

Agrarian Distress on Agro based MSMEs in Madurai District

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Abstract

The continuous lifetime stress among the farmers and agricultural waged workers become a element of life style of agricultural community It also creates the various kinds of problems in all kinds of agro based MSMEs such as Withdrawal of business relationship due to Farmers Sue sides /Premature death of farmers. Withdrawal of business relationship due to stopping of cultivation activities, Reduced sales / Services level by trading and services MSMEs, Failure of value additions activities of MEMEs and Close down of the MSMEs. The integration of rivers at regional level, strengthening of the functional areas without political intervention in existing primary agricultural cooperatives, formation farmer's producer's federations, setting up modern agricultural farming either cooperative or private fold, modernization of agricultural practices in rural are the sum of the suggestion to avoid the agrarian distress.

Keywords: Agrarian Distress, MSMEs, Agro Based MSMEs

Introduction.

The Agriculture has been considered as sources of livelihood of Rural India. The 54.6 percent of total workforces has engaged in Agricultural sector and allied agro based industries in India. The Labour intensive agro scenario contributes 16.5 percent of Gross Domestic Production with achieving sustainability in food production. But this sector has never perceived as a restful and satisfactory one. The continuous lifetime stress among the farmers and agricultural waged workers become an element of life style of agricultural community. It also affects agricultural based Micro, Small and Medium Enterprises (MSMEs) directly.

Distribution of Agro based MSMEs in Madurai District

The major part of Madurai district is geographically taking advantages for agricultural cultivation activities and allied industries due to presences of Vagai river in this area. The establishment and development of agro based MSMEs become more easiest needful and successful one in the agricultural dominant Madurai district. There are majorly three kinds of Agro based MSMEs such as Manufacturing MSMEs, Trading MSMEs and Agro Services MSMEs. All kinds of MSMEs are either supporting the agriculture activities or getting benefits from agricultural sector in this district. The 70 percent of agro based MSMEs are in unregistered nature and run by following the rules of thumbs and based on fast experiences. The average strength as 4 numbers of MSMEs per village has been estimated during the period 2019-2020 in this district. The Manufacturing MSMEs consist of production of coir products, production of ghee, Milk powder and other milk products, Fruits processing units, Seed production, production of natural fertilizer, organic pharmacy production for agricultural cultivation and rice, and oil mini mills. The trading agricultural MSMEs consist of vegetable and fruits stores, wholesale and retails traders of paddy, maize and small grains, traders of handmade sugar, Traders of medicines, fertilizers and seeds. The agro services MSMEs provide the services in cultivation process, agro clinical services, storage and transportation services, consultancy and financial services.

Statement of Problem of the Study

The Sudden Manson failure, Continuous draught, Over flood and destruction of crops by cyclone, Increased rate of impotent of soil due to continuous usage of chemicals, Bonding with agro loan from one generation to another generation, Voluntary decrease of procurement price of agricultural commodities form farmers, New agricultural policy, Low productivity, Increased cost of cultivation, Insufficient supply of agricultural waged workers, Sudden price raise of seed, medicine and fertilizer due to taxation Loss or low profit margin from cultivation are the very important sources of Agrarian distress in Indian agricultural scenario. This distress makes not only adversely result in agricultural activities and agricultural community people. It also creates the various kinds of problems in all kinds of agro based MSMEs such as Withdrawal of business relationship due to Farmers Sue sides /Premature death of farmers. Withdrawal of business relationship due to transfer of land from farmers to local financiers, Withdrawal of business relationship due to selling of the land, Withdrawal of business relationship due to stopping of cultivation activities, Year by year increased loan amount of farmers due to purchases of agro inputs / consumption of services, Reduced sales / Services level by trading and services MSMEs, Failure of value additions activities of MEMEs and Close down of the MSMEs. There is also a lot of barriers in revival of MSMEs from this distress. So A study has been undergone to analysis the impact of agrarian distress on agro based MSMEs in Madurai district.

Scope and Limitation of the study

This study has been confined its boundary to analysis the cause and effects relationship between the agrarian distress and functions of agro based MSMEs situated in Madurai district. This study also describes the nature of remedial actions taken by the MSMEs under the agrarian distress to overcome the farmers and MSMEs from this distress. The period of the study has been pertained with in the one year 2019-2020.

Objectives of the Study

1. To assess the contributing factors of agrarian distress in Madurai District
2. To analyze the nature and pattern of working of sample Agro based MSMEs in Madurai district
3. To evaluate impact of agrarian distress on sample agro Based MSMEs in Madurai District
4. To study the various remedial measures taken by on sample Agro Based MSMEs to overcome adverse impact of agrarian distress in Madurai

Methodology

It is a descriptive study. The sampling technique has been used for primary data collection. For this purpose, the four rural panchayat blocks such as Usilampatti, Sedapatti, Vadiapatti, Alanganalur has been selected as sampling blocks of Madurai District and 30 MSMEs including 10 manufacturing MSMEs, 10 Trading MSMEs and 10 services MSMEs have been selected as sampling size in each sample blocks of study areas. The total sampling units have been calculated as 120 units for this study. The collected primary data through interview schedule and secondary data have been classified coded and subjected to analysis by using statistical tools such as ANNOVA percentage and average.

Contributing Factors of Agrarian Distress in Madurai District

The respondents were stratified into three groups according to nature of MSMEs such as Manufacturing MSMEs, Trading MSMEs and Services MSMEs. The data regarding the contributing factors to Agrarian distress and nature of agro based MSMEs were fitted with the statistical tool, One Way ANOVA (Table 1). The sample respondents came under categories of manufacturing, trading and services MSMEs have highly rated the following contributing factors of agrarian distress such as “Increased cost of cultivation” (3.9467, 3.8132, 3.9453), Insufficient supply of agricultural waged workers (3.6159, 3.7073, 3.7032).

The respondents belonged Manufacturing MSMEs and trading have rated contributing factors as Sudden Manson failure (3.6003, 3.8320), Increased rate of impotent of soil due to continuous usage of chemicals (3.6798, 3.8832), Continuous

draught(3.8002, 3.9332). The sample services sector MSMEs have ascertained one factor i.e., Sudden price raise of seed, medicine and fertilizer mainly causing the agrarian distress in the study area during the year 2019-2020. Significant difference of perception among the three groups of respondents was found in respect of four variables such as Continuous draught (0.0514), Increased cost of cultivation (0.0507) and Sudden price raise of seed, medicine and fertilizer (0.0545) and The 'F' values were found to be statistically significant at 5 percent level since these values were above the tabled 'F' Value. So these factors are the responsibilities for agrarian distress. (*Table 1*)

Consequences of Agrarian Distress on MSMEs

The respondents were stratified into three groups according to nature of MSMEs such as Manufacturing MSMEs, Trading MSMEs and Services MSMEs. The data regarding the impact of agrarian distress and nature of agro based MSMEs were fitted with the statistical tool, One Way ANOVA (Table 2). The sample respondents came under categories of manufacturing, trading and services MSMEs have highly rated the following impacts of agrarian distress such as “Year by year increased loan amount of farmers due to purchases of agro inputs / consumption of services” (3.9710).

Table 1

Association of the Profile Factor “Nature of Agro based MSMEs” with the “Contributing Factors to Agrarian distress”

Sl. No.	Contributing Factors	Mean Score-Nature of MSMEs			F Ratio	F Probability
		Manufacturing MSMEs	Trading MSMEs	Service MSMEs		
1	Sudden Manson failure	3.6003	3.8320	3.4478	0.6637	0.5054
2	Continuous draught	3.8002	3.9332	3.5118	3.2887*	0.0514
3	Over flood and destruction of crops by cyclone	3.6991	3.0020	3.1181	0.4023	0.6389
4	Increased rate of impotent of soil due to continuous usage of chemicals	3.6798	3.8832	3.2224	0.2802	0.7621
5	Bonding with agro loan	3.4120	3.3578	3.8643	0.9745	0.3902
6	Voluntary decrease of procurement price of agricultural commodities form farmers	3.2034	3.7015	3.4630	2.8073	0.1904
7	Revised Taxation changes	3.6196	3.7121	3.5278	3.3818*	0.0500
8	New agricultural policy	3.5704	3.3154	3.2887	0.5403	0.6003
9	Low productivity	3.0020	3.1023	3.2442	1.4002	0.3008
10	Increased cost of cultivation	3.9467	3.8132	3.9453	3.3818*	0.0507
11	Insufficient supply of agricultural waged workers	3.6159	3.7073	3.7032	0.1618	0.8342
12	Changing of agro land for industrial and residential purpose	3.7931	3.6482	3.8451	0.9756	0.4456
13	Artificial shortage of seed, medicine and fertilizer	3.0234	3.0215	3.0463	2.6573	0.1904
14	Sudden price raise of seed, medicine and fertilizer	3.5496	3.6321	3.7078	3.3908*	0.0545
15	Loss /low profit margin from cultivation	3.1233	3.5214	3.4463	2.8071	0.1831

Source: Computed from respondents' schedule * Significant at 5 percent level

TABLE 2
Association of the Profile Factor “Nature of Agro based MSMEs” with the “Consequences of Agrarian Distress”

Sl. No.	Impacts of Agrarian Distress	Mean Score-Nature of MSMEs			F Ratio	F Probability
		Manufacturing MSMEs	Trading MSMEs	Service MSMEs		
1	Withdrawal of business relationship due to Farmers Sue sides /Premature death of farmers	3.2543	3.3880	3.4998	0.6757	0.5874
2	Withdrawal of business relationship due to Transfer of land from farmers to Local financiers	3.5772	3.3662	3.9118	3.3887*	0.0511
3	Withdrawal of business relationship due to Selling of the Land	3.7911	3.3001	3.4311	0.3873	0.5559
4	Withdrawal of business relationship due to Stopping of cultivation activities	3.6248	3.6112	3.5554	0.2862	0.7791
5	Year by year increased loan amount of farmers due to purchases of agro inputs / consumption of services	3.9710	3.8638	3.9541	0.97845	0.3802
6	Reduced sales / Services level by trading and services MSMEs	3.3235	3.8215	3.6633	2.9573	0.1734
7	Reduced production due to diminishing rate of agricultural production by Manufacturing MSMEs	3.8196	3.7620	3.7673	3.3978*	0.0517
8	Failure of value additions activities of MEMEs	3.7704	3.7654	3.9407	0.5693	0.6923
9	Low profit rate	3.6920	3.5503	3.5042	1.4922	0.2298
10	Compelling to change the profession or professional change	3.6466	3.6134	3.6456	1.7011	0.2765
11	Close down of the MSMEs	3.7059	3.5073	3.0732	0.2638	0.9942

Source: Computed from respondents' schedule * Significant at 5 percent level

TABLE 3

Remedial Measures taken by on Sample Agro Based MSMEs to overcome adverse consequences of Agrarian Distress

Sl. No.	Remedial Measures	Action taken			Not taken	Total
		Manufacturing MSMEs	Trading MSMEs	Service MSMEs		
1	Waiver of the due amount/loan of very poor farmers with assistance of government or third Party	00 (00.00)	11 (9.17)	00 (00.00)	109 (90.83)	120 (100)
2	Waiver of interest for due amount/loan of Farmers with assistance of government or third Party	00 (00.00)	00 (00.00)	10 (8.33)	110 (91.67)	120 (100)
3	Value addition of agricultural products	42 (35.00)	00 (00.00)	12 (10.00)	66 (55.00)	120 (100)
4	Providing better prices for agricultural commodities and preserving the farmers	67 (55.83)	23 (19.17)	00 (00.00)	30 (25.00)	120 (100)
5	Introduction of modern agricultural farming techniques	00 (00.00)	00 (00.00)	34 (28.33)	86 (71.67)	120 (100)
6	Introduction of new Agricultural engineering technology for saving cost ,water and period of cultivation	00 (00.00)	16 (13.33)	14 (11.67)	90 (75.00)	120 (100)
7	Introduction of new seeds, fertilizer and other inputs for betterment of cultivation practices to make balance the natural problems	00 (00.00)	39 (32.50)	00 (00.00)	81 (67.50)	120 (100)

Source: Compiled from primary data

3.8638, 3.9541), Reduced production due to diminishing rate of agricultural production by Manufacturing MSMEs (3.8196, 3.7620, 3.7673).

The sample services sector MSMEs have ascertained one impact i.e., Withdrawal of business relationship due to Transfer of land from farmers to Local financiers (3.9118)

Significant difference of perception among the three groups of respondents was found in respect of two variables such as Withdrawal of business relationship due to Transfer of land from farmers to Local financiers, Reduced production due to diminishing rate of agricultural production by Manufacturing MSMEs and The 'F' values were found to be statistically significant at 5 percent level since these values were above the tabled 'F' Value. So these factors are the responsibilities for agrarian distress.

Remedial Measures taken by on sample Agro based MSMEs to overcome adverse consequences of Agrarian Distress

The table 3 exhibits that 90 (75.00 percent) MSMEs consisting of Manufacturing and trading MSMEs have provided the better price for the agricultural commodities to farmers in the study period. They also assured that it has been perceived as good measures to revival of farmers partially from distress. 42 manufacturing MSMEs units and 12 agro services units has made the value addition to agricultural commodities in the study area. The 32.50 percent of agro based MSMEs involving in trading activities have introduced new seeds, fertilizer and other inputs for betterment of cultivation practices to make balance the natural problems 34 agro services units have introduced the modern agricultural farming techniques among the rural farmers. 10 trading MSMEs has announced the waiver the very poor farmers due amount in this study period. The interest amount for the loan of farmers has also waived in the Usilapatti and Alanganallur blocks of study area. (Table 3)

Suggestion and Conclusion

The integration of rivers at regional level, strengthening of the functional areas without political intervention in existing primary agricultural cooperatives, formation farmers producers federations, setting up modern agricultural farming either cooperative or private fold, modernization of agricultural practices in rural are the sum of the suggestion to avoid the agrarian distress. The motivational and entrepreneurial training programmes and workshop are to be conducted among the small and micro farmers in Tamil Nadu.

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