

CONSTRAINTS IN DIFFERENT STAGES OF BLACK PEPPER VALUE CHAIN

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ABSTRACT

Black pepper (*Piper nigrum*) known as the “King of Spices” is one of the oldest agricultural commodities of commerce. India is the second largest producer of pepper in the world after Vietnam. The study “Constraints in Different Stages of Black Pepper Value Chain” covers Kodagu, Hassan and Chikmagalur districts of Karnataka. The statistical techniques involved in the analysis of constraints in the value chain are percentage and Garret’s ranking. All the actors involved in black pepper value chain have been interviewed to collect the constraints. The study is based on both primary and secondary data, primary data was collected from farmers, traders, wholesalers and the retailers. The secondary data was collected from horticulture departments of the study area. Major constraints faced by the farmers are poor availability of labour and fluctuation of prices by the market intermediaries. Price fluctuation and less availability of buyers and sellers are the major constraints faced by the traders. Major constraints faced by the wholesalers are price condition in the market for procurement and poor availability of pepper. Poor availability of pepper and the customers were the main constraints faced by the retailers.

KEYWORDS: Farmers, Fluctuation, Percentage, Procurement, Spices, Traders, Value Chain, Wholesalers

INTRODUCTION

Black pepper (*Piper nigrum*) known as the “King of Spices” is one of the oldest agricultural commodities of commerce. It is valued for its characteristic pungency and flavour, as an ingredient in food preparations and also as a spice. India is the second largest producer of pepper in the world after Vietnam. The major pepper producing States in India are Kerala, Karnataka and Tamil Nadu. Vietnam is the world’s largest producer and exporter, contributing 34 per cent of the world’s production. During the year 2010 - 11, black pepper was grown in the area of 3, 01,268 hectares with the production of 1,04,000 tonnes. India is the second largest producer of black pepper in the world after Vietnam. The study was conducted in Kodagu, Chikmagalur and Hassan districts of Karnataka state contribute to about 80 per cent of the state’s total black pepper production. Karnataka produces about 19,000 tonnes of black pepper annually, out of that these three districts produce 15,176 tonnes of black pepper in a year. There are many opportunities, challenges and ways through which the farmers can adopt new technologies to strengthen the value chain of black pepper and get increased net returns. The study will provide practical marketing suggestions to improve the value chain in the study area.

CONCEPT OF VALUE CHAIN

A value chain is a sequence of target-oriented combinations of production factors that create a marketable product or service from its conception to the final consumption. This includes activities such as design, production, marketing, distribution and support services up to the final consumer. In simple terms, the term Value Chain refers to the fact that

value is added to preliminary products through the combination with other resources (for example tools, manpower, knowledge and skills, other raw materials or preliminary products). As the product passes through several stages of the value chain, the value of the product increases.

MATERIAL AND METHODS

The study is based on both primary as well as secondary data. Primary data were obtained from the farmers, traders, wholesalers and the retailers using pre-tested schedules through personal interview for evaluating the objective of the study. The information elicited pertaining to land holdings, family size, educational level, input use, variety of black pepper grown and constraints involved were collected. The primary information regarding the necessary secondary information regarding area and production of black pepper varieties which are suitable for cultivation were collected from horticulture departments of the study area. Data was subjected to analyses through the following statistical techniques i.e. Percentage and Garret's ranking.

RESULTS AND DISCUSSIONS

The identification of constraints and opportunities is not distinct from, but rather part of value chain analysis. Using structured interview guides, value chain constraints and opportunities can be identified during interviews with value chain participants. The preliminary interview guide used in this approach, was designed to identify constraints and opportunities faced by the players in the value. During the value chain analysis of the Black Pepper, a variety of constraints were identified at different stages. Here is the List of Constraints and Opportunities by actor.

Table 1: Constraints Faced by the Farmers

Sl. No	Constraints	Score	Mean Score	Rank
1	Availability of planting materials	2039	33.98	X
2	Availability of fertilizers	3152	52.53	IV
3	Availability of credit for farming operations	3807	63.45	III
4	Availability of extension services	2269	37.82	VIII
5	Availability of marketing facilities	2505	41.75	VII
6	Fluctuation of prices by the market intermediaries	4075	67.92	II
7	Availability of transportation facilities	2234	37.23	IX
8	Availability of labour	4233	70.55	I
9	Pests and diseases	2862	47.70	VI
10	Rainfall	3124	52.07	V

Table 2: Constraints Faced by the Traders

Sl. No	Constraints	Score	Mean Score	Rank
1	Availability of buyers / sellers	842	56.13	II
2	Price fluctuation	926	61.73	I
3	Non availability	660	44.00	V
4	Quality	615	41.00	VI
5	Prior lending	744	49.60	IV
6	Availability of credit	758	50.53	III

Table 3: Constraints Faced by the Wholesalers

Sl. No	Constraints	Score	Mean Score	Rank
1	Availability of pepper	1088	72.53	II
2	Transportation facilities	563	37.53	VI
3	Distance from the market	499	33.27	VIII

Table 3: Contd.,

4	Price condition in the market for procurement	1116	74.4	I
5	Market fees and charges	880	58.67	III
6	Handling charges / Labour availability	509	33.93	VII
7	Storage facility	811	54.07	IV
8	Poor quality	594	39.6	V

Table 4: Constraints Faced by the Retailers

Sl. No	Constraints	Score	Mean Score	Rank
1	Availability of pepper	1032	68.8	II
2	Availability of customers	1058	70.53	I
3	Distance from the market	543	36.2	VII
4	Price condition in the wholesale for procurement	879	58.6	IV
5	Competition from fellow retailers	926	61.73	III
6	Handling charges / Labour availability	576	38.4	V
7	Storage facility available	487	32.47	VIII
8	Demand fluctuation	559	37.27	VI

SUMMARY AND CONCLUSIONS

Value chain development is a market-oriented approach. All activities of a particular chain are directed towards the market. It is therefore important to understand that all stakeholders along a particular value chain need to cooperate and coordinate their activities to satisfy the needs of the end consumer. This information will then lead to develop strategic actions to reduce or eliminate weaknesses or disadvantages. There are no processing industries for black Pepper in the study area. There are some missing links between the players within the value chain of black pepper. Non availability of marketing infrastructure is regarded as the major constraint at producer stage. Lack of available operating capital, transportation and road infrastructure and small quantities and high transaction costs are the major problems at traders' level. There are potential opportunities for strengthening the black pepper value chain.

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