in contract farming were in fixing contract price, influence of Climatic factors and High Labour requirement, mixing of low grade with higher grade/improper grading, Improper use of inputs, power cut leads to improper irrigation and poor quality maintenance which were considered as a major constraints by the contract sponsorer in contract farming.

Whereas Lack of proper legal backup, Discontinuance of contract farming due to personal reason and Social and cultural constraints were not much problematic in the contract farming for sponsored.

The major constraints faced by the contract sponsorers in implementing contract farming (Table 7) was in fixing the contract prices, climatic factors and labour requirement for the crop was high. In contract farming the price was fixed based on the present market rate and discussing with farmers but now a day's price in the market was regularly changing in this situation it was difficult to fix the price sometimes farmer may sell the produce to open market instead of contract farming firm.

Table.1 Constraints faced by the farmers practicing contract farming in Tomato

n=40

Sl. No.	Constraints	Rank
1.	Untimely lifting of produce	I
2.	Delay in settling payment	II
3.	Non-availability of labour	III
4.	Manipulation of norms by firm	IV
6.	Non availability of required technical assistance	V
7.	Manipulate of grade by buyers	VI
8.	Lack of training on time and methods of harvesting	VII
9.	No fixed schedules of visit by extension workers	VIII
10.	Logistic problem,	IX
11.	Seasonal based farming,	
12.	Uncertainty in crop yield	
13.	Lack of storage facility	
14.	Perishable nature of commodities	
15.	Lack of legal support and	X
16.	Problems faced by the farmers due to regular use of pesticides.	

Table.2 Constraints faced by the farmers practicing contract farming in Gherkin

n=40

Sl. No.	Constraints	Rank
1.	Problems faced by the farmers due to regular use of pesticides.	I
2.	Non availability of required technical assistance.	II
3.	No fixed schedules of visit by extension workers.	III
4.	Lack of training on time and methods of harvesting.	IV
5.	Non-availability of labour.	
6.	Untimely lifting of produce.	V
7.	Low contract price.	
8.	Restriction in using child labour for cultivation in Contract Farming.	
9.	Seasonal based farming.	VI
10.	Contract farming firm permits to cultivate crops on small area (½ to 1 ac.).	
11.	Un timely supply of inputs.	VIII
12.	Perishable nature of commodities.	
13.	Degradation of soil fertility and ground water pollution.	IX
14.	Delay in settling payment.	
15.	Lack of storage facilities.	

Table.3 Constraints faced by the farmers practicing contract farming in Marigold

n=40

Sl. No.	Constraints	Rank
1.	Untimely lifting of produce.	I
2.	Non-availability of labour.	II
3.	Seasonal based farming.	III
4.	Uncertainty in crop yield.	IV
5.	High cost of inputs.	
6.	Delay in settling payment.	V
7.	Low contract price.	VI
8.	Contract farming firm permits to cultivate crops on small area (½ac. to 1 ac.).	VII
9.	Lack of storage facility.	VIII
10.	Non availability of required technical assistance.	IX
11.	No fixed schedules of visit by extension workers.	X

Table.4 Constraints faced by the farmers practicing contract farming in Cotton

n=40

Sl. No.	Constraints	Rank
1.	Untimely lifting of produce	I
2.	Non availability of loan in required time and amount	
3.	Delay in settling payment	II
4.	Low contract price	III
5.	Isolation problem	
6.	Inefficiency of Organizers / Middlemen	IV
7.	Seasonal based farming	V
8.	Non availability of required technical assistance	
9.	No fixed schedules of visit by extension workers	VI
10.	Farmers prone to various problems due to regular use of pesticides	VII
11.	Restriction in using child labour for cultivation in Contract Farming	VIII
12.	Degradation of soil fertility and ground water pollution	
13.	High interest rate for loan	IX
14.	High initial investment	X
15.	Lack of domestic market for the produce	

Table.5 Constraints faced by the farmers practicing contract farming in Watermelon

n=40

Sl. No.	Constraints	Rank
1.	Isolation problem	I
2.	Contract farming firm permits to cultivate crops on small area (½ to 1 ac.)	
3.	Restriction in using child labour for cultivation in Contract Farming	II
4.	Lack of transportation facility	III
5.	Electricity problem	IV
6.	Lack of storage facility	V
7.	Inefficiency of Organizers / Middlemen	
8.	Degradation of soil fertility and ground water pollution	
9.	Farmers prone to various problems due to regular use of pesticides	VI
10.	Seasonal based farming	
11.	High cost of inputs	VII
12.	Low contract price	VIII
13.	Non-availability of labour	
14.	Delay in settling payment	IX
15.	Non availability of required technical assistance	

Table.6 Constraints faced by the farmers practicing contract farming in Pearl millet

n=40

Sl. No.	Constraints	Rank
1.	No proper legal support.	I
2.	Isolation problem.	II
3.	Restriction in using child labour for cultivation in Contract Farming.	III
4.	Non availability of loan in required time and amount.	IV
5.	Inefficiency of Organizers / Middlemen.	
6.	Non-availability of labour.	V
7.	Seasonal based farming.	
8.	High cost of inputs.	VI
9.	Non availability of required technical assistance.	VII
10.	High interest rate for loan	VIII
11.	Contract farming firm permits to cultivate crops on small area (½ to 1 ac.)	IX
12.	No fixed schedules of visit by extension workers	X

Table.7 Constraints faced by the contract sponsorers in implementing contract farming

Sl. No.	Constraints	Rank
1.	In fixing contract price, Climatic factors	I
2.	Labour requirement is high	
3.	Mixing of low grade with higher grade/ improper grading	II
4.	Improper use of inputs	
5.	Power cut leads to improper irrigation	
6.	Poor quality maintenance	
7.	Inefficient middlemen	III
8.	Scattered cultivated area leads improper monitoring	
9.	Government regulations	
10.	Untimely plant protection activities	IV
11.	Selection of farmers	
12.	Improper drying of produce	
13.	Land constraints	
14.	Technical problems in servicing too many small units	
15.	Breach of contract	
16.	Lack of proper infrastructure	
17.	Lack of basic resources with farmers	V
18.	Rivalry among the firms to offer higher prices	
19.	Marketing of produce to other than contract sponsors	
20.	Lack of domestic market for produce	
21.	Lack of proper legal backup	VI
22.	Discontinuance of contract farming due to personal reason	VII
23.	Social and cultural constraints	VIII

Table.8 Suggestions of the farmers growing tomato to improve contract farming

n=40

Sl. No.	Suggestions	No.	Per cent
1.	Providing drip Irrigation facilities.	40	100.00
2.	Providing staking materials.	37	92.50
3.	Timely payment and procurement cost to be increased.	35	87.50
4.	Providing proper training along with literature about cultivation.	34	85.00
5.	Cultivation advance payment for contracted crops.	30	75.00
6.	Timely supply of inputs.	28	70.00
7.	Area under contracted crop to be increased per farmer.	27	67.50
8.	Regular and scheduled visit of extension personnel.	24	60.00
9.	Providing safety kits while applying inputs and also improved implements for cultivation.	19	47.50
10.	Providing loan at lesser rate of interest.	13	32.50

Table.9 Suggestions of the farmers growing gherkins to improve contract farming

n=40

Sl. No.	Suggestions	No.	Per cent
1.	Timely payment.	38	95.00
2.	In time supply of input and to the place of farmers.	35	87.50
3.	Timely and scheduled visit of experts and providing timely services.	34	85.00
4.	Procurement price to be increased.	31	77.50
5.	Cultivation advance payment for contracted crops.	28	70.00
6.	Minimum support price at the time of crop failure.	25	62.50
7.	Area under contracted crop to be increased per farmer.	24	60.00
8.	Providing proper training along with literature about cultivation.	21	52.50
9.	Providing safety kits while applying inputs and maintaining soil health.	20	50.00
10.	Incentives to encourage farmers for better production.	16	40.00

Table.10 Suggestions of the farmers growing marigold to improve contract farming

n=40

Sl. No.	Suggestions	No.	Per cent
1.	Providing drip Irrigation facilities.	34	85.00
2.	All the output should be purchased by the firms/ company and timely.	30	75.00
3.	Inputs should be supplied in required quantity.	30	75.00
4.	Timely payment.	28	70.00
5.	Regular, timely and scheduled visit of extension personnel.	25	62.50
6.	Area under contracted crop to be increased per farmer.	24	60.00
7.	Subsidized cost of the inputs and storage facilities.	24	60.00
8.	More involvement of the family members in cultivation aspects.	21	52.50
9.	Proper legal support.	19	47.50
10.	Farmers need to be trained about pest and disease management.	15	37.50

Table.11 Suggestions of the farmers growing cotton to improve contract farming

n=40

Sl. No.	Suggestions	No.	Per cent
1.	Timely payment.	38	95.00
2.	Cultivation advance should be given.	35	87.50
3.	Providing drip Irrigation facilities and area under contracted crop to be increased per farmer.	31	77.50
4.	Firm should come to help farmers at the time of crisis.	30	75.00
5.	Fix the procurement price in consultation with the farmers.	27	67.50
6.	Timely supply of inputs.	25	62.50
7.	Good co-ordination and co-operations between firm and farmers.	21	52.50
8.	Regular and timely scheduled visit and services to be provided by the extension personnel.	20	50.00
9.	Providing loan and storage facilities to farmers.	17	42.50
10.	More involvement of the family labour in cultivation.	15	37.50

Table.12 Suggestions of the farmers growing watermelon to improve contract farming

n=40

Sl. No.	Suggestions	No.	Per cent
1.	Timely Payment and Information should be provided.	36	90.00
2.	Finalizing the procurement price before contracting.	34	85.00
3.	Timely and scheduled visit of the experts/extension workers.	31	77.50
4.	Cultivation advance payment for contracted crops.	31	77.50
5.	Computerization of weighing machine.	30	75.00
6.	Subsidized cost of the inputs.	28	70.00
7.	Firm should come to help farmers at the time of crisis.	25	62.50
8.	Farmers need to be trained about pest and disease management.	23	57.50
9.	Better cooperation between farmer and firm.	21	52.50
10.	Updated market information to be provided.	12	30.00

Table.13 Suggestions of the farmers growing pearl millet to improve contract farming

Sl. No.	Suggestions	n=40	
		No.	Per cent
1.	Timely payment.	37	92.50
2.	Procurement price to be increased.	30	75.00
3.	Cultivation advance for contracted crops.	29	72.50
4.	Regular and timely scheduled visit of the experts/extension workers.	27	67.50
5.	Timely supply of inputs and Subsidized cost of the inputs.	25	62.50
6.	Proper and regular training for farmers about Technical aspects of cultivation.	24	60.00
7.	Area under contract farming crop should be increased.	24	60.00
8.	Firm should come to help farmers at the time of crisis.	21	52.50
9.	Procurement of the entire output and rejection rate should be reduced.	18	45.00
10.	Better co-operation between the firm and the farmers.	17	42.50

Table.14 Suggestions of the contract sponsorers for the improvement of contract farming

Sl. No.	Suggestions	No.	Per cent
1.	Selling of the whole produce to contracted firm.	6	100.00
2.	Cooperation among the farming community.	6	100.00
3.	More involvement of the family members in cultivation.	6	100.00
4.	Mechanization of the farm.	5	83.33
5.	Regular participation of the farmers in capacity building programmes.	5	83.33
6.	Performing timely cultivation operations.	5	83.33
7.	Maintaining good relation between firm and the farmer.	5	83.33
8.	Avoiding admixture in the final produce.	4	66.67
9.	Local organization support.	4	66.67
10.	Honesty of the farmer towards contracted firms.	4	66.67
11.	All inputs should be used for the contracted crops as per recommendations.	3	50.00

As we know that agriculture was entirely depends on monsoon. If monsoon fails crop also fails then leads to loss. Always contract farming crop was labour intensive so it was difficult for the farmer to mobilize the labour. It was not possible to maintain the quality of produce if work was not done in right time.

The firm was not facing problem with respect to discontinuance of contract farming due to personal reason and social and cultural constraints. Farmers were getting assured market and income from contract farming compare to traditional farming so there was no discontinuance. As a social responsibility of the firm they have done many programmes in harmony with village people without disturbing their social and economic rituals. The result was partially in line with the finds of the study conducted Ashok Kumar and Hosamani (2010) and Vinayaka (2010)

Suggestions of the farmers to improve contract farming

Suggestions of the farmers growing Tomato to improve contract farming

Suggestions given by the farmers growing Tomato under contract farming was depicted in Table 8.

This shows that cent per cent of the farmers suggested, providing drip irrigation facility followed by provision of staking materials (92.50%), timely payment and increasing the procurement rate (87.50%). Whereas less than half of the respondents suggested to provide safety kits while applying inputs and also improved implements for cultivation (47.50%) were considered as important to achieve good result in contract farming in Tomato.

A look at the Table 8 indicates the suggestions given by Tomato growing

farmers under contract farming. This reveals that cent per cent of the farmers suggested to provide drip irrigation facilities (100.00%), followed by providing staking materials (92.50%), Procurement price to be increased and payment should be timely (87.50%). Only few of them suggested providing loan at lesser rate of interest (32.50%). In Tomato growing belt rain fall was less and crop under contract farming requires assured irrigation so they have to irrigate the crop with minimum water. This could be done through better method of irrigation like drip irrigation. So, farmer requires some financial assistance to establish drip irrigation. Staking was very important in Tomato to get good quality and quantity of the produce. They were paying huge amount for getting staking materials, if company purchase on wholesale basis it will be cheaper for the farmers. As a quality and grading technique followed by the firm may leads to get less price and due to some policy and procedure of the company there may be in time payment made to suggest for providing loan.

Suggestions of the farmers growing Gherkins to improve contract farming

It was interesting to know from the Table 9 the more than 80.00 per cent of the farmer suggested that timely payment (95.00%), in time supply of input and to the place of farmers (87.50%) and timely and scheduled visit of experts and providing timely services (85.00%) were important suggestion to be followed to make better contract farming. Half of the respondents suggested providing safety kits while applying inputs and importance to be given to maintaining soil health.

It was interesting to know that 40.00 per cent of the farmers suggested that incentives should be given to encourage farmers for better production.

Suggestions of the farmers growing Marigold to improve contract farming

Majority of the respondents were suggested to provide drip irrigation facilities (85.00%), all the outputs should be purchased by the firm/company and inputs should be supplied in required quantity (75.00%) were to be considered by the contract sponsorer to make contract farming more successful. But less than half of the respondents were suggested that proper legal support was required for contract farming (47.50%) and farmer's needs to be trained about pest and disease management (37.50%) were the specific suggestion of the few contract producers (Table 10).

Suggestions of the farmers growing Cotton to improve contract farming

The data presented in Table 11 indicates that, timely payment (95.00%) was very much essential for the success of the contract farming followed by providing cultivation advance (87.50%), providing drip irrigation facilities and area under contracted crop to be increased per farmer (77.50%) were important suggestion by the contract producers of Cotton. But providing storage facility and loan for the farmers was suggested by only 42.50 per cent of farmers followed by more involvement of the family labour in cultivation (37.50%).

Suggestions of the farmers growing Watermelon to improve contract farming

Suggestions given by farmers practising contract farming in Watermelon were depicted in Table 12. The data reveals that timely payment and giving timely information (90.00%) was very much essential in contract farming, followed by finalizing the procurement price before contracting (85.00%) and timely and scheduled visit of

the experts/extension workers (77.50%) were very important to be successful in contract farming. Better cooperation between farmers and firm (52.50%) and everyday market information about the produce should be given (30.00%) were suggested by only few farmers.

Suggestions of the farmers growing Pearl millet to improve contract farming

Most of the respondents were suggested that timely payment (92.50%), increase in procurement price (75.00%) and Cultivation advance payment for contracted crops (72.50%) were major suggestion to improve contract farming in Pearl millet as per the data present in Table 13. It was interesting to know that the farmers have suggested procuring entire output and reducing rejection rate of output (45.00%) and to have good cooperation between the firm and the farmers (42.50%) were to be considered to some extent to make contract farming beneficial to both.

The farmers growing Pearl millet under contract farming was depicted in Table 13. The data reveals that suggestions like timely payment (92.50%), procurement price to be increased (75.00%) and cultivation advance for contracted crops (72.50%). This helps the farmers to make initial investment in cultivation as the farmer was having financial problem in the season beginning. Farmers also suggested regular visit made by extension personnel (67.50%), procurement of the entire output and rejection rate should be reduced (45.00%). In the case of contract farming quality standard was very high if the quality is not maintained properly whole lot was rejected by the firm. This resulted in losing a crop for a season by farmer. To maintain good quality of the produce timely monitoring and advice was much required. This made them to suggest relaxing some

quality standards and regular visit of the technical personnel. The results are in confirmation with the result obtained by Keshavamurthy (2005), Basavaraj (2007) and Chengappa (2010)

Suggestions of the contract sponsorers for improvement of contract farming

The data in Table 14 indicates that, all the sponsorer suggested that selling of the whole produce to the contracted firm, co-operation among the farming community and involvement of the family members in cultivation should be increased to make the present contract farming more effective and successful. Whereas same number of contract sponsorer (83.33%) suggested that, regular participation of the farmers in capacity building programmes, performing timely cultivation operations and maintaining good relation between firm and the farmer. But only half of the contract sponsorer suggested that all the inputs should be used for the contract crops (50.00%) to make the contract farming the best.

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