A Study on Problems of Coffee Growers in the State of Karnataka

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ABSTRACT

Issues and problems of coffee growers assume greater importance due to its export potential as well as the livelihood dependency of large number of small growers (98% of holdings). In this paper an attempt has been made to analyze the problems of coffee growers in the state of Karnataka, with respect to selling and marketing, availability of credit, expenditure, cost of the fertilizers, storage problems, coffee exports, weather and rainfall etc. In order to study the aforesaid problems of coffee growers, data gathered from primary sources, i.e. with the help of questionnaire and by using simple statistical tools data were analyzed and from the present study it is found that the coffee growers in Karnataka are facing lot of problem in growing coffee and to sustain in the market, from the present study it is found that most of the coffee growers in Karnataka facing operational cost, 90% of respondents are facing high intensity of cost on coffee production, 90% of the respondents facing coffee selling and marketing problems, and majority of the respondents are facing yield of coffee, coffee storage problem. Hence it is the need of the hour for Government of Karnataka to support coffee growers to overcome the problems of coffee growers in the state of Karnataka. So that it will not only beneficial to coffee growers, it also beneficial social at large.

Keywords--- Problems of Coffee Growers

I. INTRODUCTION

Smallholder coffee farmers in India are facing a wide range of problems: The coffee crisis from 1999-2003 resulted in massive financial problems for many small scale producers and input prices have soared in the past years. In combination with adverse weather conditions (e.g. unseasonal rains or severe droughts) as well as increased spreading of pest and diseases, this has resulted in a difficult framework for coffee production in Karnataka. In addition, weak farmer organizations and limited market access frequently pose a challenge to smallholder farmers. Even though many coffee farmers in India are members of registered farmer organizations, so-called societies, these farmers hardly receive required quality support and services (e.g. pre-financing, marketing) through their own organizations.

One of the biggest problems facing coffee farmers in India and elsewhere is climate change. Fluctuations in the weather have always happened, but they come more frequently now and are often more extreme, farmers say. Like many tropical crops, coffee needs predictable dry and wet seasons and cannot tolerate extreme temperature fluctuations. “Climate change is hitting us hard,” said Jacob Mammen, managing director of India’s Badra Estate

Review of Literature on Problems of Coffee Growers

The Fair Trade Foundation (1997), “The image of the small Coffee growers facing up to the mechanizations of the distant international market is similar to that of a man pushing a rock uphill. The grower is powerless against any slight tremor of market forces which can bring the rock tumbling down crushing him and his family. The report highlights the problems facing Coffee growers as a result of the way trade in Coffee. After examining how the trade operates, the report illustrates with testimonies from the Colombian, Uganda and Indonesian farmers etc., and its impact on the lives of farmers. The most serious of the obstacles of the farmers highlighted are price, access to market land, quality and lack of affordable credit. In a way to combat these problems, the study focuses on Fair Trade initiative by the grower which meet guaranteed fair terms of trade, and offer supportive recommendation (with making no apology that recommendations have a particular focus as the foundation itself is a player in fair trade) on how relevant players within the UK can take meaningful steps to ensure that the Coffee drink returns a decent deal to the farmers. The recommendations of the foundations are: consumers demand for product need to find an expression in ways that hold hope for the Coffee farmers; manufacturers need to stabilize the market and improve farmers’ return; retailers need to develop parallel policies with respect to the impact of their trade on the small farmers; and Government needs to be reversed in the lack of support and extend support by all means and particularly for: practices involved in fair and ethical trading”.

Leblache, P.E. (1999) “About 75 percent to 80 percent of gourmet Coffee exports originated in central or South America, the Caribbean, and Hawaii, and over one half of the 20-25 percent, remaining are produced in Africa
and Asia’s part barely 10 percent. Though the consuming side has become imperative to offer more individual types and varieties with the medium income market discerning in its tastes but also price conscious. Hence, there is a serious imbalance which deprives Asia-the region of the extra prestige and income carried by gourmet Coffee as the regions ratio of Robusta to Arabica is the world’s highest. This is due to the pre-eminence of Arabica in the sector of designer Coffee, the pioneer gourmet origin such as Ethiopia, Kenya, Jamaica, and Colombia, it also because of special Coffee marketing chains of importing countries.

As there are excellent and mediocre Arabica, the same holds true for Robusta, and that rigorous plant selection, good collection habits and careful processing, further more there is no affecting aroma, flavor and other taste components, and then when Robusta should be considered inferior to Arabica and kept away from gourmet Coffee, when the rewards are worth it. For all Asian Robusta producers, large and small, the opportunity is in gourmet Coffee as there was a time, less than ten years ago, when gourmet Coffee exporter from Costa Rica or Guatemala were a complete novelty and involved no more than a few bags”.

II. STATEMENT OF THE PROBLEM

India’s coffee industry is overwhelmed by problems. The absence of more land for coffee apart, higher production costs in India -- from ever-increasing overheads, rising wages, mandatory spends on housing and healthcare for plantation workers, together -- renders Indian coffee uncompetitive on the global market, (UPASI chairman D. Hegde told newsmen on the sidelines of a coffee conference, in October.2014). In the last decade, crop disease, low international prices and vagaries of the weather led to production losses. The government, through the Coffee Board, has spent Rs.293 crore to help debt-ridden small coffee growers over the last two to three years, according to government data. Hence researcher has found that, there is significant scope for research on problems faced by coffee growers in the state of Karnataka.

III. OBJECTIVES OF THE STUDY

1. To understand the issues and challenges of Coffee Growers.
2. To study the problems faced by the Coffee Growers in the state of Karnataka.
3. To offer suitable suggestions based on findings of the study.

IV. SCOPE OF THE STUDY

The present study is confined to three districts of Karnataka which includes Coorg, Chikmagalur and Hassan. Out of three districts three hundred coffee growers 150, 100, and 50 coffee growers were selected respectively, which consist of Very Small, Small, Medium and large scale growers of coffee and the growers those who are following traditional and modern methods of plantation of coffee.

V. DATA COLLECTION

To achieve the aforesaid objectives data is gathered from primary and secondary sources of data. Primary data gathered from a structured questionnaire. Secondary data gathered from various published reports, research articles, and other official circulars.

VI. DATA ANALYSIS AND DISCUSSION

Analysis: The above chart depicts the expenditure on operations and fixed capital per acre of land in year for coffee production. From the above graph it is found that, per acre an average Rs 57,000 is the operating expenditure and around Rs.14,700 is fixed capital expenditure for coffee production. It can be inferred that operating expenditure is more than fixed capital expenditure, it means that coffee growers are facing operational cost problem for coffee production.

Analysis: The above chart shows opinion about availability of credit for coffee growers in the state of Karnataka.
Karnataka. 90% of the respondents said that availability of the credit is adequate from different sources and 10% of respondents said availability of credit different sources for coffee is inadequate. From the graph it can be found that coffee growers are not facing any credit facilities problems for coffee growth.

**Analysis:** The above chart shows the opinion of intensity of cost on coffee production. 90% of the respondents said intensity of cost is very high and 10% of the respondents said intensity of cost is reasonable.

**Chart No. 3**

*Chart showing Opinion on intensity of cost on coffee production*

Sources: Survey data

**Analysis:** The above chart shows the opinion of intensity of cost on coffee production. 90% of the respondents said intensity of cost is very high and 10% of the respondents said intensity of cost is reasonable.

**Chart No. 4**

*Chart showing Cost of the fertilizer for coffee production*

Sources: Survey data

**Analysis:** The above chart shows the opinion of intensity of cost on coffee production. 90% of the respondents said intensity of cost is very high and 10% of the respondents said intensity of cost is reasonable.

**Analysis:** The above chart and table depicts the cost of fertilizer over the years for the coffee production. From the present study it is found that cost of the fertilizer was same from 2003 to 2007. Later part cost of the fertilizer was increasing over the period of time. From the study it can inferred that coffee growers are facing serious problem about cost of the fertilizers.

**Chart No. 5**

*Chart showing Difficulties encountered during storage of coffee*

Sources: Survey data

**Analysis:** The above graph shows the difficulties encounter during storage of coffee. From the present study it is found that 6.7% of the respondents encountered moisture control. And 13.3% of the respondents are facing weigh loss problem. 3.3% and 76.7% of the respondents are facing risk of loss and all the above problems respectively.

**Chart No. 6**

*Chart showing experience of problem in selling coffee*

Sources: Survey data

**Analysis:** The above chart showing problem in selling coffee by coffee growers. 90% of the respondents (Coffee growers) are facing selling problem and 10% of the coffee growers not facing any problem. It can be inferred that most of the coffee growers facing marketing problem.

**Chart No. 7**

*Chart showing Greater degree of hurdles in promoting coffee exports*

Sources: Survey data

**Analysis:** The above chart showing problem in selling coffee by coffee growers. 90% of the respondents (Coffee growers) are facing selling problem and 10% of the coffee growers not facing any problem. It can be inferred that most of the coffee growers facing marketing problem.
Analysis: The above chart showing degree of hurdles in promoting coffee exports. From the above graph it is found that 67% of respondents are facing highly fluctuating hurdles, 25% of the respondents are facing moderately fluctuating and 8% respondent's opinion is stable. It can inferred that most of the coffee growers facing problem with respect coffee exports.

![Chart showing influencing factor of yield]

Sources: Survey data

Analysis: The above chart depicts the factor influencing for low yield for the coffee. From the above table it is found that 11.7% of the respondents facing weather problem, 5% and 1% of the coffee growers, facing fertilizer and pesticides problems respectively and 82.3% of the coffee growers facing all the above problems.

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of crop loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>15.0</td>
</tr>
<tr>
<td>2004</td>
<td>10.0</td>
</tr>
<tr>
<td>2005</td>
<td>10.0</td>
</tr>
<tr>
<td>2006</td>
<td>8.0</td>
</tr>
<tr>
<td>2007</td>
<td>8.0</td>
</tr>
<tr>
<td>2008</td>
<td>8.0</td>
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<tr>
<td>2009</td>
<td>10.0</td>
</tr>
<tr>
<td>2010</td>
<td>10.0</td>
</tr>
<tr>
<td>2011</td>
<td>8.0</td>
</tr>
<tr>
<td>2012</td>
<td>3.0</td>
</tr>
</tbody>
</table>

Mean: 9.0, S.D: 3.0, Median: 9.0

Sources: Survey data

Interpretation: The above table depicts the percentage of coffee crop loss due to bad weather. It is found mean and standard deviation from the collected data is 9 and 3 respectively and median is 9. From the above table it can infer that most of the respondents are facing coffee crop loss due to bad weather.

VII. CONCLUSION

Issues and problems of coffee growers assume greater importance due to its export potential as well as the livelihood dependency of large number of small growers (98% of holdings). India is the 6th largest coffee producer in the world. This sector provides the major source of income for the rural population with rural livelihoods being mainly dependent on coffee production especially in the coffee growing districts of Karnataka. Over 98% of coffee holdings and 70% of production of Coffee in India is by small holders. About 77% of holdings are classified as tiny (below 2 hectares) holdings. Even at the global level, it is estimated that over 25 million small grower-households depend on coffee as a source of livelihood with a dependence population of over 125 million. The Government’s role in this becomes crucial in forging and sustaining inter-sectoral partnerships to advance welfare of small coffee growers.

There are lot of incentives can provide by Government for stabilizing coffee production like fertilizers subsidies, coffee export support by government, Government can help coffee growers in marketing of coffee, Rainfall insurance, weather based insurance, replanting subsidy, water augmentation support, support for pollution abatement measures, etc. all these need to be propagated and small growers are encouraged to avail such incentives. So that coffee growers can sustain and they can contribute more coffee production, it not only develops the coffee growers and also contributes for economic development.

REFERENCES

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