



A Review of Financial Problems Faced by Orange Producing Farmers in Amravati District

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Abstract: Agriculture in India serves as the primary economic sector, supporting the livelihoods of a significant portion of the population. With two-thirds of the populace dependent on it, agriculture remains the cornerstone of the nation's economy. Enhancing agricultural productivity is crucial for sustained growth, with its trajectory deeply intertwined with the country's long-term economic prospects. Within the agricultural landscape, orange farming stands as a prominent venture, particularly the cultivation of Nagpuri oranges, renowned for their quality. However, despite its promise, orange farmers encounter considerable financial hurdles, including fluctuating prices and high production costs. Hence the research study focused on the financial challenges faced by the orange producing farmers. To navigate these challenges, farmers must employ strategic financial management techniques while ensuring the quality of their produce. Additionally, marketing their oranges poses its own set of obstacles, prompting farmers to explore diverse avenues for sales, including local and international markets. Despite the financial constraints, orange farmers remain resilient, striving to maintain the excellence of their produce amidst economic uncertainties.

Keyword: Financial Challenges, Economic uncertainty

1. Introduction

Agriculture is the largest sector of economic activity in India. It has been a way of life and livelihood of the masses. Agriculture provides livelihood support to about two thirds of the country's population and continues to be the back bone of the economy. Agricultural productivity is one of the key determinants of high and sustained agricultural growth, and in fact a key determinant of its growth over the longer term. Faster agricultural growth has put countries on the path of a much broader transformation process: rising farm incomes, raising demand for industrial goods; lowering food prices, curbing inflation and inducing non-farm growth, and creating an additional demand for workers. Farmers and rural populations, in general, in developing countries have always found it difficult to obtain credit financing. Indeed, the research underpinning this study reveals that most farmers in developing countries have no access to any kind of financial service (payments, safekeeping and saving, credit, insurance) which hampers the efficiency and security of their operations. Many farmers struggle to pay their seasonal harvest inputs, and investing in agricultural technology and expansion is even more difficult. Lack of finance is one of the reasons why agricultural productivity in India is very low.

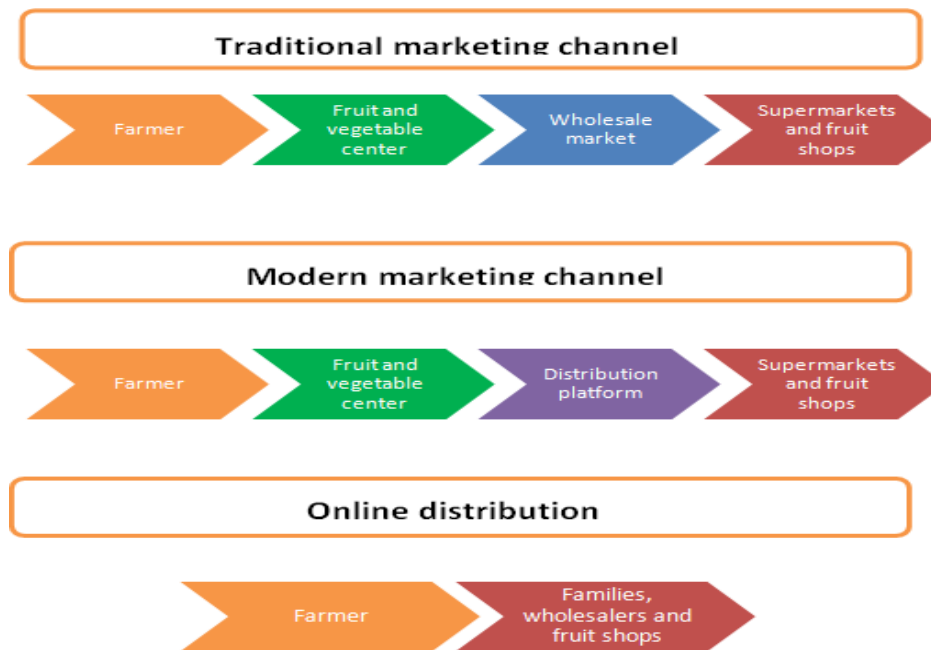
Orange Farming: Orange belongs to the citrus fruit category and is also addressed as sweet orange. It is believed that orange is a hybrid of pomelo and mandarin. Orange trees are greatly found in tropical and subtropical regions of the world and are the most cultivated fruits. This tree is not a wild species; rather it was domesticated by cross breeding two other varieties of citrus fruits. The countries that first started orange cultivation are North Eastern India, China and Indo-China. During the 13th century the fruit travelled to Europe and parts of South America and Central America. In India there are five different varieties of oranges being cultivated on a commercial scale. They are: Khasi Mandarin, Darjeeling Santra, Nagpur Santra, Coorg Mandarin, Kinnow

Economics / Cost and Profit Analysis: The estimation for farming oranges in a hectare of land is given here. The details or figures mentioned here are rough assumptions for the materials needed. The price of investment materials may vary depending on the area and manufacturer. It is important to make a survey in the local market before investing.

Marketing: The main channels followed for marketing of mandarin fruits include:

- Growers – Wholesalers – Commission Agents – Retailers – Consumers.
- Growers – Retailers – Consumers.
- Growers – Producer Representatives – Exporters.

Supply Chain of Oranges: The orange supply chain refers to the series of processes and activities involved in the production, distribution, and consumption of oranges. This supply chain typically includes various stages, from cultivation in orchards to transportation, processing, packaging, and finally, retail distribution. Here's an overview of the key elements in the orange supply chain.



Government initiative to give orange production a boost

The Maharashtra Government has announced plans for a modern orange processing project at Varud-Morshi in Amravati district and a citrus estate at Paithan in Aurangabad district for enhancing the quality and productivity of citrus crops in the state. Farmers and farmer producer companies have welcomed the move but want the State Government to walk the talk and implement the projects, which have been their long-standing demand. The orange produced in Maharashtra is of the Mandarin variety, and is extensively cultivated in Amravati and Nagpur districts of the Vidarbha region. An organic orange farmer from Katol in Nagpur district and President of the Nagpuri santra Farmers Producer Company, Manoj Jawanjil, said the demand for a citrus process facility for fruits such as sweet lime at Paithan goes back 15 years. Devendra Fadnavis' BJP government had given the go-ahead for the project, but the work is still in progress and the process of registration is being completed. The project at Paithan is a very positive one, but it needs to be implemented properly, he said. If medical colleges can be set up, then why not a citrus fruit processing facility for the Vidarbha and Marathwada region, he said. In the last 10 years, orange grading and processing units have been set up in Amravati, but not in Nagpur district.

A retired Maharashtra government officer said that developing a citrus complex in Aurangabad is a good idea, but water required for processing the fruits also needs to be arranged. As Aurangabad is drought prone, the water requirements in a low rainfall year is prioritised for other industrial and domestic uses. There should be uninterrupted water supply for the complex.

Financial Problems faced by orange producing farmers

Orange-producing farmers, like many agricultural producers, can face various financial challenges that impact their profitability and economic well-being. Some of the financial problems commonly faced by orange farmers include:

Fluctuating Market Prices: The prices of oranges can be highly volatile due to factors such as weather conditions, supply and demand fluctuations, and global market dynamics. Farmers may struggle to secure stable and profitable prices for their produce.

Production Costs: The costs associated with orange cultivation, including labor, fertilizers, pesticides, irrigation, and equipment, can be substantial. Rising production costs can erode profit margins, especially for small-scale farmers.

Access to Capital: Securing capital for investment in equipment, infrastructure, or expanding the orange orchard can be challenging, particularly for small and resource-constrained farmers. Limited access to credit or loans can hinder their ability to modernize and increase production.

Seasonal Income: Orange farming often results in seasonal income, as the harvest occurs at specific times of the year. This can lead to cash flow challenges, with farmers needing to manage their finances effectively to cover expenses throughout the year.

Weather-Related Losses: Unpredictable weather events, such as droughts, floods, and extreme temperatures, can lead to crop losses and damage. Without insurance or other risk mitigation strategies, farmers may face financial setbacks.

Pest and Disease Management Costs: Controlling pests and diseases in orange orchards can require significant investments in pesticides and treatments, adding to production expenses.

Market Access and Transportation Costs: The cost of transporting oranges to markets can be high, especially for farmers in remote or rural areas. Poor transportation infrastructure can further compound these costs.

Global Competition: Farmers may face competition from oranges produced in other countries, which may benefit from lower production costs, subsidies, or different regulations. This can put pressure on local farmers to remain competitive.

Marketing and Distribution Costs: Effective marketing and distribution of oranges can require investments in packaging, branding, and distribution channels. These expenses can strain the finances of small-scale farmers.

Debts and Interest Payments: Some farmers may have outstanding debts, and servicing these debts, including interest payments, can be burdensome, particularly if the farm's profitability is uncertain.

Fluctuating Exchange Rates: For farmers who export their oranges, fluctuations in exchange rates can affect the value of their earnings, making it challenging to plan and budget effectively.

Price Fixing and Monopolies: In some regions, farmers may face challenges due to price-fixing by intermediaries or monopolistic practices in the supply chain, which can limit their ability to negotiate fair prices.

2. Review of Literature

Jadhav, 2003. A study of the entrepreneurial behaviour of the orange growers in Raigad district. M.Sc. Thesis (unpub.) Dr. B. S. K. K. V. Dapoli. Availability of making an adequate number of wagons for transportation of orange, the establishment of orange processing industry in orange producing area, application of crop insurance scheme for orange and assured minimum price for orange produce were major suggestions about marketing

Mishra, P., Sahu P.K., Padmanaban K., Vishwajith K.P. and Dhekale, B.S. 2015. Study of Instability and Forecasting of Food Grain Production in India. *Int. J. Agri. Sci.*, 7(3):474-481. Suggestions for increasing the information behaviour about the marketing of orange growers were secured, their number and percentage were worked out and the suggestions after arrangement have been presented.

Mahajan, V.R. 2000. Constraints in production, storage and marketing of Banana. M.Sc. Thesis (Unpub.) Dr. PDKV, Akola. The various types of constraints confronted by the orange grower related to production of orange are root stock availability, labour availability, manures and fertilizers, irrigation, plant protection, capital, availability of loan from co-operative society, technical information, use of growth regulator, supporting and constraints confronted by the orange grower related to marketing of orange are Grading, Transportation, Sale of produce, Packaging, Storage.

Anita Deshmukh1, Sonam Agrawal and Venkateshwar Jallaraph Constraints Faced by Orange Growers about Production and Marketing Orangel Paper No.877 Revised:28- 02-2021ORCIDID:0000-0002-4005-6952The study was conducted in the purposively selected Amravati district of the Vidarbha region of Maharashtra state. Five Panchayat Samities from Amravati district were hand-picked purposively covering ten villages from every Panchayat Samiti. Thus, a total of 50 villages and five orange growers from each selected village was selected 250 orange growers constituted the sample size for the present investigation. The main objective of the present paper is to analyze the constraints faced by orange growers in the Amravati District of Maharashtra.

Jugale V.B. (2004): Has made an attempt to focus the —Horticulture Economy of Maharashtra. The study covers the horticulture Geography of Maharashtra and the major horticulture pockets in the state. The state has potential opportunity to develop the sector commensurate to the agriculture practices in the state if the government encounters with suitable policy measures with visionary action. The book explores the marketing system and the marketing channels both in domestic and international markets. The marketing cost in domestic and international markets. The marketing cost and producers share in consumer's rupees has been discussed by the author. Export of horticulture production has been systematically explored. The government policy along with institutional policy for horticulture development has been focused. The role of financial institutions has also been elaborated in the study concludes with some important suggestions for the perspective development of the horticulture sector in the states.

Siddharth Mishra (2014), the researcher had studied the trend of agricultural finance by commercial banks: A case study of Union Bank of India, Bank of Baroda and State Bank of India. This study is based on secondary data. The researcher had evaluated the performance of UBI and found that it was not satisfactory as the agricultural advances.

G.C. Pande and S. Priyakumar (2013) in their study found that agricultural sector in India is facing several critical challenges like increasing pressures on land, diminishing soil fertility, water scarcity and adverse environmental conditions etc. They suggest these critical issues can largely be countered by use of emerging technologies having high growth potential. The study also suggest that financing to contract farming by banks is a boon to farmers who can access institutional credit easily for crop production arranged by the companies.

Najmi (2013) observed during the period 2000 to 2010, the share of agriculture credit in net bank credit has increased which shows that banks are now more willing to lend credit to agriculture. Further, as compared to scheduled commercial banks as a whole, the share of public sector banks in credit to small scale industries has been higher. The growth rate of lending to small scale industries continuously increased during the period 2004 to 2007. This is due to several favorable policy initiatives undertaken by the central government and the Reserve Bank of India.

Gowhar Bashir Ahangar and Ashaq Hussain Gain (2013) in their study had assessed the quantum of loans disbursed and outstanding by institutional agencies. They also examined the progress of scheduled commercial banks in supplying agricultural credit in India. The study observed that the credit provided by various institutional sources has increased its advances. But an effort has to be taken by the banks to reduce its loans outstanding, so that the recovered institutional credit should be pumped into agricultural sector further for its growth.

Kirti Ranjan Swain and Niranjana Nayak (2016) in their study on —Agricultural Financing: A Challenge for Banking Sector in India identified the problems faced by farmers in getting agricultural finance. The study reveals that policy makers should simplify the procedure of agriculture credit, interest rate for marginal and small farmers should be reduced and problem of lack of cooperation by bank staff should be reduced. It suggests that fear factor of recovery process by bank among rural farmers should be reduced through educational awareness.

Pooja Giri (2015) in her study on —Agriculture Credit in India analysed the issues in agricultural credit in India and revealed that credit delivery to agriculture sector continues to be inadequate. It revealed that banking system is hesitant on various grounds to purvey credit to small and marginal farmers. The study shows the problem of indebtedness of farmers and state government attempts to reduce debt and interest burden of farmers by offering rebates on interest burden on farmers and interest on timely repayment. The study concluded that measures have been taken to encourage farmers to stay in banking sector and avoid going to moneylenders and these measures had not increased the number of farmers covered by the banking system.

Sharmishta Matkar and Anil Keshav Jadhao (2015) in their study on —Agricultural Credit in India: Status and Problems emphasised that credit is an important input for agricultural development and capitalizes farmers to undertake new investment and adopt new technologies, production and marketing activities. It shows credit is available to farmers for short-term credit for financing crop production and medium/long term credit for financing capital investment in agriculture. It reveals that with the intermittent failure of the monsoon and customary vicissitudes of farming and rural Indebtness has been a serious and continuous characteristic of Indian agriculture. The study concluded that larger proportion of population belongs to lower strata which have major share in land holdings but receives much less credit than its requirement.

Satyasai (2012) has empirically examined the relative access of different categories of farm households to formal credit and its impact on fertilizer use. This study finds that access to credit has had a positive impact on the usage of fertiliser among the farmers though a large impact is experience among medium and large farmers than the marginal and small farmers. It finds the elasticity of fertilizer use with respect to credit between 0.20 and 0.24 for marginal and small farms. The same has been between 0.52 and 0.54 for medium and large farms.

3. Research Methodology

The present study is carried out to know a study on Financial Problems Faced By Orange Producing Farmers In Amravati District. Methodology of the research includes primary and secondary data through interview, observation, and online information.

In this study, we will employ a multi-faceted approach to investigate the financial problems faced by orange producers in Amravati district. This will involve surveys, interviews, and data analysis to gather comprehensive information on the economic challenges encountered by farmers. We will also explore the implications of these challenges on the overall socio-economic fabric of the region. So due to this researcher need to study A Review Of Financial Problems Faced By Orange Producing Farmers In Amravati District.

Research Objective:

1. To study the financial challenges and constraint faced by orange producing farmers.
2. To study the root causes of financial challenge faced by orange producing farmers.

Research Design:

A research design is the arrangement of condition or collecting and analysis of data in manner that aims to provide relevance to the research purpose with economy in producer. It constitutes of decisions regarding what, where, when, how much, by what means a research study could be carried out. research design is a master plan or model for conduct of formal survey

Universe: The universe of this study was farmers in Amravati City.

Sample size: For the research of study sample size were 100 respondents.

Data Analysis: Data is analyzed on the basis of what financial challenges faced by orange producing farmers and how they tackle their challenges. The details of statistics can be analyzed from Graph No.1. and Graph No.2. From the Graph No.1 it is interpreted that face any financial challenges in orange farming activities in which 51% respondents are Strongly Agree, 14% are agree, 11% are Strongly Disagree, 5% are disagree, 19% are Neutral.

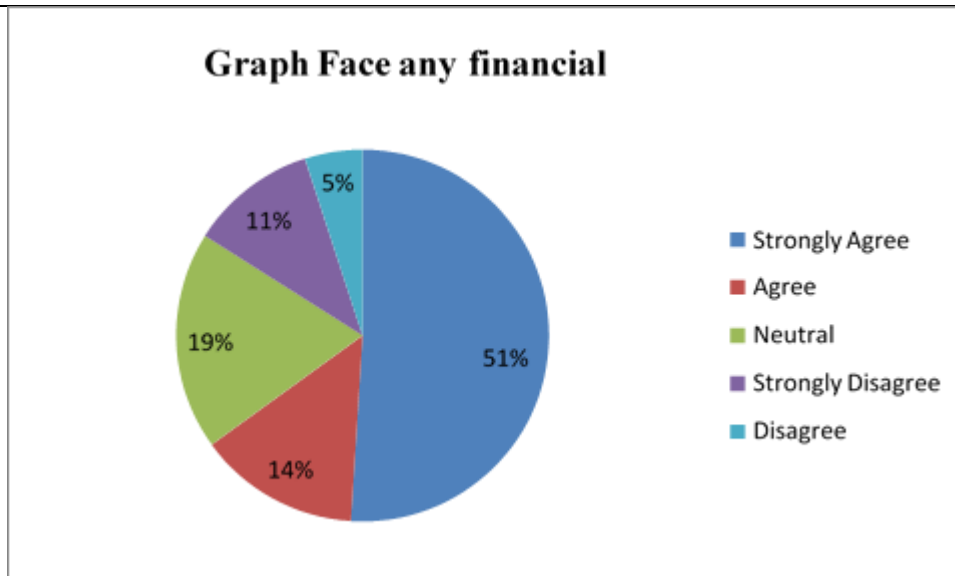


Figure 1

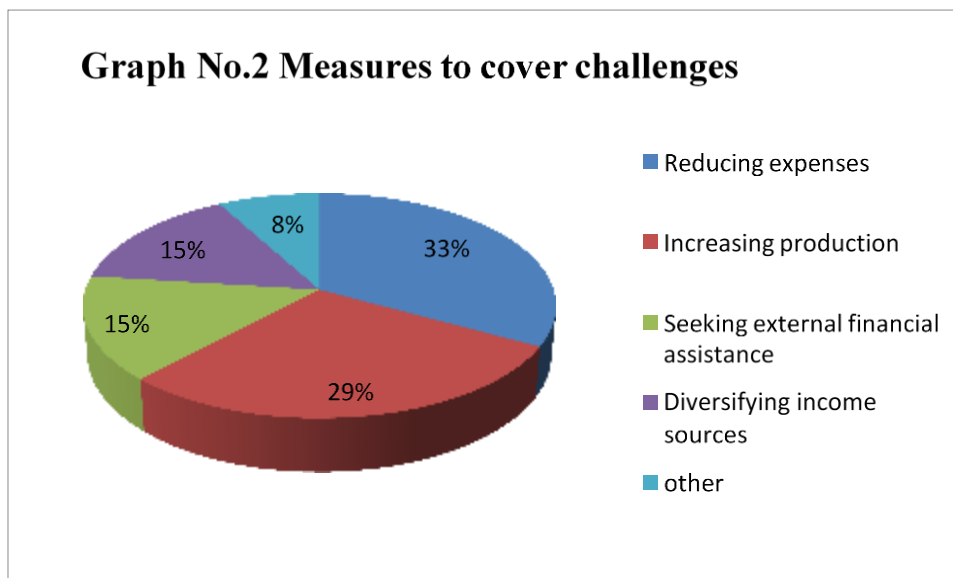


Figure 2

From the above graph No.2 it is interpreted that how respondents typically cope with these financial challenges in which 33% individuals suggested reducing expenses as a measure to address challenges, while 29% individuals proposed increasing production. Additionally, 15% respondents mentioned seeking external financial assistance, and another 15% suggested diversifying income sources. Lastly, 8% respondents provided other suggestions to cover the challenges they face.

Hypothesis Testing: To analyzed the objective of the research study the hypothesis was created as follwos.

H0: There is no significant relationship between the identified financial challenges and the economic well-being of orange-producing farmers in Amravati district.

H1: There is a significant relationship between the identified financial challenges and the economic well-being of orange-producing farmers in Amravati district.

Let us apply Chi Square Goodness of Fit test, to test the hypothesis on following data.

Overall Financial Challenges Face by the Farmers:

Financial Challenges Faced	Frequency	Percentage
Strongly Agree	65	65%
Agree	17	17%
Neutral	9	9%
Disagree	5	5%
Strongly Disagree	4	4%

Let us assumed the expected value of Respondents to be Strongly agree and Agree should be more than 50% and 50% respectively and significance level would be 0.05%.

The Chi² value is: 10.95

	<i>Observed</i>	<i>Expected</i>	<i>Difference</i>	<i>Difference Sq.</i>	<i>Diff. Sq. / Exp Fr.</i>
Strongly Agree	65	50	15.00	225.00	4.50
Agree	17	20	-3.00	9.00	0.45
Neutral	9	15	-6.00	36.00	2.40
Disagree	4	10	-6.00	36.00	3.60
Strongly Disagree	5	5	0.00	0.00	0.00
					10.950

The Chi² value is 10.95. The *p*-value is .02713. The result is significant at *p* < .05.

Since the result is significant the null hypothesis is rejected and H1 is accepted, i.e. "There is a significant relationship between the identified financial challenges and the economic well-being of orange-producing farmers in Amravati district."

8. Conclusion

Orange farmers struggle a lot with money. Prices for oranges keep changing, and it costs a lot to grow them. This means they need to be smart about handling their money. Most farmers grow Nagpuri oranges because they're popular and known for being good quality. Farmers care about making sure their oranges are top-notch. Even though money is tight, farmers find different ways to sell their oranges. Some sell locally, others export. But selling isn't always easy, and many farmers face problems with it.

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