

A Study on Prospects and Problems of Coffee Farmers in Kodagu, Karnataka

Jinu Josy
Assistant Professor, St. Mary's College, Thrissur

ABSTRACT

India is the sixth biggest coffee producers in the World and 70% of the country's produce is exported to Europe and Russia. Kodagu is the largest coffee producing district of Karnataka in India. Kodagu is most popularly nick-named as the 'Coffee Cup of India'. Global coffee market is dominated by big market players and it is badly affected the primary producers. Moreover, reports says that efforts to promote increased coffee consumption and coffee production across the nation did not much benefitted for the coffee farmers in our nation. The global prices of coffee are consistently falling due to oversupply from other countries. As coffee trade is an important foreign exchange earner for the country, and a source of employment for a large section of rural people and as Kodagu is leading in the cultivation of coffee in India, it is essential to examine prospects and problems of coffee farmers in Kodagu District, Karnataka. Kodagu was affected by flood which led to the destruction of farm lands. Under this study, the sample constitutes 150 coffee farmers. The major findings was majority of the respondents have cultivation problem due to destruction of land by flood and they are also facing intense competition from big coffee growers. They are not getting sufficient payment for their efforts from the intermediaries which will be a difficult fact that the farmers are facing today. But in the midst of this, Majority of the respondents opined that coffee cultivation will have a lot of opportunities available in the global market.

Keywords: Kodagu, Flood, problems, prospects, intermediaries

1. INTRODUCTION

India is the 6th biggest coffee producers in the World and 70% of the country's produce is exported to Europe and Russia. Kodagu, Karnataka was the biggest coffee producer in India. Kodagu is most popularly nick-named as the 'Coffee Cup of India'.

Reports says that efforts to promote increased coffee consumption and expansion of coffee chains across the nation don't seem to have translated into real support for the country's coffee growers. Statistics shows that coffee demand in the domestic market is increasing in the past few years, but prices are consistently falling due to oversupply.

The coffee industry contributes 40% of the GDP and provides employment to around two-thirds of the people in the country.

There are a lot of opportunities available for coffee farmers to market their products. But many of them are not getting proper channel to sell the products. Actually, the main portion of the coffee holdings in Kodagu are by small farmers and they have a lot of problems related to marketing and trading. Moreover they are not getting sufficient payment for their efforts from the intermediaries which will be a difficult fact that the farmers are facing today. There are much opportunities in global market. The giant coffee farmers as well as intermediaries are selling their produce in the global market players in the global trade.

The outcome of this research will be beneficial to the coffee farmers in India to frame suitable coffee marketing strategies along with the traditional tools of marketing. The study also will determine the major challenges faced in these areas which enables the farmers and government officials to take necessary measures. People in the academia are one of the beneficiaries of the findings of the study. It serves as a source of literature to people who intend to conduct a similar research in others parts of India.

2. STATEMENT OF THE PROBLEM

Global coffee market is dominated by big market players and it was adversely affected the small farmers. The small farmers are not getting proper reward for their cultivation. Therefore strengthening coffee farmers is essential.

As coffee trade is an important foreign exchange earner for the country, and a source of employment for a large section of rural masses and as Kodagu is leading in the cultivation of coffee in India, it is essential to examine prospects and problems of coffee farmers in Kodagu District, Karnataka. The small coffee have a lot of problems while marketing the product. These issues has to seriously considered as coffee assume importance due to its export potential as well as livelihood dependency of large number of small farmers.

3. OBJECTIVES OF THE STUDY

- To assess the performance of coffee trade in Kodagu, Karnataka
- To study the problems and prospects of coffee trade

4. RESEARCH DESIGN AND METHODOLOGY

DATA COLLECTION

PRIMARY DATA: The data will be collected from coffee farmers in Kodagu by administering questionnaire.

SECONDARY DATA: Secondary data will be collected from published sources like reports, journals, magazines, books etc.

SAMPLING DESIGN

➤ POPULATION

Here the population is coffee farmers of Kodagu District, Kerala, India.

➤ SAMPLE SIZE

The sample constitutes 150 coffee farmers and collected via Purposive sampling

5. RESULTS AND DISCUSSIONS

REVIEW OF LITERATURE

- **According to Sunanda et.al (2014)**, in their article “A study on problems of coffee growers in the state of Karnataka” specifies, Over 98 % of coffee holdings and 70% of production of Coffee in India was by small holders. About 77% of holdings are considered as small (below 2 hectares) holdings. At the world level, it is estimated that over 25 million small farmers depend on Coffee as a source of livelihood .The Government’s role in this industry becomes inevitable in forging and sustaining inter-sectoral partnerships to improve welfare of small farmers.
- **According to Kavya Dechamma et.al (2018)**, in their article, “challenges and problems faced by coffee industry –a case study of coorg coffee industries v/s other mechanised industry attracting youth” pinpoints that due to high work pressure in all other sectors, youth will prefer coffee cultivation due to competitiveness, global environment, modern industrial process technique.
- **According to Bibek et.al (2014)**, in their article, “Profitability and major problems of coffee production in Palpa district, Nepal” suggests that it is advisable to invest in coffee industry which inturn helps to improve the agriculture sector which is a base for our country.

EDUCATION QUALIFICATION OF COFFEE FARMERS

PARTICULARS	RESPONSES(%)
Illiterate	15.33
Upto 10 Standard	38
Upto 12 Standard	19.33
Graduation	24
Post Graduation	3.33
Others	0
Total	100

Source: Primary survey

INFERENCE

From the survey, it is revealed that 15.33% of the respondents are illiterate, 38% have qualification upto 10th Standard and 19.33% of the respondents have qualification upto 12th standard. 24% of the respondents are graduates.

ANNUAL FAMILY INCOME

PARTICULARS	RESPONSES (%)
Upto 50,000	8.67
50,000 – 1,00,000	12.67
1,00,000 – 2,00,000	23.33
2,00,000 – 3,00,000	38.67
Above 4,00,000	16.67
Total	100

Source: Primary survey

INFERENCE

38.67 % of the respondents say that they have annual income inbetween 2, 00,000 to 3,00,000 whereas 23.33% of the respondents have annual income in between 1,00,000- 2,00,000.

NATURE OF LAND HOLDING

PARTICULARS	RESPONSES (%)
Ancestral	61.33
Tenancy	18.67
Purchased	20
Total	100

Source: primary survey

INFERENCE

The table shows that 61.33% of the respondents possess ancestral lands whereas 20% have purchased the land.

SIZE OF LAND HOLDING

PARTICULARS	RESPONSES (%)
< 2 hectares	27.33
2 – 4 hectares	38.67
4 – 10 hectares	18
10 – 25 hectares	16
>25 hectares	0
Total	100

Source: primary survey

INFERENCE

27.33% of the respondents hold less than 2 hectares of land.38.67 % of respondents have in between 2 to 4 hectares.18% have in between 4 to 10 hectares of land.

PROBLEMS FACED BY FARMERS

PARTICULARS	RESPONSES
Cultivation Problems	62
Labour Problems	52
Trade Problems	56
Poor Productivity	28
Intense Competition	39

Source: primary survey

Note: The respondents have choice to opt more than one option.

INFERENCE

It is revealed that 52 of the respondents have labour problems. 62 have cultivation problem. 56 of the respondents have trade problems whereas 39 have the problem of intense competition.

SPECIFY THE CULTIVATION PROBLEM

PARTICULARS	RESPONSES (%)
Excess Supply	16
High cost of production	13
Destruction due to flood	58
Diseases of plant	13
Others	0
Total	100

Source: primary survey

INFERENCE

58% of the respondents say that their major problem is destruction due to flood. 16% of the respondents believe that it is due to excess supply.

SPECIFY THE TRADE PROBLEMS

PARTICULARS	RESPONSES (%)
Poor selling prices	39
Seasonal supply	25
Heavy imports	21
Volatility in prices	15
Total	100

Source: primary survey

INFERENCE

The table shows that 39% of the respondents responded that their major problem is poor selling prices whereas 25% faces problem due to seasonal supply. 21% says that due to heavy imports.

SPECIFY THE LABOUR PROBLEMS

PARTICULARS	RESPONSES (%)
Scarcity of agricultural labourers	48
Low labour productivity	35
Labour unrest	17
Others	0
Total	100

Source: primary survey

INFERENCE

The table shows that 48% of the respondents responded that scarcity of agricultural labourers is their major labour problem whereas 35% of the respondents said that the problem is low labour productivity.

WHETHER COFFEE CULTIVATION IS NOW PROFITABLE OR NOT

PARTICULARS	RESPONSES (%)
Yes	44
No	56
Total	100

Source: Primary survey

INFERENCE

It is revealed that 44% of the respondents opined that coffee cultivation is profitable whereas 56% opined that it is not profitable.

MAJOR SOURCE OF FUNDS FOR COFFEE PLANTATION

PARTICULARS	RESPONSES (%)
Family funds	20.67
Bank Loan	41.33
Loans from Cooperative Society	38
Others	0
Total	100

INFERENCE

38% of the respondents say that their major source of fund is loans from cooperative society where as 41.33% of the respondents depend upon bank loan.

ABILITY TO REPAY THE LOANS PROMPTLY

PARTICULARS	RESPONSES (%)
Yes	44
No	56
Total	100

Source: Primary Survey

INFERENCE

44% of the respondents say that they could not able to repay the loans promptly whereas 56% reported that they are able to repay the loans promptly.

SATISFACTION WITH THE ASSISTANCE PROVIDED BY COFFEE BOARD FOR THE CULTIVATION OF COFFEE

PARTICULARS	RESPONSES (%)
Highly Satisfied	36
Satisfied	18.67
Neutral	9.33
Dissatisfied	19.33
Highly dissatisfied	16.67
Total	100

Source: Primary Survey

INFERENCE

The table reveals that 36% of the respondents are highly satisfied and 18.67% are satisfied with the assistance provided by Coffee Board for the cultivation of coffee whereas 19.33 % of the respondents are dissatisfied and 16.67% are highly dissatisfied.

OPINION REGARDING OPPORTUNITIES OF COFFEE TRADE

PARTICULARS	RESPONSES (%)
Yes	70
Neutral	20
No	10
Total	100

Source: primary survey

INTERPRETATION

70% of the respondents say that there are opportunities in coffee trade whereas 10% say that there is no opportunities in coffee trade.

6. CONCLUSION

This search and study is conducted to determine the problems and prospects of Coffee farmers in Kodagu , Karnataka. The major problem faced by them is cultivation problem due to destruction of land by flood. The other obstacles are trade related issues, labour problems and poor productivity .The majority of the respondents opined that coffee cultivation is profitable. Moreover , in the midst of these obstacles , majority of the respondents opined that the coffee cultivation has opportunities in global market. The coffee farmers should adopt modern technology to improve the quality of the coffee. The government and the coffee board should take necessary actions inorder to revive coffee production.

7. REFERENCES

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