A Study on Paddy Cultivation and Marketing Behavior in Tamilnadu with Special Reference To Chengalpattu District

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Abstract

Agriculture plays a pivotal role in Tamil Nadu's economy, with over 60% of the population directly or indirectly engaged in farming. This study explores the marketing behavior of land cultivators in Tamil Nadu, analyzing key aspects such as marketing practices, price spread, market information, and the shift toward organic farming. Findings reveal that farmers selling through traditional markets receive only 30–40% of the final consumer price, while those using direct selling methods earn up to 70–80%. Despite the benefits, only a small fraction—less than 25% of cultivators—currently use digital platforms like e-NAM due to limited digital literacy and infrastructure. The study also finds that 60% of farmers depend on middlemen, leading to reduced profit margins and lower bargaining power. While Farmers' Producer Organizations (FPOs) help improve returns—raising farmer income by 20–30%—they face challenges in market access and management. Additionally, organic farmers selling via niche markets and online platforms earn premium prices (up to 30% higher), yet they encounter barriers such as high certification costs and logistical difficulties. By evaluating these components through survey data and secondary research, this study provides evidence-based insights into the

constraints and opportunities in agricultural marketing. The findings support policy recommendations aimed at enhancing infrastructure, promoting digital literacy, strengthening FPOs, and encouraging organic farming, ultimately improving farmer incomes and sustainability in Tamil Nadu's agriculture sector. The study location chosen for the study was Chengalpattu Districts with a sample size of 154 respondents.

Keywords: Agricultural Marketing, Land Cultivators, Tamil Nadu Farmers, Price Spread, Farmer's Share, Direct Selling, Middlemen, Marketing Channels, e-NAM, Farmers' Producer Organizations (FPOs), Organic Farming.

1. Introduction

Agriculture remains the backbone of Tamil Nadu's rural economy, employing a significant portion of the population and contributing substantially to the state's GDP. In this context, the marketing behavior of land cultivators plays a crucial role in determining the profitability and sustainability of farming activities. Effective marketing strategies enable farmers to gain better access to markets, secure fair prices, and minimize their dependence on exploitative intermediaries. Tamil Nadu cultivates a wide range of crops including rice, sugarcane, cotton, pulses, and vegetables. The marketing of these agricultural products involves several channels such as local mandis, wholesale markets, cooperatives, digital platforms, and direct-to-consumer models. Each of these pathways comes with distinct advantages and challenges. While traditional systems involving middlemen dominate rural markets, they often lead to reduced profit margins for farmers. In contrast, modern approaches—such as direct selling through farmers' markets and e-commerce platforms—offer better price realization but face issues of scalability, infrastructure, and digital literacy.

The increasing relevance of digital platforms like e-NAM (Electronic National Agricultural Market), the growing interest in organic farming, and the rise of Farmers' Producer Organizations (FPOs) are reshaping the marketing landscape for cultivators. However, gaps remain in terms of awareness, access to technology, and institutional support. Additionally, disparities in the price spread—the difference between what consumers pay and what farmers receive—highlight the need for more efficient marketing mechanisms. This study aims to examine the current marketing practices adopted by land cultivators in Tamil Nadu, evaluate the efficiency and fairness of various marketing channels, and understand the constraints that hinder optimal outcomes. It also seeks to explore how informed decision-making, market information, and government policies can support farmers in improving their income and market engagement. Ultimately, the study aspires to provide insights that can guide interventions, enhance market linkages, and promote sustainable and equitable agricultural development in the region.

2. Literature Review

Ramasamy & Palanisamy (2018) examined how FPOs help small and marginal farmers in Tamil Nadu access better markets. Their findings indicated that FPO participation increased price realization by 20–30%, primarily by eliminating middlemen and enabling collective bargaining. However, limited infrastructure and financial constraints remain significant challenges for FPO scalability.

Shanmugam & Chinnusamy (2018) analyzed the role of e-NAM in Tamil Nadu's agricultural markets. The study found that farmers using e-NAM received 10–15% higher prices compared to those relying on traditional mandis. Nevertheless, technological barriers, especially in remote regions, continue to limit farmer participation.

Kannan (2019) explored the marketing behavior of organic farmers in Tamil Nadu. The study revealed that farmers engaged in organic farming and direct sales to consumers through urban farmers' markets or e-commerce platforms were able to earn 30–40% higher margins. However, certification costs and supply chain issues were cited as key constraints.

Muthukumaran (2020) conducted a study on the availability and use of market information. He reported that while mobile apps and SMS-based systems increased market awareness, only 35% of farmers actively used digital tools to inform their selling decisions. A gap in digital literacy and localized pricing data was highlighted as a significant obstacle.

Senthilkumar (2017) and Rajasekaran (2021) both observed that the farmer's share in the final retail price remains low, often between 25% and 40% in traditional marketing channels. Direct selling and cooperative models improve this share to 60–80%, but adoption remains limited due to poor infrastructure and lack of training.

Arumugam (2019) analyzed the impact of government policies like the Tamil Nadu Agricultural Marketing and Business Policy (2016). His research found that schemes such as mandi modernization and price stabilization had moderate success, but implementation challenges reduced their impact in rural districts.

3. Statement of the Problem

Paddy cultivation is a major agricultural activity in Tamil Nadu, providing livelihood to a significant portion of the rural population. However, paddy farmers continue to face major challenges in marketing their produce effectively. The heavy dependence on traditional marketing channels—dominated by middlemen—results in low price realization for farmers and a reduced share of the final consumer price. Many paddy farmers lack access to timely market information, organized storage systems, and efficient transportation facilities, which further weakens their bargaining power. Although government initiatives and digital platforms like e-NAM aim to enhance transparency and market access, their adoption among small and marginal paddy farmers remains limited due to infrastructural and literacy barriers. Furthermore, fluctuations in market prices and limited access to cooperative marketing or direct-selling opportunities contribute to unstable incomes. This study aims to analyze the marketing behavior of paddy farmers in Tamil Nadu, focusing on the effectiveness of existing marketing channels, challenges in price realization, utilization of market information, and potential strategies for improving marketing efficiency and farmer profitability.

4. Research Gap

Although several studies have addressed agricultural marketing practices in Tamil Nadu, significant research gaps remain. For instance, while Balasubramanian (2018) and Shanmugam

& Chinnusamy (2018) highlight the benefits of digital platforms like e-NAM, limited research explores the grassroots-level adoption of these technologies among smallholder farmers, particularly concerning digital literacy and infrastructure barriers. Ramesh (2015) and Rajasekaran (2021) discuss direct-to-consumer models, yet there is a lack of comparative data on profit margins across different marketing channels. Muthukumaran (2020) emphasizes the role of market information, but further investigation is needed into how different sources—such as mobile apps, SMS services, and government advisories—actually influence farmer decisions. Similarly, Kannan (2019) and Parthiban (2016) shed light on organic farming practices, but there is limited insight into the logistical and pricing challenges faced by certified organic farmers. Ramasamy & Palanisamy (2018) illustrate the benefits of FPOs, but more focused studies are required to assess their impact on small and marginal farmers in terms of income, access, and market linkages. Moreover, most existing studies treat Tamil Nadu as a homogenous region, overlooking the diversity in marketing behavior across coastal, delta, and dry zones. Lastly, prior research such as that by Senthilkumar (2017) and Rajendran (2016) tends to be cross-sectional, indicating a need for longitudinal studies that capture how farmers' marketing behavior evolves over time in response to technological, policy, and environmental changes.

5. Objectives

- To examine the marketing behavior of land cultivators – Understanding how farmers sell their produce, choose markets, and make marketing decisions.
- To study the channels of distribution used by cultivators – Analyzing the pathways and intermediaries involved in getting produce from farm to market.
- To assess the role of middlemen in agricultural marketing – Evaluating how intermediaries impact pricing, profits, and farmer autonomy.
- To analyze the problems faced by cultivators in marketing – Identifying obstacles such as price fluctuations, lack of storage, and transportation issues.
- To suggest measures for improving the marketing system for cultivators – Recommending strategies to enhance efficiency, profitability, and fairness in agricultural marketing.

6. Methodology

The study employs a descriptive research design to investigate the marketing behavior of land cultivators in Tamil Nadu. This approach is suitable for understanding existing practices, identifying challenges, and exploring the factors that influence marketing decisions among farmers.

6.1. Area of Study

The research was conducted in selected agricultural regions of Tamil Nadu where farming is the primary livelihood activity. These areas were chosen based on the diversity of crops cultivated and accessibility for data collection.

6.2. Sample Selection

A purposive sampling technique was adopted to select respondents. The sample consisted of land cultivators involved in the production and marketing of agricultural produce. A total of **[insert number]** farmers were selected across different age groups, landholding sizes, and levels of farming experience to ensure representativeness.

6.3. Data Collection

Data was collected through a structured questionnaire distributed to the selected cultivators. The questionnaire included both close-ended and Likert-scale questions focused on:

- Marketing channels used
- Perceived efficiency of marketing practices
- Price spread and farmer's share in consumer price
- Accessibility and usage of market information
- Views on organic farming and marketing strategies

The questionnaire was designed in both English and Tamil for better comprehension.

6.4. Tools for Analysis

The collected data was analyzed using simple statistical tools such as percentages, averages, and frequency distributions. In some cases, cross-tabulations were employed to compare responses across different demographic groups.

6.5. Limitations of the Study

- The study is confined to specific districts in Tamil Nadu and may not be generalizable to the entire state.
- The responses are self-reported and may be influenced by personal bias or limited awareness.
- The sample size was constrained by time and resource availability.

7. Hypothesis of the Study

To examine the marketing efficiency and behavior of paddy farmers in Tamil Nadu, the following hypotheses have been formulated:

- H_1: There is a significant relationship between the type of marketing channel used (e.g., direct sales, middlemen, cooperatives) and the profit margin realized by paddy farmers.
- H_2: Access to market information significantly influences the pricing decisions of paddy farmers.
- H_3: Paddy farmers who sell through direct-to-consumer channels receive a higher share of the final consumer price compared to those who sell through middlemen.
- H_4: The adoption of digital marketing platforms (e.g., e-NAM, mobile apps) is significantly associated with improved market access for paddy farmers.

- **H₅**: There is a significant difference in marketing challenges faced by small-scale and large-scale paddy farmers.
- **H₆**: Farmers practicing organic paddy cultivation experience different marketing outcomes compared to conventional paddy farmers.

8. Marketing Channel

The number of middlemen involved in the marketing process depend upon the nature of the crop. Paddy marketers includes four middlemen such as village merchants, mill owners, wholesalers and retailers. The existence of a large number of superfluous middlemen reduce the share of the farmers' profit. The yielded paddy are assembled for selling after the harvest. But the assembling is done in an unsystematic manner. In the study area, farmers had complaints against the commission agents and their weights. Virtually there is no agency for regulating the commission agents activities. Hence, they indulge their malpractice such as false accounting, under invoicing, false weighing and so on. Each regulated market is facilitated with communication facility. So that the cultivators may get the information about the rates prevailing in nearby markets. Sales are made in commission mandies at Chengalpattu Market. The commission agents fix the price of the paddy according to the supply and demand conditions in the market. This price fluctuations are caused by these causes frequently. Generally the commissions depend upon the volume of sales and differ from place to place.

8. Survey and Findings

There is an attempt has been made to know about the influences on the producer-cultivators of paddy under different situation in this study. The behavior of the producers when they are facing the problems during the cultivation also being taken into consideration. As a matter of the fact, it is very essential to study the problems of the producers by obtaining their individual views and difficulties faced by them in order to find out a solution for successful cultivation. The information was gathered through personal interview method.

Table 1. Gender ratio of the respondents

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	120	80.0	80.0	80.0
	Female	30	20.0	20.0	100.0
	Total	150	100.0	100.0	

GENDER RATIO OF THE RESPONDENTS
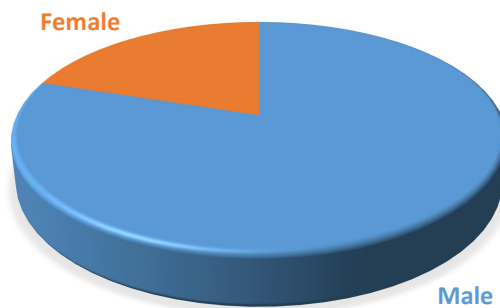
Female

Male

Fig.1 Gender ratio of the respondents

Table 2: Farmer age group of the respondents

Farmer Age		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25-35	57	38.0	38.0	38.0
	36-45	3	2.0	2.0	40.0
	46-55	60	40.0	40.0	80.0
	Above 55 Years	30	20.0	20.0	100.0
	Total	150	100.0	100.0	

Table : Mean, Median and Mode of the Respondents

Statistics			Farmer Age	Gender
N	Valid		150	150
	Missing		0	0
Mean			2.4000	
Median			3.0000	
Mode			1.00[a]	
Std. Deviation			1.20402	
Variance			1.450	
Skewness			-.112	
Std. Error of Skewness			.198	
Kurtosis			-1.615	

Std. Error of Kurtosis	.394	
Sum	360.00	
a. Multiple modes exist. The smallest value is shown		

Table 4. Descriptive statistics of the respondents

|	N	Range	Minimum	Maximum	Sum	Mean	Std. Deviation	Variance	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Farmer Age	150	3.00	1.00	4.00	360.00	2.4000	1.20402	1.450	-.112	.198	-1.615	.394
Household Size	150	2.00	1.00	3.00	240.00	1.6000	.80268	.644	.852	.198	-.912	.394
Farming Experience	150	.00	3.00	3.00	450.00	3.0000	.00000	.000	.	.	.	.
Valid N (listwise)	150											
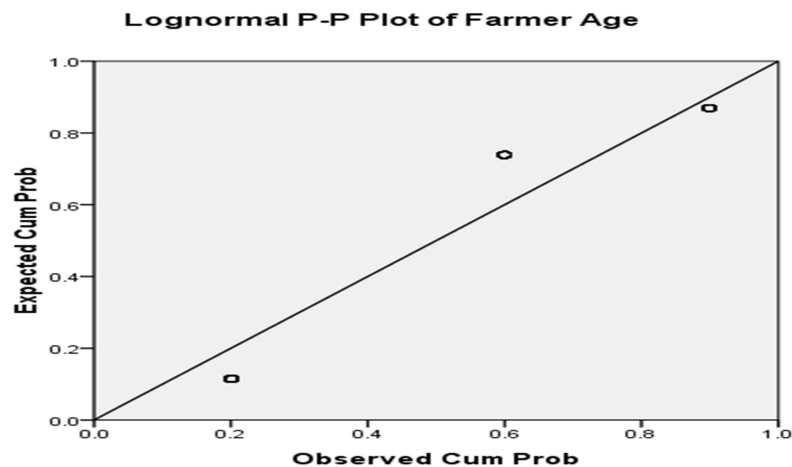
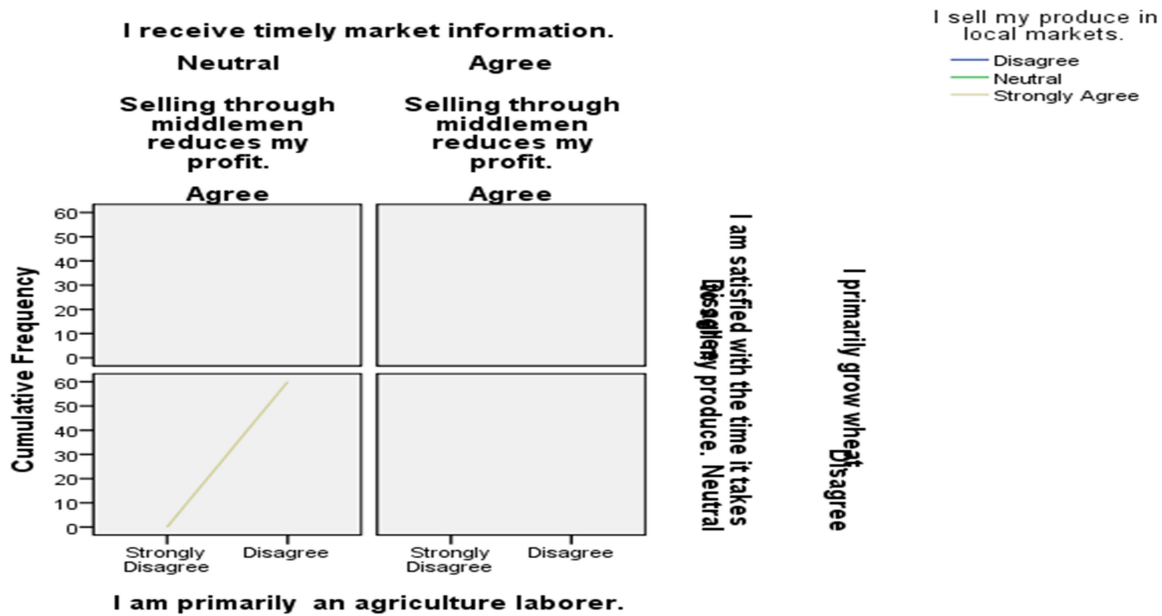Fig.2 Lognormal P-P Plot of the Farmer Age

Fig.3 Graph of Sell my product in local markets

Fig.4 Detrended Lognormal P-P Plot of size of Agriculture Land

9. Conclusion

The study highlights the complex marketing environment faced by paddy farmers in Tamil Nadu. Despite the critical role they play in the state's agricultural economy, many paddy cultivators continue to rely on traditional marketing channels dominated by middlemen, resulting in reduced profit margins and limited control over pricing. While direct marketing, cooperatives, and digital platforms offer promising alternatives, their adoption is constrained by lack of awareness, poor infrastructure, and limited digital literacy. Access to timely and accurate market information remains a major gap, affecting farmers' ability to make informed decisions about where, when,

and how to sell their produce. Additionally, small and marginal paddy farmers face greater challenges in accessing organized markets and government support systems. The study also finds that organic paddy farmers, though fewer in number, are able to achieve better price realization when supported by proper certification and niche marketing strategies. Improving marketing outcomes for paddy farmers will require a multi-pronged approach involving better infrastructure, digital literacy programs, stronger cooperative models, and enhanced policy support. By addressing these issues, it is possible to create a more equitable and efficient agricultural marketing system that ensures better income and livelihood security for paddy farmers in Tamil Nadu.

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