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Farmer's perceptions on minimum support price (MSP) operations of cotton crop in Warangal district of Telangana state

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Abstract

The Indian government launched multiple initiatives to increase farmers' income. The minimum support price is one of the programmes that assisted in obtaining fair prices for various commodities. Using Garret's ranking method, the current study examines how farmers perceive MSP operations of cotton. Data collected from 120 farmers disclosed the main issues faced by Warangal Cotton farmers in MSP operations. It included short procurement period (66.96), difficulty in meeting FAQ standards (64.86), late or delayed payments (62.76), a lack of procurement centres (60.24), and climatic factors (55.08). The sample respondents provided a range of solutions to the perceived issues, such as extending the procurement period, few exemptions in Fair Average Quality (FAQ) norms at least for small and marginal farms and establishing rigorous rules for making quick payments, and call for the creation of more procurement facilities to cut down on transportation costs (at least one at the mandal/division level). A more effective agricultural marketing system can increase farmers' incomes through regulatory changes, institutional adjustments, and better infrastructure.

Keywords: Minimum support price, garret's ranking technique, procurement centres, FAQ norms

1. Introduction

Government of India implemented many schemes and Yojanas to uplift the farming investment and encourage the farmers towards productive agriculture. To counter price instability and to boost agricultural production, Minimum Support Prices (MSP) is being stated by the government of India. It included a promise that prices wouldn't go below a specific point, even in the case of a bumper harvest [6]. On the basis of the findings of the Commission for Agricultural Costs and Prices (CACP), Government of India, MSP are announced at the beginning of the sowing season for agricultural commodities. Government announces MSP for 23 mandated crops [3].

The contribution of commercial crop to overall agriculture production is having great significance. Cotton, the "White Gold" of India and the "King of Fibers", is a multipurpose crop grown under various agro-climatic conditions and is having global significance for its lint and seed in the industrial and agricultural economy [3].

Over half of India's cotton production comes from the states of Gujarat, Maharashtra and Telangana. Telangana is the third largest cotton producer with 57.97 lakh bales of cotton produced in 23.58 lakh hectares area in 2020-21 [2].

In order to increase cotton output and protect the well-being of cotton farmers in Telangana State, it is being procured under MSP by Cotton Corporation of India (CCI), cotton procurement centers arranged by the State Government at market yards, private ginning mills, etc. Even after so much of support from both the Central and State Governments, the cotton cultivators are not getting remunerative prices and making substantial income out of commercial cultivation of cotton. In this context, there is felt need to carry out the present study i.e., "Farmers perceptions on Minimum Support Price (MSP) operations of Cotton crop in Warangal district of Telangana state"

2. Materials and Methods

2.1 Sampling design

Farmers from the pertinent districts, mandals, villages, and farms were selected for the study using a combination of purposive and random sampling techniques. Three mandals and two villages from each mandal were specifically chosen as the study area based on the maximum area that might be under cotton and the amount of cotton produced.

Using the random sampling methodology, a total sample of 120 farmers were collected from six chosen villages in three chosen mandals in the district by interviewing 20 sample farmers from each village (Table 1).

Warangal (undivided) district was purposefully chosen as the study region for the planned study because it is one among the top districts in Telangana state for cotton output. Another factor in the decision to choose this district was the dominance of the Warangal Enumamula cotton market in market arrivals and MSP activities of cotton.

2.2 Study period

The primary data was gathered from a micro-level survey carried in the Warangal (undivided) district of Telangana state and it corresponds to the agricultural year 2021–22.

Table 1: Summary of sampling design

District	Mandals	Villages	Sample farmers
Warangal (undivided)	Raiparthy	Raiparthy	20
		Kothur	20
	Bheemadevarapally	Mallaram	20
		Vangara	20
	Sangem	Gavicherla	20
		Ramachandrapuram	20
Total			120

2.3 Garret's ranking technique

Garret's ranking method was applied to study the farmers' opinions of MSP operations. Using this methodology,

Table 2: Awareness of MSP under different categories of sample farmers

S. No.	Particulars	Total number of sample farmers	Number of sample farmers aware about MSP	Percentage of sample farmers aware about MSP
1	Marginal	33	19	57.58
2	Small	29	25	86.21
3	Medium	35	34	97.14
4	Large	23	22	95.65
5	Pooled	120	100	83.33

3.2 Farmers perceptions on MSP operations

The various constraints revealed by farmers include short period of procurement, difficulty to meet FAQ standards, low market price, lack of market facilities, less number of procurement centres, delay in procurement, delay in payment / untimely payment, traders interference, high cost of transportation to procurement centers, restriction on procurement quantity and climatic factors. Few of the above constraints are inconformity with the study of [5].

Table 3: Farmers perceptions on MSP operations

S No.	Constraints	Average score	Rank
1	Short period of procurement	66.96	1
2	Difficulty to meet FAQ standards	64.86	2
3	Low market price	38.02	9
4	Lack of market facilities	27.36	11
5	Less number of procurement centers	60.24	4
6	Delay in procurement	53.68	6
7	Delay in payment / untimely payment	62.76	3
8	Traders interference	28.36	10
9	High cost of transportation to procurement centers	43.33	7
10	Restriction on procurement quantity	41.91	8
11	Climatic factors	55.08	5

respondents were asked to rank each and every constraint that affected MSP operations. The formula below was used to convert the individual rank into Percent position.

$$\text{Percent position} = \frac{100 * (R_{ij} - 0.5)}{N_j}$$

Where,

R_{ij} = Rank given for the i^{th} variable by j^{th} individual.

N_j = number of factors ranked by the j^{th} individual.

The percent position estimated was converted into scores using Garrett's Table. The mean values of scores were then determined for each constraint using the combined responses from all respondents. The constraints having greatest mean value was considered to be the most significant constraint.

3. Results and Discussion

3.1 Awareness of MSP among different categories of cotton farmers in the study area: It is necessary to understand the levels of MSP awareness among the various groups of cotton farmers in the study region, which are shown in the Table 2. It revealed that MSP was known to 83.33 percent of the cotton growers. Among the various groups of sample farmers, medium farmers were more aware of MSP (97.14%) followed by large (95.65%) and small (86.21%) farmers. Marginal sample farmers appeared to be less aware of MSP (57.58%) than other farmers, which may be related smaller area under cultivation kept by the marginal farmers and lower output going to harvest and market.

The Garrett ranking technique was used to analyse the attitudes of the farmers who were aware of MSP and the same is presented in the Table 3. Among the various constraints experienced by the sample farmers short period of procurement ranked first with a mean score of 66.96, followed by difficulty to meet FAQ standards (64.86), delay in payment/untimely payment (62.76), less number of procurement centers (60.24) and climatic factors (55.08). Few of the above constraints were enlisted in the study conducted by [8] and [6].

To circumvent the previously mentioned constraints, sample respondents offered a range of solutions, including extending the period of procurement, some exemptions in Fair Average Quality (FAQ) norms at least for small and marginal farmers or reduce standards in FAQ norms, bring out strict norms to make immediate payments and opening of more number of procurement centres to reduce transportation cost (at least one at mandal / division level) [1].

In times of adverse weather, they anticipate that the government will purchase their goods at a minimum support price that at least covers the cost of production rather than selling it to private traders at a loss or low price. Other solutions proposed by the sample farmers to address issues with MSP operations included starting procurement as soon as

crop harvesting starts and keeping open procurement centres for the duration of harvesting season *et al.*, (2017) ^[6] also found the similar recommendations given by farmers on cotton MSP operations.

4. Conclusion

In the current situation, only the increment in minimum support price is not the flawless solution for the problems of farmers, but the cost of cropping should be decreased through the delivery of highly subsidized inputs like fertilizers and farm machineries. Government may extend the period of procurement, provide some exemptions in Fair Average Quality (FAQ) norms at least for small and marginal farmers or reduce standards in FAQ norms and open more number of procurement centres to reduce transportation cost (at least one at mandal / division level) in order to benefit more farmers under the umbrella of MSP scheme. It is imperative to exert pressure on the states to adopt the necessary restructurings in order to increase agricultural markets competitiveness, efficiency, and responsiveness to producers' and consumers' needs. This requires regulatory reforms, institutional changes, and progress of appropriate infrastructure to promote efficient agricultural marketing system.

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