

**PROBLEMS OF AGRICULTURAL MARKETING: A
*CASE STUDY OF LAWNGTLAI DISTRICT***

(A DISSERTATION SUBMITTED FOR THE AWARD OF THE
DEGREE OF MASTER OF PHILOSOPHY IN ECONOMICS)

BY

H. LALRAMHLUNA

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THE DEPARTMENT OF ECONOMICS SCHOOL OF ECONOMICS,
MANAGEMENT & INFORMATION SCIENCE,

MIZORAM UNIVERSITY



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MIZORAM UNIVERSITY
DEPARTMENT OF ECONOMICS



Dr. Thangchungnunga

Phone: 09856691338

Professor

0389-2330707

MZU, Tanhril- 796004

0389-2332454

CERTIFICATE

This is to certify that the dissertation entitled "Problems of Agricultural Marketing: A Case Study of Lawngtlai District" by Shri. H. Lalramhluna has been written under my guidance.

The dissertation is the result of his investigation into the subject. This dissertation was never submitted to any other University for any research degree.

(Supervisor)

DECLARATION

I, H. Lalramhluna, do hereby declare that the M.Phil dissertation entitled "Problems of Agricultural Marketing: a case study of Lawngtlai District" being submitted to the Department of Economics, Mizoram University for the degree of Master of Philosophy in Economics, is a record work carried out by me and this dissertation has not been submitted by me for any research degree in any other University or Institution.

(Supervisor)

(Head of Department)

(H.LALRAMHLUNA)

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CHAPTER – 1

INTRODUCTION

CHAPTER – 2

REVIEW OF LITERATURE

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AGRICULTURAL PRODUCTS AND

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CHAPTER – 5

MAIN FINDINGS, SUGGESTED MEASURES AND CONCLUSION

1. INTRODUCTION

Agriculture is regarded as the mainstay and basic means of occupation of the hilly States of North-East India. It is also the prevalent method of cultivation in Mizoram with traditional shifting cultivation dominating the scene. Mizoram is an agricultural State where the cultivators constituted 60.89 per cent of the total main workers as against All India figure of 38.13 per cent in 1991. The total income of the State during 1998-99 was estimated at Rs 1,13,896.00 lakhs of which 29.39 per cent came from agriculture and allied industries, while the figure for India stood at 26.03 per cent. In the absence of development in such other sectors as agro-based industries and other allied manufacturing agencies and tertiary sector, agriculture still continues to be the main occupation of the people of Mizoram. Jhum or Shifting Cultivation continues to be the principal and prevalent method of cultivation. Over 35,000 hectares of land, which is about 34 percent of the total cropped area, has been put under Jhum cultivation during 2000-2001.

In India, there are a network of cooperatives at the local, regional, state and national levels that assist in agriculture marketing. The commodities that are mostly handled are food-grains, jute, cotton, sugar, milk, and areca nuts. However, this is far different in some part of northeast region especially in hilly area. In the backward area of Mizoram like Lawngtlai district, less agriculture

production by individual farmers cannot ensure a large scale marketing since it is mostly used for their self consumption and sell it by themselves in the nearest town for their needs in return.

Crop production in the region is characterized by low input, low yield concept. Slash and burn agriculture is still predominantly practiced in almost all the district of Mizoram on steep slopes with reduced fallow cycle of 2-3 years against 10-15 years in the past. The basic issues facing agriculture in the region are low productivity, inadequate access to appropriate technologies and other external inputs, increased natural calamities etc. In the absence of major industries, the society is agrarian and depends on agriculture, forest and allied sectors for livelihood and other support.

Agriculture is modernizing year after year. It is changing from traditional type to commercial agriculture. It is no more remained a way of life but it has become a profitable business. For maximizing profit of firm, knowledge of agricultural economics is necessary. During recent years subject has acquired great importance.

Agricultural marketing can be defined as application of principles of economics to the problems of agriculture. In other words, it educates man or cultivator so that he can profit from limited resources, as well as knowledge of agricultural specialists and to those who are working for rural development.

1.1 HISTORY:

The post-Independence history of Indian agriculture can be broadly grouped into four periods. Before describing them, I should mention that during the colonial era famines were frequent and famine commissions were abundant. The growth rate in food production during the 1900-1947 period was hardly 0.1 per cent. Most of the important institutional developments in agriculture emanated from the recommendations of famine commissions. The great Bengal Famine of 1942-43 provided the backdrop to India's Independence.

It is to the credit of Independent India that famines of this kind have not been allowed to occur, although our population has grown from 350 million in 1947 to 1,100 million now.

Phase I: 1947-64

This was the Jawaharlal Nehru era where the major emphasis was on the development of infrastructure for scientific agriculture. The steps taken included the establishment of fertilizer and pesticide factories, construction of large multi-purpose irrigation-cum-power projects, organization of community development and national extension programmes and, above all, the starting of agricultural universities, beginning with the Pant Nagar University

established in 1958, as well as new agricultural research institutions, as for example the Central Rice Research Institute, Cuttack, and the Central Potato Research Institute, Shimla.

During this period, the population started increasing by over 3 per cent a year as a result of both the steps taken to strengthen public health care systems and advances in preventive and curative medicine.

The growth in food production was inadequate to meet the consumption needs of the growing population, and food imports became essential. Such food imports, largely under the PL-480 programme of the United States, touched a peak of 10 million tonnes in 1966.

Phase II: 1965-1985

This period coincides with the leadership of Lal Bahadur Shastri and Indira Gandhi, with Morarji Desai and Charan Singh serving as Prime Ministers during 1977-79. The emphasis was on maximising the benefits of infrastructure created during Phase I, particularly in the areas of irrigation and technology transfer. Major gaps in the strategies adopted during Phase I were filled, as for example the introduction of semi-dwarf high-yielding varieties of wheat and rice, which could utilize sunlight, water, and nutrients more efficiently and yield two to three times more than the strains included in the Intensive

Agriculture District Programme (IADP) of the early 1960s. This period also saw the reorganisation and strengthening of agricultural research, education and extension, and the creation of institutions to provide farmers assured marketing opportunities and remunerative prices for their produce. The National Bank for Agriculture and Rural Development (NABARD) was set up. All these steps led to a quantum jump in the productivity and production of crops such as wheat and rice, a phenomenon christened in 1968 as the Green Revolution. C. Subramaniam (1964-67) and Jagjivan Ram provided the necessary public policy guidance and support.

The Green Revolution generated a mood of self-confidence in our agricultural capability. The gains were consolidated during the Sixth Five Year Plan period (1980-85) when for the first time agricultural growth rate exceeded the general economic growth rate. Also, the growth rate in food production exceeded that of the population. The Sixth Plan achievement illustrates the benefits arising from farmer-centred priorities in investment and in the overall agricultural production strategy.

Phase III: 1985-2000

This was the era of Rajiv Gandhi, P.V. Narasimha Rao and Atal Bihari Vajpayee, with several other Prime Minister serving for short periods.

This phase was characterised by greater emphasis on the production of pulses and oilseeds as well as of vegetables, fruits, and milk. Rajiv Gandhi introduced organisational innovations like Technology Missions, which resulted in a rapid rise in oilseed production. The Mission approach involves concurrent attention to conservation, cultivation, consumption, and commerce. Rain-fed areas and wastelands received greater attention and a Wasteland Development Board was set up. Wherever an end-to-end approach was introduced involving attention to all links in the production-consumption chain, progress was steady and sometimes striking as in the case of milk and egg production. This period ended with large grain reserves with the government, with the media highlighting the co-existence of “grain mountains and hungry millions.” This period also saw a gradual decline in public investment in irrigation and infrastructure essential for agricultural progress as well as a gradual collapse of the cooperative credit system.

Phase IV: 2001 to the present day

Despite the efforts of Prime Ministers Atal Bihari Vajpayee and Manmohan Singh, this phase is best described as one characterised by policy fatigue, resulting in technology extension and production fatigues. No wonder that the farmers, who keep others alive, are now forced to take their own lives and 40 per cent of them want to quit farming, if there is an alternative option.

The agricultural decline is taking place at a time when international prices of major food grains are going up steeply, partly owing to the use of grain for ethanol production. Land for food versus fuel is becoming a major issue. For example, the export price of wheat has risen from \$197 a tonne in 2005 to \$263 a tonne in 2007. Maize price has gone up from about \$100 a tonne in 2005 to \$166 a tonne now. International trade is also becoming free but not fair. Compounding these problems is the possibility of adverse changes in rainfall, temperature, and the sea level as a result of global warming. Melting of Himalayan ice and glaciers will result in floods of unprecedented dimensions in north India. If agricultural production does not remain above the population growth rate and if the public distribution system is starved of grain, there is every likelihood of our going back to the pre-Independence situation of recurrent famines. The grain mountains have disappeared and we are today in the era of diminishing grain reserves, escalating prices, and persistence of widespread under-nutrition.

1.2 ECONOMIC PROFILE OF MIZORAM:

Mizoram, literally translated means “Land of the Highlanders”. Mizoram the most peaceful State in the North East became a State in 1987. Prior to 1972, it was one of the districts of Assam. In 1972 the then Lushai Hills/Mizo district became a Union Territory. The State is very much landlocked and

rather inaccessible. People in Mizoram are mostly Christians, taking Mizo alone; they can be claimed as hundred percent Christians. The method of cultivation till today is shifting or Jhuming. The State previously had three districts but now it has eight district with 20 Rural Development Block and 22 towns.

Communication:

Road Network: In 2012, Mizoram had a road network of around 8,500 kilometres (5,300 mi) including unsurfaced village roads to surfaced national highways; and there were 106,000 registered motor vehicles. The village roads are primarily single lane or unmetalled tracks that are typically lightly trafficked. Mizoram had 871 kilometers of national highways, 1,663 kilometers of state highways and 2,320 kilometers of surfaced district roads. All of Mizoram's 23 urban centers and 59% of its 764 villages are connected by all weather roads. However, landslide and weather damage to these roads is significant in parts. The State is connected to the Indian network through Silchar in Assam through the National Highway 54. Another highway, NH-150 connects the state's Seling, Mizoram to Imphal Manipur and NH-40A links the State with Tripura. A road between Champhai and Tiddim in Burma has been proposed and is awaiting cooperation from the Burmese authorities.

Airport: Mizoram has an airport, Lengpui Airport (IATA: AJL), near Aizawl and its runway is 3,130 feet long at an elevation of 1,000 feet. Aizawl airport is linked from Kolkata – a 40-minute flight. Inclement weather conditions mean that at certain times the flights are unreliable. Mizoram can also be reached via Assam's Silchar Airport, which is about 200 kilometres (120 mi), around 6 hours by road to Aizawl.

Railway: There is a rail link at Bairabi rail station but it is primarily for goods traffic. The nearest practical station to Mizoram is at Silchar in Assam. Bairabi is about 110 kilometres (68 mi) and Silchar is about 180 kilometres (110 mi) from the state capital. The Government is now planning to start a broad gauge Bairabi Sairang Railway connection for better connectivity in the state.

Helicopter: A Helicopter service by Pawan Hans has been started which connects the Aizawl with Lunglei, Lawngtlai, Saiha, Chawngte, Serchhip, Champhai, Kolasi b, Khawzawl and Hnahthial.

Water Ways: Mizoram is in the process of developing water ways with the port of Akyab Sittwe in Burma along its biggest river, Chhimtui. It drains into Burma's Rakhine state, and finally enters the Bay of Bengal at Akyab,

which is a popular port in Sittwe, Burma. The Indian government considers it a priority to set up inland water ways along this river to trade with Burma. The project is known as the Kaladan Multi-modal Transit Transport Project. India is investing \$103 million to develop the Sittwe port on Burma's northern coast, about 160 kilometres (99 mi) from Mizoram. State Peace and Development Council of Burma has committed \$10 million for the venture. The project is expected to be complete in 2015, and consists of two parts. First, river Kaladan (or Kolodyne, Chhimituipui) is being dredged and widened from the port at Sittwe to Paletwa, in Chin province, adjacent to Mizoram. This 160 km inland waterway will enable cargo ships to enter, upload and offload freight in Paletwa, Myanmar; this is expected to be complete in 2014. As second part of the project, being constructed in parallel, includes a 62 km two-lane highway from Paletwa (also known as Kaletwa or Setpyitpyin) to Lomasu, Mizoram. Additionally, an all weather multilane 100 km road from Lomasu to Lawngtlai in Mizoram is being built to connect it with the Indian National Highway 54. This part of the project is slated to be complete by 2015. Once complete, this project is expected to economically benefit trade and horticulture exports of Mizoram, as well as improve economic access to 60 million people of landlocked northeast India and Myanmar.

Religion: The majority (87%) of Mizos are Christian in various denominations, predominantly Presbyterian. Mizoram population has 8.3% Buddhists making them the largest minority, followed by Hindus at 3.6% according to the 2001 census. There are several thousand people, mostly ethnic Mizo, who have converted to Judaism claiming to be one of the lost Judaic tribe group Bnei Menashe, with descent from the biblical Menasseh. Muslims make up about 1.1% of the state population. Most Muslims in Mizoram are ethnic Rohingya. The remaining 3,000 people are Sikhs, Jains and other religions.

Location, Area and Topography: Mizoram is a small State lying approximately between 21°.58'N to 24°.35'N latitude and 92°.15'E to 93°29'E longitude. The total geographical area of the State is 21,087 sq.km., constituting about 0.64 percent of the total area of India. It has a strategic location having international boundaries with Myanmar in the east and south, Bangladesh and Tripura in the north.

Further, the Cachar district of Assam and Manipur bound the State in the north. Mizoram has about 404 km length of international boundary with Myanmar and 316 km length with Bangladesh.

The topography of Mizoram consist predominantly of mountainous terrain of tertiary rocks. The mountain ranges run north to south direction in parallel series. These ranges are separated from one another by narrow and deep river valley with only few and small patches of flat lands lying in between them. The terrain of Mizoram is young and so the geomorphic features do not show much diversity in the formation of the landforms. Most of the landforms observed are of erosion nature. The hills are steep and are separated by rivers that flow either to the north or the south creating deep gorges between the hill ranges. The average height of the hills is about 900 metres.

Political administration: Mizoram is a mountainous region, which became the 23rd State of the the union in February 1987. It was one of the the district of Assam till 1972 when it became Union Territory. Mizoram is a State with one of the highest literacy rates in India. Stituated on the extreme south of the north east India, it is a land of unending natural beauty with an array of flora and fauna. It has 40 seats of legislative assembly. One member each represent the State in the Lok Sabha and Rajya Sabha.

Climate and Rainfall: Mizoram being located on a tropical region enjoys a moderate climate. It falls under the direct influence of the south-west monsoon and as such, the region receives adequate rainfall. The climate is

humid and tropical featured by short winter and long summer with heavy rainfall. The summer temperature ranges from 25°C to 29°C, whereas it is 18°C to 25°C in autumn and 11°C to 23°C in winter.

The average rainfall in Mizoram is about 250cm per year, though it may increase to 350cm in the north west part of the state. Generally, it rains during May to September; July and August being the rainiest months. November to January is dry months with minimum rainfall.

1.3 AREA OF STUDY:

Area of study is Lawngtlai district which is one of the 8 District of Mizoram state in India. The district is bounded on the north by Lunglei district, on the west by Bangladesh, on the south by Myanmar and on the east by Saiha district. The district occupies an area of 2557.10 sqkm. Lawngtlai town is the administrative headquarters of the district.

The district shares its boundaries with Lunglei and Saiha districts in the and south Respectively. The inhabitants of the district are mainly the ethnic groups of tribals like Lai and Chakma , who are among the minor tribal communities of Mizoram . The main occupation is cultivation and the rural population largely depends on agriculture for their subsistence. The physical feature is mainly hilly except with long narrow strip of low lying area along the

western side of Chamdur Valley. Landslide are common especially during rainy season. The western side of the district is covered by dense virgin forest. The main rivers include the Kaladan River, Tuichong River, the Chhimtuipui River, the Ngengpui River, the Chongte River and the Tuiphal River.

Unlike the most parts of India, where districts are divided into tehsila(talukas), in Lawngtlai district there are two Autonomous District Council, the Lai Autonomous District Council (LADC) and the Chakma Autonomous District Council (CADC) with their headquarters Lawngtlai and Chawngte (Kamalanagar) respectively. Having separate autonomous legislative, executive and judicial functions, the Lais and the Chakmas administer their respective autonomous regions in accordance with the provisions of the Sixth Schedule to the Constitution of India.

This district is divided into four Rural Development Blocks: Lawngtlai Rural Development Block, Chawngte Rural Development Block, Bungtlang 'South' Rural Development Block, Sangau Rural Development Block.

The town of Lawngtlai is the headquarters for the district. The names of the headquarters of the Rural Development Blocks are same as the town. There are 158 villages in Lawngtlai district. There are 3 Legislative Assembly constituencies in this district, 36-Tuichawng (ST), 37-Lawngtlai West (ST) and 38-Lawngtlai East (ST).

According to 2011 census Lawngtlai district has a populations of 117,444, roughly equal to the nation of Grenada. This gives it a ranking of 611th in India (out of a total of 640). The district has a population density of 46 inhabitants per square kilometer (120/sq.mile).Its population growth rate over the decade 2001-2011 was 59.53%. Lawngtlai has a sex ratio of 945 females for every 1000 males, and a literacy of 66.41%.

1.4 OBJECTIVES OF THE STUDY:

- 1) To highlight the marketable production trend of agriculture in the district.
- 2) To find out the development taken out by the government to increase agricultural production.
- 3) To analyze the role played by public institutions in facilitating agricultural marketing.
- 4) To analyze the problems face by the farmers in Lawngtlai district and suggesting policy measures.

1.5 METHODOLOGY:

The study is based on the field investigation done in the erstwhile Lawngtlai district of Mizoram. The present study is also used primary and secondary data. Secondary data had been collected from statistical handbooks,

published and unpublished research papers and other publication from government and non government sources. Primary data is collected by canvassing questionnaires from selected households in 5 villages and in 4 selected market places. Questionnaires will be conducted from 140 households, 20 households each from every villages and 10 households each from every market places. Appropriate statistical technique is also used.

Besides these source the study is conducted unstructured interviews and informal discussion with staff and employees of district agriculture office, hawkers and leaders of farmers' association. Needless to say random sampling method is used in the study.

1.6 CONCEPTUAL FRAMEWORK:

Work: Work is defined as the integral of the force over a distance of displacement.

Literate : A person aged seven and above, who can both read and write with understanding in any language, is treated as literate. There has been a marked improvement in the proportion of literates in the last decade. Literates in 2011 constitute 74 per cent of the total population aged seven and above as compared to 65 per cent in 2001. In absolute terms, 217,700,941 additional persons have become literate during the decade 2001-2011.

Illiterate: A person, who can only read but cannot write, is not literate. In the censuses prior to 1991, children below seven year of age were necessarily treated as illiterates, illiterates from 26 per cent of the total population in 2011 as compared to 35 percent in 2001. A significant milestone reached in census 2011, is that the total number of illiterates has come down from 304,196,862 in 2001 to 272,950,015-a decline of 31,196,847 persons.

Literacy Rate: Literacy rate and educational development are considered to be key variables affecting demographic indicator like fertility, morality (especially infant mortality) rate and migration. It greatly contributes in improving quality of life, particularly with regard to life expectancy, infant mortality, learning levels and nutritional levels of children. Higher level of literacy and educational development lead to greater awareness on the one hand and help people in acquiring new skills on the other.

The literacy rate taking into account the total population in the denominator has now been term as 'crude literacy rate', while the literacy rate calculated taking into account the 7 and above population in the denominator is called the 'effective literacy rate'. The formula for computing crude literacy rate and effective literacy rate are as follows:

Number of Literate Persons

$$\text{Crude Literacy Rate} = \frac{\text{Number of Literate Persons}}{\text{Total Population}} \times 100$$

Total Population

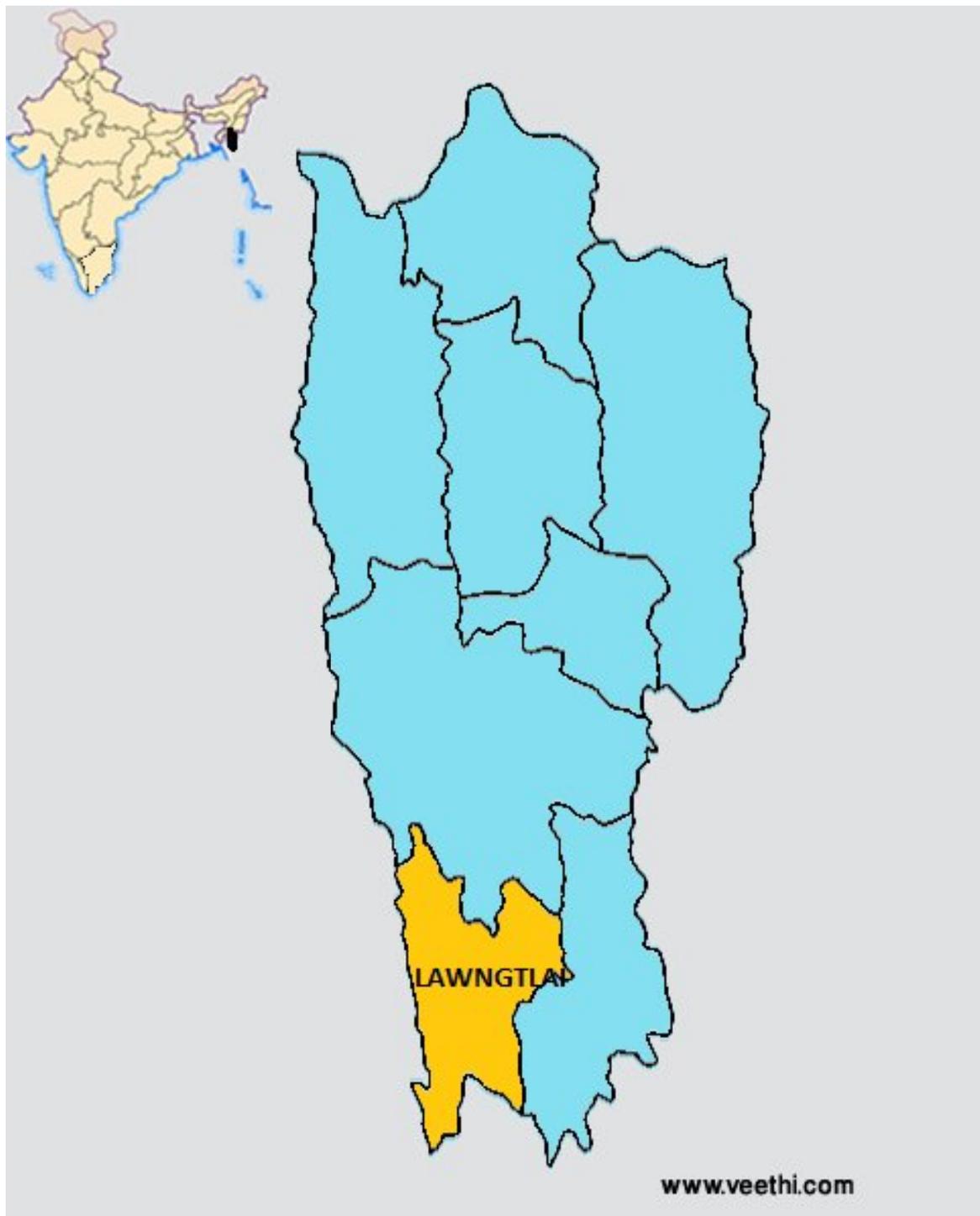
Number of Literate Person aged 7 and above

$$\text{Effective Literacy Rate} = \frac{\text{Number of Literate Person aged 7 and above}}{\text{Population aged 7 and above}} \times 100$$

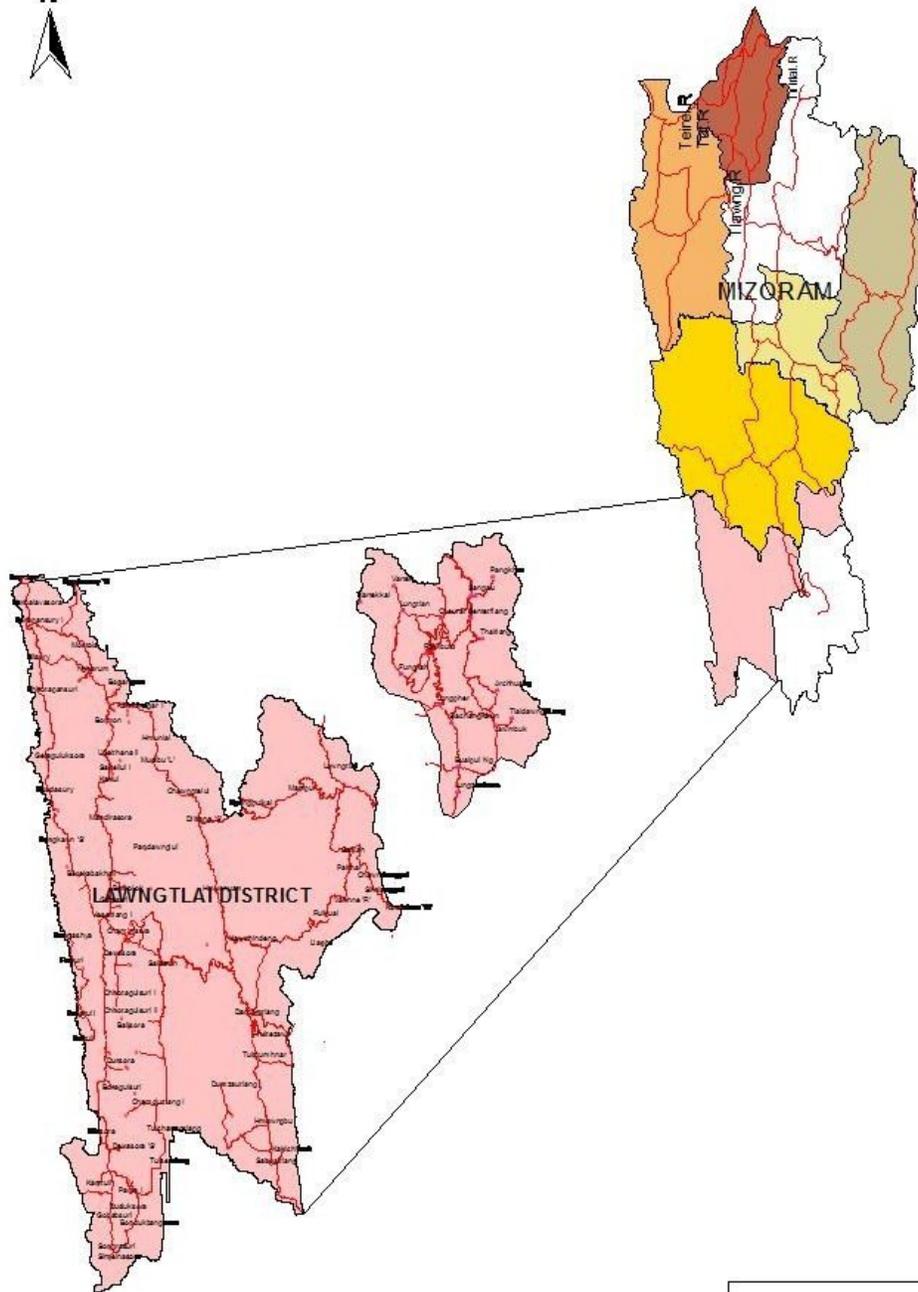
Population aged 7 and above

In earlier censuses up to 1981, it was customary to work out the literacy rate taking into account the total population. Since the literacy rate is more meaningful if the sub-population in the age group 0-6 is excluded from the population, it was decided in 1991 to calculate literacy rate for the population seven years and above. i.e, same concept has been retained in all censuses since 1991.

Map of Lawngtlai



Location Map of Lawngtlai District, Mizoram



Directorate of Agriculture
Mizoram - Aizawl

2. REVIEW OF LITERATURE:

In this chapter we have made an attempt to discuss the varied literature that have relevance to our subject matter i.e. agricultural marketing and its production. Though the subjects and authors covered have been minimal due to several constraints, yet this has been a humble attempt on the part the researcher to examine different studies, which brings into focus the increasing attention that is being paid to understand the role of agriculture in economic development.

Several Economists highlighted many positive features of the regulation program. S.S Acharya(2006) suggested that regulation program include a visibly open process of price discovery, more accurate and reliable weighing, standardized market charges, payment of cash to farmers without undue deductions dispute settlement mechanism, timing and sequencing of auctions, reduction in physical losses of produce, and availability of several amenities in market yard.

Misra and puri(2007) highlighted Agreement on Agriculture(AoA) in their book 'Indian Economy' that under the Uruguay Round of negotiation as far as agriculture is concerned, the AoA provides framework for the long – term reform of agricultural trade and domestic policies over the years to come, with

the objective of introducing increase market orientation in agricultural trade. AoA deals specifically with 1) providing market access, 2) regulating domestic support, and 3) containing export subsidies.

According to Northeast Today, (March 14, 2012), Deloitte and Touche Consulting India Pvt Ltd, employed by the Mizoram government to study the functioning of state government corporate bodies, has recommended that three PSUs should be abolished. After conducting a thorough examination of the PSUs, Deloitte recommended that three of them – Mizoram Agriculture Marketing Corporation (MAMCO), Zoram Electronics Development Corporation (ZENICS) and Zoram Handloom and Handicraft Development Corporation (ZOHANDCO) – should be abolished. The recommendations said that these state government undertakings have been incurring losses rather than earning profits for the government and it would be more profitable if the government abolishes them.

Deloitte also recommended that Mizoram Food and Allied Industries Corporation (MIFCO), which owned food and fruit processing units, should be privatized and Zoram Industrial Development Corporation (ZIDCO) should be revamped. The state government in 2008 launched the Mizoram Public Resource Management Program to improve its finances and the state finance department employed the services of the Deloitte to study the functioning of

the PSUs. The state government is yet to take any action on the recommendations.

One of the most important thing for having an efficiency of agricultural marketing is literate farmers or educated farmers. L.P Singh (2006) emphasized the need of marketing education facilities. He suggested to have diagnostic analysis for farmers which includes generating alternatives, decision making regarding procurement of raw materials, types and form of the product market segment, prices, channel selection, market development and various devices of value addition. He added that since marketing personnel in India are at present a heterogeneous, all of them should have access to specialized marketing education both at the graduate and post graduate level. An appreciation course on marketing should be included in all agricultural degree programs and its purpose will be to demonstrate the key role of marketing channels in promoting commercial production. Teaching of principles and analysis will be in terms of national situation and products. The practical should comprise visits to market, enterprises and services and laboratory work on commodities, all designed to provide a working knowledge of agricultural marketing in a country.

The supply chain of agriculture products remain very fragmented with a large number of intermediaries. A study by Global AgriSystem of Fruit &

Vegetable supply chain in four metros (Delhi, Mumbai, Bangalore and Kolkata) revealed that, on an average there are 5-6 intermediaries between the primary producer and the consumer. The total mark up in the chain added upto 60-75%. As a result the primary producers receive only 20-25% of the consumer price. Moreover, multiple handling by different intermediaries resulted in huge wastage of 15-25% of the value.

Deepak Bhagat and U.R Dhar(2012) conclude their studies that extension support and access to information are the two prime factors among the many variables which affect farmers in getting market access especially if a farmer is small holder and live in the land locked hilly areas. They also found that the farmer of the region still face the age old problem of using traditional equipment, poor education, low income and poor infrastructure.

In contrast with the above noted studies, there are number of empirical studies conducted in different parts of India on the rural agricultural marketing where researchers have come to the conclusion that different developmental processes undertaken.

To bring farmers in the market as main players, it is very important that government should take necessary steps to provide extension support to the farmers and give them necessary training so that they can produce products as

per market demand and requirement and to avoid over productions which can be maintain sustainability.

The National Commission on Agriculture(NCA, 1976) emphasized that produce must be satisfactorily marketed. This shows that agricultural marketing plays an important role in accelerating the pace of economic development in addition to stimulating in both production and consumption. Its dynamic functions are of primary importance in both agriculture and economic development. As such marketing has been described as the most important multiplier of agriculture development. Market reforms ought to be an integral part of any policy for agriculture development.

Marketing is a complex subject. Marketing connotes a series of activities involved in moving goods from the point of production to the point of consumption. Agriculture marketing is the study of all the activities, agencies and policies involved in the procurement of farms to the consumers. Thus, agriculture marketing system is a link between farms and non farm sectors. N.L Agarwal, 2006, all the group of persons associated with agricultural marketing are interested in having an efficient marketing system. An efficient marketing system is an effective agent of change and an important means for raising the income levels of farmers and satisfaction of the consumers.

Currently, large enterprises, such as cooperative Indian sugar factories, spinning, and solvent-extraction plants mostly handle their own marketing operations independently. Medium and Small sized enterprises such as rice mills, oil mills, cotton ginning and pressing units and jute baling units, mostly are affiliated with cooperative marketing societies.

In the emerging scenario, however, the relevance of market regulation program seems to have declined. A comprehensive study of the agricultural marketing system during the last fifty years by Acharya(2004) identifies several problems associated with regulated marketed. For example, since the Agricultural Produce Marketing Committees(APMCs) do not allow the traders to buy from the farmers outside the specified market yard, the cost of marketing increases. Also, the area served per market yard is high, the national average being 459sq.km., and considerably higher in state like Assam, Himachal Pradesh, Orissa, Madhya Pradesh, and Rajasthan. The long travel distance involved to reach a marketplace is a disincentive for most farmers, with small surplus to sell. Several markets are also poorly equipped.

This chapter presents agricultural production and its marketing in Mizoram and Lawngtlai district on the basis of secondary data. This could give us a broad idea of agriculture products and its marketing in Mizoram as a whole and Lawngtlai district in particular. For this purpose we have utilized government document to make this study meaningful.

3.1 Present Development:

To keep in line with the present pace of development at the national level and to abridge development gaps and infrastructure deficiencies, provision of necessary funds have been proposed during 12th Five Year plan, 2012-2017.

Border Trade Mizoram shares long and porous International Borders with Myanmar and Bangladesh. People of similar ethnicity inhabiting the Border areas on both sides of the International divide continue to sustain their requirements through conducting mutually beneficial trade, albeit informal. A sustainable economic upliftment of the people living along the borders, which are in most cases, located in far flung remote areas, would requires putting in place an organized system of trade, such as Border Haat(Common Village Market), border trade and preferably normal trade in due course of time.

Land Customs Stations Mizoram has two notified Land Customs Stations at Zokhawthar (Champhai) and Tlabung, which are non-function. Zokhawthar LCS has been provided with a Composite Land Customs Station Building and other requirements for operationalisation of Border Trade transactions in the agreed 40 items of trade (Earlier 22 items, which has now been approved for diversification into 40 items). Now, road connectivity to the proposed Trade Centre at Kawrpuichhuah (Indo-Bangladesh) has also been provided at the cost of Rs. 1614 lakhs. The traditional trade route over Chhimtuipui (Kolodyne/Kaladan) which link Sittwe Port (formerly Akyab Port) in Myanmar is also proposed to be developed through the Kaladan Multi – Modal Transport Project.

The Project Cover two-lane road from Silchar to Sittwe Port in Myanmar, Lawngtlai to Indo-Myanmar Border Road is under construction and is going on in full living. Kaladan Road from Lawngtlai and Palettra road from Myanmar will meet at the Indo-Myanmar Border called ZORINPUI near Zochachhuah. One site has been earmarked for opening Land Custom Station (LCS) and was visited by a team of officials and dignitaries of Lai Autonomus District Council headed by Trade & Commerce³ minister during the first part of Feb 2011. Land Lease for the site of Zorinpui LCS is being sought by the State Govt. from E.M i/c Rev. Lai Autonomous District Council

which is expected in the near future. Detail Project Report (DPR) for all necessary infrastructure will soon be prepared.

In the back drop of the above the following points are targeted by the state government:

1. Zokhawthar LCS may be equipped for transaction of normal trade. Upgrading of Zokhawthar LCS into an ICP is imperative in view of the sizeable cross-border movement of people.

2. The option of conduction Transit Trade with Thailand/China through Myanmar, using the existing LCS and the proposed LCS Zorinpui site may be considered.

3. A number of Border Haats may be developed along the borders for economic benefit of people inhabiting these areas.

4. Bangladesh Government need to be urged to agree for opening of counterpart Land Custom Station (LCS) opposite existing LCS's on Indian side and also make its Chittagong Port accessible.

5. The proposal for development of Integrated Check Posts (ICP) in the North East States including Kawrpuichhuah (Tlabung) may be vigorously pursued. (State government has submitted a Rs. 5.00 crore projects as part of the Rs. 20.00 crore earmarked for development of Tlabung ICP).

3.2 Scheme-wise Description:

(1) Agricultural Marketing : As per the provision of the Mizoram State Agricultural Produce Marketing (Development & Regulation) Act 2008, all the districts, excluding those under Autonomous district councils have been declared as market areas. The act is being implemented for the benefit of the agricultural communities. There are currently 179 markets across the state which are directly or indirectly managed by the Department. These markets are of great importance as they provide livelihood to thousands of families. Trade & Commerce Department of the State Government have substantially contributed to the state exchequer. The revenue generated from various sources during the current year is Rs. 110lakhs.

The agricultural practice in Mizoram has been steadily transforming from that of subsistence farming to commercial production, the result being due to the combined effects of gradual abandoning of shifting cultivation, introduction of new technologies in production, area expansion and better post harvest managements. To prepare for the clearly perceived increased production in agriculture the department has proposed to

strengthen and argument its function of facilitating agricultural marketing through District Offices by providing necessary Officers and Supporting staff to its existing District Offices at Lunglei, Champhai and Kolasib the wise opening of two new District Offices at Mamit and Serchhip is also including in the proposal.

Also, adequate funds have been provided for maintenance of the 170 nos. of existing market infrastructures located across the State. A token provision of Rs. 10.00 lakhs only has been provided for establishment of the Mizoram State Agriculture Marketing Board as such Board is necessary to be formed as per the Mizoram State Agriculture Marketing (Regulation) Act, 2006 as may be amended from time to time.

(2) Administration : The Department has made provision to incorporate for development of its existing District Offices at Lunglei, Champhai and Kolasib and also to make District Marketing Officer's Office at Mamit & Serchhip functional during the 12th Plan Period. Therefore Rs. 100 lakhs, an increase of Rs. 35 lakhs only has been proposed for the 12th Plan Period as against Rs. 32 lakhs during the 11th Plan. A full fledged functioning of these five District Offices have been necessitated due to expansion of the functions of Department as a result of increased allocation

of business, implementation of various Central Schemes by the Department and to enhance the revenue receipt.

(3) Grading and Quality Control : The returns from sale of commercial crops, among others, depends much on the standardization of the crops. To improve the standard of crops and to ensure remunerative returns, grading and quality control measures have to be adopted and to inculcate these rewarding functions, trainings and awareness seminars have to be conducted. In spite of the huge amount required for conducting such trainings and seminars, only a small amount of Rs. 25.00 lakhs only have been proposed during the 12th Plan because the Department has anticipated participation from Central Government Department such as the Directorate of Marketing and Inspection, Department of Agriculture and Co-operation.

(4) Other Expenditure : In spite of different hurdles, Mizoram Agricultural Marketing Corporation Ltd. (MAMCO), a corporation under Trade & Commerce Department has been functioning smoothly. It has actively taken up for creating market infrastructures with fund received under the Technology Mission introduced by the National Horticulture Board (NHB) during the 10th Plan. It has also achieved a commendable result of availing the Market Intervention Scheme (MIS) for marketing

selected agricultural products of the State during regressively bad market situation. To continue with the functions of MAMCO Ltd. Rs. 270.00 lakhs has been proposed. Also, Rs. 225.00 lakhs has been proposed to be provided during the 11th Plan for undertaking Marketing activities of agricultural products. This proposed fund allocation shall constitute 15% State contribution towards the Schemes proposed to be implemented during the 12th Plan period.

(5) Miscellaneous : To provide fund requirement to create critical infrastructures required to abridge development gaps provisions have also been made during the 12th Five Year Plan. Due to acute shortage of fund, Trade & Commerce Department could not take up creating commercial infrastructures necessary to improve commercial activities. The commercial infrastructures proposed to be taken up during the 12th Plan Period are essentially infrastructures aimed at export and such inclination has been made so that the State could be in tandem with the renewed focus of the Government of India to forge closer commercial and economic ties with the markets in the neighbouring countries with particular emphasis on South-East Asian economies. Apart from provision of requisite infrastructures, the Department has also proposed to provide necessary thrust for commercial development through providing avenues to educated

youths for developing their entrepreneurship and providing adequate trainings and exposures.

3.3 Jhum Practice:

Between 55% to 60% of the working population of the state is annually deployed on agriculture. The sector's contribution to the gross state domestic product was 30% in 1994, just 14% in 2009 due to economic growth of other sectors.

Agriculture has traditionally been a subsistence profession in Mizoram. It was seen as a means for generate food for one's family, ignoring its potential for commerce, growth and prosperity. Rice remains the largest crop grown in Mizoram by gross value of output. Fruits have grown to become the second largest category, followed by condiments and spices.

Before 1947, agriculture in Mizoram predominantly used to be slash-and-burn driven Jhum cultivation. This was discouraged by the state government, and the practice has been slowly declining. A 2012 report estimates the proportion of shifting cultivation area in Mizoram to be about 30% - predominant part of which was for rice production (56% to 63% depending on the year). Despite dedicating largest amount of labor, jhum cultivated and non-jhum crop area to rice, the yields are low; Mizoram average rice yields per acre

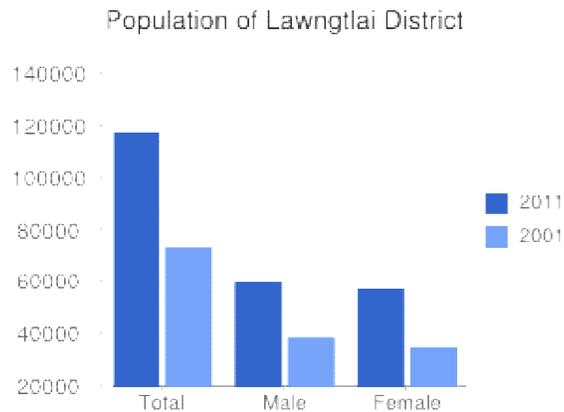
is about 70% of India's average rice yield per acre and 32% of India's best yield. Mizoram produces about 26% of rice it consumes every year, and it buys the deficit from other states of India.

The crop area used for jhum cultivation rotates in Mizoram; that is, the area slashed and burnt for a crop is abandoned for a few years and then jhumias return to slash and burn the same plot after a few years of non-use. The primary reasons for cyclical jhum cultivation includes, personal, economic, social and physical. Jhum cultivation practice offers low crop yields and is a threat to the biome of Mizoram; increased government institutional support, shift to higher income in horticultural crops, assured supply of affordable food staples for survival as means to further reduce jhum.

3.4 Analysis of Lawngtlai District Population:

In 2011, Lawngtlai had population of 117,894 of which male and female were 60,599 and 57,295 respectively. In 2001 census, Lawngtlai had a population of 73,620 of which males were 38,776 and remaining 34,844 were females. Lawngtlai District population constituted 10.74 percent of total Mizoram population. In 2001 census, this figure for Lawngtlai District was at 8.29 percent of Mizoram population.

Graph-1.



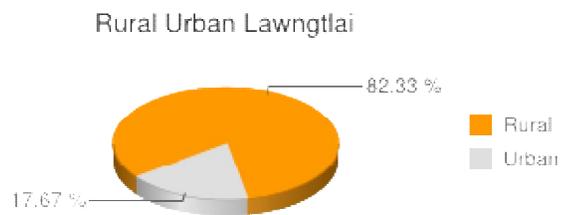
Lawngtlai District Urban Population 2011:

Out of the total Lawngtlai population for 2011 census, 17.67 percent lives in urban regions of district. In total 20,830 people lives in urban areas of which males are 10,659 and females are 10,171. Sex Ratio in urban region of Lawngtlai district is 954 as per 2011 census data. Similarly child sex ratio in Lawngtlai district was 971 in 2011 census. Child population (0-6) in urban region was 3,122 of which males and females were 1,584 and 1,538. This child population figure of Lawngtlai district is 14.86 % of total urban population. Average literacy rate in Lawngtlai district as per census 2011 is 95.66 % of which males and females are 96.97 % and 94.28 % literates respectively. In actual number 16,939 people are literate in urban region of which males and females are 8,800 and 8,139 respectively.

Lawngtlai District Rural Population 2011:

As per 2011 census, 82.33 % population of Lawngtlai districts lives in rural areas of villages. The total Lawngtlai district population living in rural areas is 97,064 of which males and females are 49,940 and 47,124 respectively. In rural areas of Lawngtlai district, sex ratio is 944 females per 1000 males. If child sex ratio data of Lawngtlai district is considered, figure is 966 girls per 1000 boys. Child population in the age 0-6 is 19,361 in rural areas of which males were 9,849 and females were 9,512. The child population comprises 19.72 % of total rural population of Lawngtlai district. Literacy rate in rural areas of Lawngtlai district is 59.10 % as per census data 2011. Gender wise, male and female literacy stood at 68.95 and 48.60 percent respectively. In total, 45,922 people were literate of which males and females were 27,644 and 18,278 respectively. All details regarding Lawngtlai District have been processed by us after receiving from Govt. of India. We are not responsible for errors to population census details of Lawngtlai District.

Graph-2.



3.5 Circle-Wise Area and Production:

TABLE : 1 LAWNGTLAI DISTRICT CIRCLE-WISE MAJOR AGRICULTURAL CROPS 2008 - 2009

| Name of crops | Circle wise Area and Production | | | | | | | | | | | |
|--------------------|---------------------------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|
| | Lawngtlai | | Diltlang | | Chawngte | | Sangau | | Lungpher | | Total | |
| | Area (Ha.) | Production (MT) | Area (Ha.) | Production (MT) | Area (Ha.) | Production (MT) | Area (Ha.) | Production (MT) | Area (Ha.) | Production (MT) | Area (Ha.) | Production (MT) |
| Ginger | 180 | 594 | 100 | 330 | 450 | 1485 | 140 | 445 | 120 | 380 | 980 | 3234 |
| Turmeric | 90 | 360 | 263 | 1052 | 351 | 1404 | 30 | 180 | 30 | 173.58 | 764 | 3169.58 |
| Bird eye chilli | 210 | 714 | 250 | 850 | 265 | 901 | 120 | 410 | 114 | 386.6 | 959 | 3260.6 |
| cabbage | 38 | 304 | 30 | 240 | 44 | 352 | 17 | 136 | 21 | 168 | 150 | 1200 |
| Chow Chow (Squash) | 20 | 190 | 20 | 190 | 10 | 100 | 10 | 95 | 10 | 95 | 70 | 670 |
| Tomato | 0.5 | 4 | 0.5 | 4 | 0.5 | 4 | 0.5 | 4 | | | 2 | 16 |
| Okra | 30 | 150 | 47 | 235 | 48 | 255 | 18 | 90 | 14 | 70 | 157 | 800 |
| Onion | 3 | 32.5 | 2 | 16 | 2 | 16 | 1 | 8 | 1 | 8 | 9 | 80.5 |
| Brinjal | 25 | 210 | 25 | 210 | 25 | 210 | 13 | 110 | 12 | 100 | 100 | 840 |
| Bittergourd | 8 | 40 | 8 | 40 | 8 | 40 | 6 | 30 | 5 | 25 | 35 | 175 |
| Carrot | 0.5 | 3.5 | 0.5 | 3.5 | 0.5 | 3.5 | 0.5 | 3.5 | | | 2 | 14 |
| Broccoli | | | | | | | | | | | - | - |
| Pumpkin | | | | | | | | | | | - | - |

Source: Department of Agriculture Lawngtlai District.

TABLE : 2 LAWNGTLAI DISTRICT CIRCLE-WISE MAJOR AGRICULTURAL CROPS 2009 - 2010

| Name of crops | Circle wise Area and Production | | | | | | | | | | | |
|--------------------|---------------------------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|
| | Lawngtai | | Diltlang | | Chawngte | | Sangau | | Lungpher | | Total | |
| | Area (Ha.) | Production (MT) | Area (Ha.) | Production (MT) | Area (Ha.) | Production (MT) | Area (Ha.) | Production (MT) | Area (Ha.) | Production (MT) | Area (Ha.) | Production (MT) |
| Ginger | 150 | 650 | 100 | 600 | 100 | 600 | 80 | 347 | 70 | 303 | 500 | 2500 |
| Turmeric | 100 | 700 | 100 | 700 | 50 | 650 | 30 | 330 | 20 | 220 | 300 | 1500 |
| Bird eye chilli | 350 | 1925 | 150 | 825 | 160 | 880 | 180 | 990 | 170 | 935 | 1010 | 5555 |
| cabbage | 15 | 135 | 10 | 90 | 10 | 90 | 6 | 54 | 9 | 81 | 50 | 450 |
| Chow Chow (Squash) | 35 | 398 | 15 | 179 | 6 | 79 | 17 | 195 | 13 | 149 | 86 | 1000 |
| Tomato | 0.5 | 5 | 0.5 | 4 | 0.5 | 5 | 0.5 | 4 | | | 2 | 18 |
| Okra | 40 | 182 | 25 | 121 | 40 | 181.5 | 12 | 60.6 | 8 | 40.4 | 125 | 585.5 |
| Onion | 3 | 32.5 | 2 | 21 | 2 | 22.05 | 2 | 22 | 1 | 10 | 10 | 107.55 |
| Brinjal | 30 | 275 | 20 | 184 | 30 | 275 | 11 | 101.2 | 9 | 82.8 | 100 | 918 |
| Bittergourd | 75 | 389 | 75 | 390 | 75 | 390 | 38 | 197 | 37 | 192 | 300 | 1558 |
| Carrot | 0.5 | 3 | 0.5 | 3 | 0.5 | 2.5 | 0.5 | 3 | | | 2 | 11.5 |
| Broccoli | | | | | | | | | | | - | - |
| Pumpkin | | | | | | | | | | | - | - |

Source: Department of Agriculture Lawngtlai District.

TABLE : 3 LAWNGTLAI DISTRICT CIRCLE-WISE MAJOR AGRICULTURAL CROPS 2010 - 2011

| Name of crops | Circle wise Area and Production | | | | | | | | | | | |
|--------------------|---------------------------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|
| | Lawngtlai | | Diltlang | | Chawngte | | Sangau | | Lungpher | | Total | |
| | Area (Ha.) | Production (MT) | Area (Ha.) | Production (MT) | Area (Ha.) | Production (MT) | Area (Ha.) | Production (MT) | Area (Ha.) | Production (MT) | Area (Ha.) | Production (MT) |
| Ginger | 140 | 672 | 150 | 720 | 97 | 455 | 100 | 450 | 55 | 324 | 539 | 2621 |
| Turmeric | 70 | 350 | 80 | 400 | 125 | 625 | 40 | 220 | 20 | 88 | 335 | 1683 |
| Bird eye chilli | 200 | 1100 | 280 | 1540 | 280 | 1540 | 150 | 700 | 100 | 675 | 1010 | 5555 |
| cabbage | 20 | 405.5 | 10 | 190 | 20 | 380 | 5 | 120 | 15 | 260 | 70 | 1355.5 |
| Chow Chow (Squash) | 80 | 1280 | 60 | 960 | 11 | 176 | 50 | 924.5 | 50 | 820 | 251 | 4160.5 |
| Tomato | 2 | 176 | 1 | 88 | 2 | 176 | 1.5 | 118 | 0.5 | 58 | 7 | 61.6 |
| Okra | 40 | 268 | 43 | 288 | 53 | 366 | 20 | 164 | 15 | 70 | 171 | 1156 |
| Onion | 2 | 205 | 1 | 102 | 1 | 103 | 1.5 | 135 | 0.5 | 70 | 6 | 61.6 |
| Brinjal | 20 | 1320 | 20 | 1320 | 53 | 3596 | 1 | 720 | 1 | 732 | 115 | 798.8 |
| Bittergourd | 80 | 400 | 75 | 375 | 80 | 400 | 43 | 225.1 | 40 | 220 | 318 | 1620.1 |
| Carrot | 0.5 | 40.5 | 0.5 | 40.5 | 0.5 | 40.5 | - | - | 0.5 | 40.5 | 2 | 16.2 |
| Broccoli | 3 | 18 | 2 | 12 | 2 | 12 | 1.5 | 8 | 0.5 | 4 | 9 | 54 |
| Pumpkin | | | | | | | | | | | - | - |

Source: Department of Agriculture Lawngtlai District.

TABLE : 4 LAWNGTLAI DISTRICT CIRCLE-WISE MAJOR AGRICULTURAL CROPS 2011 - 2012

| Name of crops | Circle wise Area and Production | | | | | | | | | | | |
|--------------------|---------------------------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|
| | Lawngtlai | | Diltlang | | Chawngte | | Sangau | | Lungpher | | Total | |
| | Area (Ha.) | Production (MT) | Area (Ha.) | Production (MT) | Area (Ha.) | Production (MT) | Area (Ha.) | Production (MT) | Area (Ha.) | Production (MT) | Area (Ha.) | Production (MT) |
| Ginger | 120.25 | 655.27 | 140.25 | 680.27 | 130.25 | 670.27 | 100 | 465.27 | 58.25 | 230 | 549 | 2701.08 |
| Turmeric | 100 | 560 | 100 | 560 | 135 | 599.4 | 60 | 300 | 40 | 260 | 435 | 2279.4 |
| Bird eye chilli | 255 | 280 | 230 | 270 | 270 | 290 | 150 | 160 | 115 | 122 | 1020 | 1122 |
| cabbage | 20 | 280 | 10 | 272 | 20 | 280 | 10 | 160 | 30 | 200 | 90 | 1192.5 |
| Chow Chow (Squash) | 61 | 1000 | 70 | 1273 | 50 | 900 | 50 | 780 | 50 | 80 | 281 | 4673 |
| Tomato | 2 | 20 | 2 | 20 | 3 | 22.53 | 1.5 | 15 | 0.5 | 5 | 9 | 82.53 |
| Okra | 45 | 320 | 50 | 340 | 61 | 380 | 20 | 140 | 15 | 101.65 | 191 | 1281.65 |
| Onion | 4.5 | 27.38 | 7 | 70 | 8.5 | 80 | 4 | 40 | 2 | 20 | 26 | 237.38 |
| Brinjal | 30 | 192 | 30 | 192 | 25 | 189 | 20 | 130 | 15 | 66 | 120 | 769 |
| Bittergourd | 90 | 450 | 72 | 388.3 | 80 | 410 | 40 | 210 | 40 | 200 | 322 | 1658.3 |
| Carrot | - | - | 4 | 30 | 2 | 15 | - | - | - | - | 6 | 45 |
| Broccoli | 15 | 115 | 16 | 116 | 16 | 116 | 10 | 80 | 4 | 30.5 | 61 | 457.5 |
| Pumpkin | 1 | 0.25 | 1 | 0.25 | 2 | 1 | 1 | 0.25 | - | - | 5 | 1.75 |

Source: Department of Agriculture Lawngtlai District.

From the four above tables, i.e. Table 1, 2, 3 and 4 shows a circle wise area and production of major agricultural crops 2008-2009 to 2011-2012. These tables clearly shows that every year the production and land used has decrease. Sometimes increase in some crops compare to the previous year. But normally they are decrease. This decreasing has one main reason which is when we look at the population increase in 2001 census to 2011 census, with the rapid increase in population and decrease in land use for production lead to disguise unemployment which is finally lead to scarcity of agricultural crop for their market. They hardly meets the requirement of local people or households.

4.1 INTRODUCTION.

World Bank (India Country Overview 2008 and 2011) commented the condition of Indian Agriculture that slow agricultural growth is a concern for policymakers as some two-thirds of India's people depend on rural employment for a living. Current agricultural practices are neither economically nor environmentally sustainable and India's yields for many agricultural commodities are low. Poorly maintained irrigation systems and almost universal lack of good extension services are among the factors responsible. Farmers' access to markets is hampered by poor roads, rudimentary market infrastructure, and excessive regulation.

With a population of just over 1.2 billion, India is the world's largest democracy. In the past decade, the country has witnessed accelerated economic growth, emerged as a global player with the world's fourth largest economy in purchasing power parity terms, and made progress towards achieving most of the Millennium Development Goals. India's integration into the global economy has been accompanied by impressive economic growth that has brought significant economic and social benefits to the country. Nevertheless, disparities in income and human development are on the rise. Preliminary estimates suggest that in 2009-10 the combined all India poverty

rate was 32% compared to 37% in 2004-05. Going forward, it will be essential for India to build a productive, competitive, and diversified agricultural sector and facilitate rural, non-farm entrepreneurship and employment. Encouraging policies that promote competition in agricultural marketing will ensure that farmers receive better prices.

A 2003 analysis of India's agricultural growth from 1970 to 2001 by the Food and Agriculture Organisation (FAO) identified systemic problems in Indian agriculture. For food staples, the annual growth rate in production during the six-year segments 1970-76, 1976-82, 1982-88, 1988-1994, 1994-2000 were found to be respectively 2.5, 2.5, 3.0, 2.6, and 1.8% per annum. Corresponding analyses for the index of total agricultural production show a similar pattern, with the growth rate for 1994-2000 attaining only 1.5% per annum.

An investigation into Lawngtlai District had revealed that participation of people in work are found everywhere and are engaged mostly in various forms of work such weaving, agriculture, plantation, construction, poultry farming, piggery and also meat and vegetable vendors. Most of the people in Lawngtlai district tried to find a government job under L.A.D.C(Lai Autonomous District Council) which is a government organization for the indigeneous people of Lai community under the sixth schedule of the Indian constitution. Because of

enormous dependency of the people on this council they left behind agricultural job to supports their daily needs. It was also very clear from the field investigation that low literacy of the rural area leads to low production and did not have a knowledge of marketing their goods in the urban area.

4.2 AGRICULTURAL MARKETING CONDITION IN LAWNGTLAI DISTRICT : AN EMPIRICAL ANALYSIS.

As mentioned in the methodology we conducted field survey with the help of questionnaire observation. To find out the age at which the respondents started working we formulate the first table, Table 4.1 below:

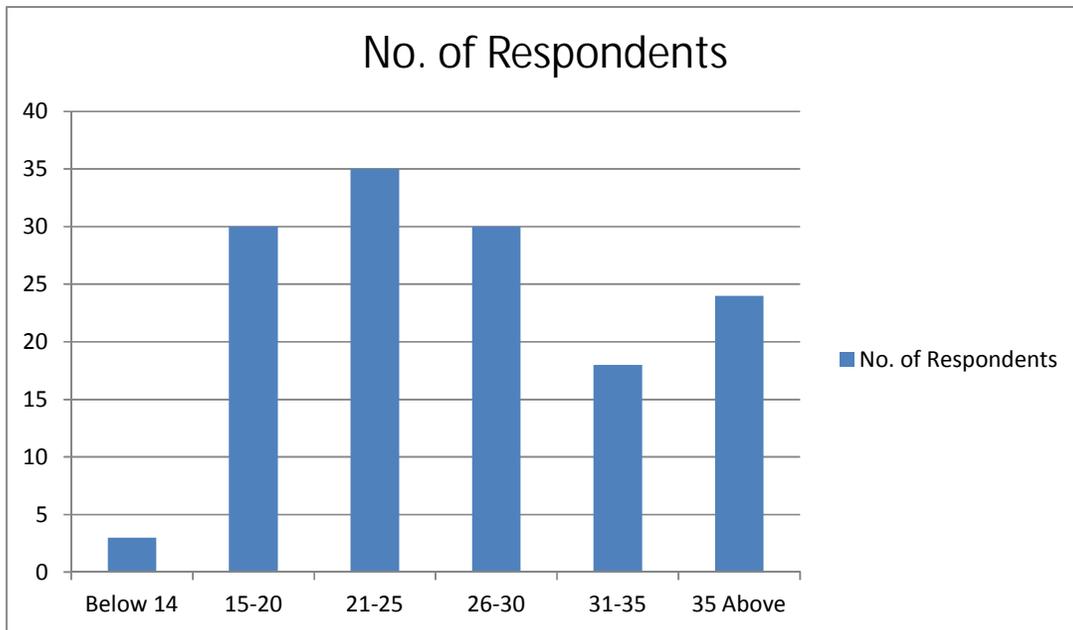
Table 4.1: Working Age of the Respondents.

| Age | No. of Respondents |
|----------|--------------------|
| Below 14 | 3 |
| 15-20 | 30 |
| 21-25 | 35 |
| 26-30 | 30 |
| 31-35 | 18 |
| 35 Above | 24 |

Source: Field Survey 2013

This table is presented in graph as below.

Graph-4.1



As seen in the above table out of the total numbers of respondents there are only three (3) who started working at the age below 14. 30 respondents started working when they attained the age group of 15-20, 35 of the respondents started working at the age of 21-25; this particular age group is where maximum numbers of the respondents started working. There are again

30 respondents who started working at the age of 26-30, 18 at the age of 31-35 and 24 at the age of 30 and above.

From this table it can be seen that child labour is insignificant in lawngtlai district. Maximum numbers of the farmers in Lawngtlai district engaged themselves into various kinds of economic activity only when they attained the age group of 21-25.

Education:

The level of education of farmers greatly determines their work participation. There is a strong relationship between work participation and farmers literacy. The educational level of Farmers also seems to have a strong correlation with fertility. Fertility of the illiterate farmers is the highest, next highest is primary school, middle school, and lowest among the graduates. Fertility in every category is the highest rural areas than in urban areas. This underlines the need to educate farmers to achieve the planning objective of Agriculture economy.

Table 4.2 Educational Level of Farmers.

| Level | No. of Respondents |
|---------------|--------------------|
| Illiterate | 32 |
| class 1-4 | 30 |
| Class 5-8 | 25 |
| Class 8-10 | 37 |
| HSSLC | 15 |
| Graduate | 1 |
| Post Graduate | Nil |

Source: Field Survey 2013

Table 4.2 also represented by graph below.

Graph 4.2:

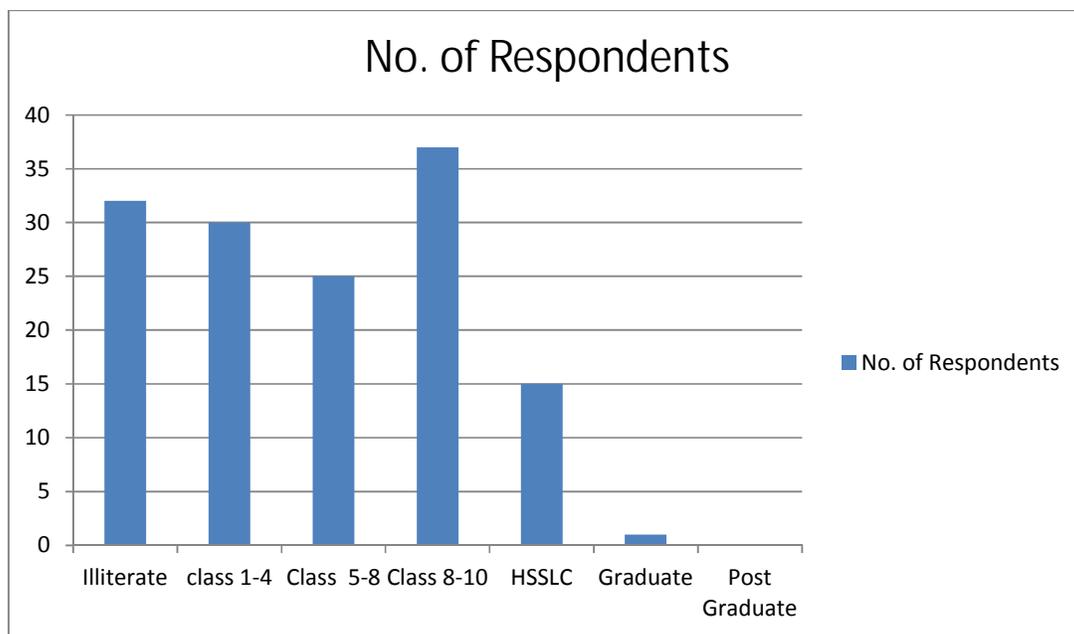


Table 4.2 shows the educational level of the farmers population in Lawngtlai District. There are 32 illiterate farmers respondents. Most of the education level of farmers is upto high school. The reason is that it could be because of their financial problems which drove them to work at a very young age. This also shows that there are a lot of dropouts after high school. This is also consistent with the secondary data of census 2011 where Lawngtlai district has a maximum numbers of dropouts in all the districts of Mizoram and also with the lowest in literacy rate. The table also shows that after attaining graduate and post graduate they did not interfere with the agriculture, most of the graduate tried to get a government job instead of doing agriculture concern activity.

Selling of Production:

Farmers in Lawngtlai district faced a problem of selling their products. This can be explained from the following table.

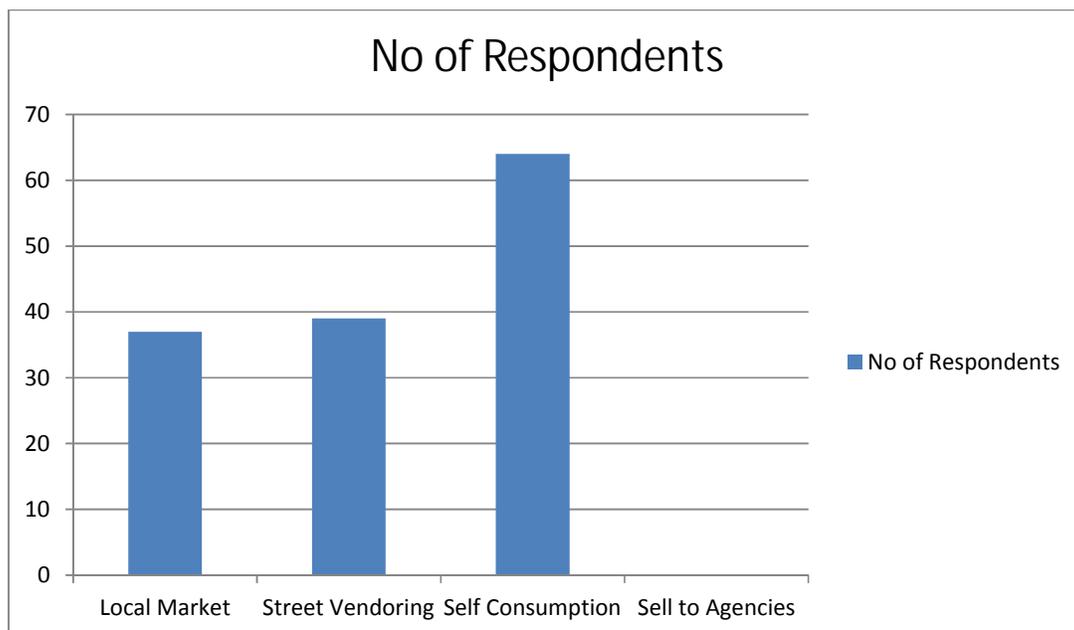
Table 4.3: Selling Of Production

| Place of Selling | No of Respondents |
|------------------|-------------------|
| Local Market | 37 |
| Street Vending | 39 |
| Self Consumption | 64 |
| Sell to Agencies | Nil |

Source: Field Survey 2013

This table is also shown in graph as below.

Graph 4.3



From the above table, table 4.3 it can be clearly seen that there were no government or private agencies came to buy a products from the farmers. 37 respondents sold their product at the nearest urban market i.e Lawngtlai in every weekend. 39 respondents sold their products by themselves in vendoring method. The worse part is that most of the farmers used their products for their own self consumption. 64 respondents used their goods for self consumption, they sell only some items in their village itself and from their door to travelers.

Selling Pattern of Productions:

This can also be explained with the help of the following table.

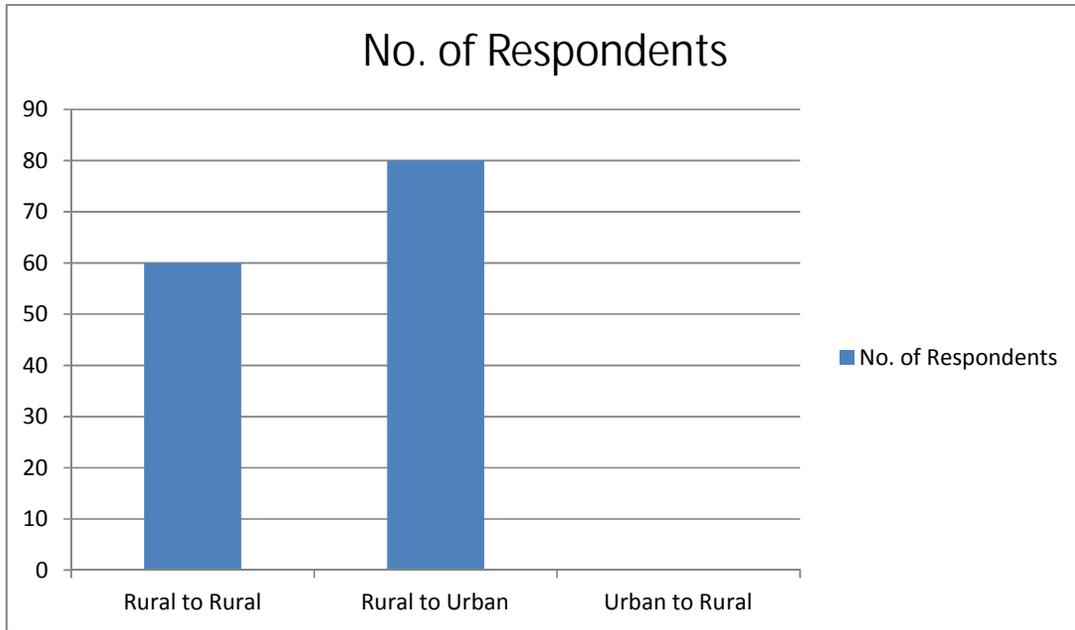
Table 4.4 Selling Pattern of Production.

| Pattern of Selling | No. of Respondents |
|--------------------|--------------------|
| Rural to Rural | 60 |
| Rural to Urban | 80 |
| Urban to Rural | Nil |

Source: Field Survey 2013

table 4.4 is represented in graph as below

Graph 4.4:



From the above table 4.4, it can be seen that there was no export of production. All the products were sold within the district. The pattern of selling can be seen that 60 respondents farmers sold their products in rural areas only. 80 of them sold to urban areas from rural, there were no selling of products from urban to rural. This shows that rural areas where there were no market shed took their goods to their neighbouring village where market shed

was available to sell their products. But, most of the farmers preferred to sell their goods in urban areas with higher price.

Availability of Market Shed:

Market shed is very important for the farmers in rural areas as well as in urban areas. Village where there is no market shed need to take their agricultural goods to the nearest village where there is market shed available. The existing market shed is already outdated and not safe in the rainy season. Let us see from the table whether market shed is available or not.

Table 4.5 Availability of Market Shed.

| Particulars | No. of Respondents |
|------------------|--------------------|
| Available | 21 |
| Poorly Available | 74 |
| Not Available | 45 |

Source: Filed survey 2013

Table 4.5 is represented in graph below.

Graph 4.5:

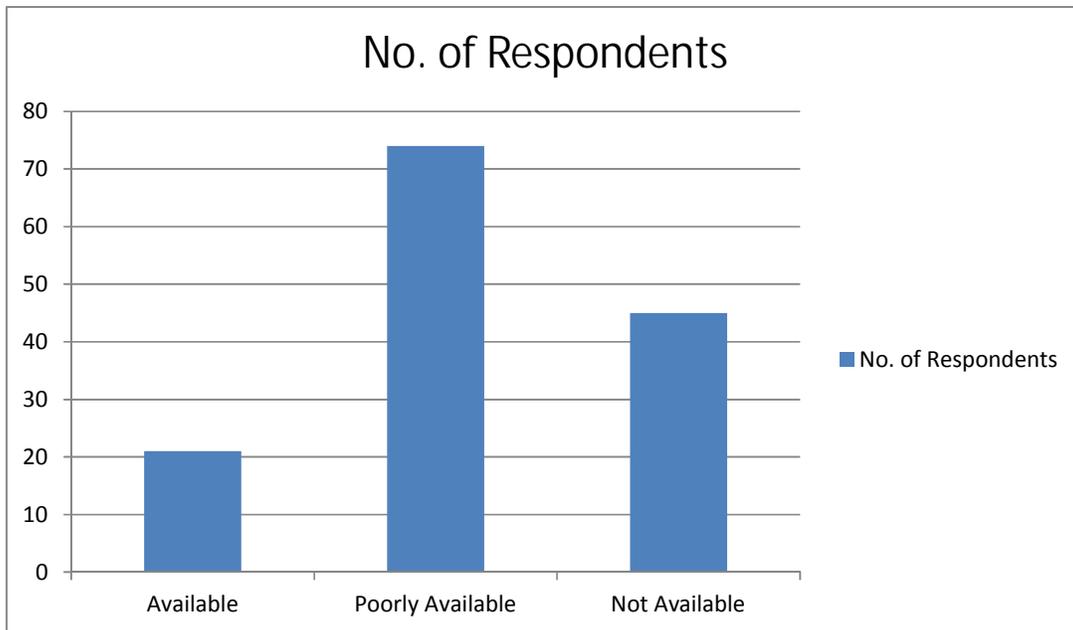


Table 4.5 shows that most of the market shed was already need to replace or repara. 74 respondents accepted that it was poorly available in most of the villages, so it need to be replace or repaired. 21 respondents said that it was available, this means that big villages like Blocks area and towns area have good market shed. But, small villages like landlock villages have no market shed at all. 45 respondents said that it was not available in their village.

Transportation of Productions:

In the marketing of agricultural goods government must make some arrangement between farmers and agencies. High cost of transportation can deteriorate the farmers and very low cost can be suffered by agencies if there is no enough production. In Mizoram many parts of rural areas have no good roads even in urban area some parts are in bad shape. Thus, it is really hard for the small farmers to transport their goods around within the district. Let us see the condition of transportation from the table.

Table 4.6 Transportation of Goods:

| Transportation cost | No. Of Respondents |
|---------------------|--------------------|
| Very High | 62 |
| High | 50 |
| Normal | 28 |
| Low | Nil |

Source: Field Survey 2013

Table 4.6 also represent by graph as below

Graph 4.6

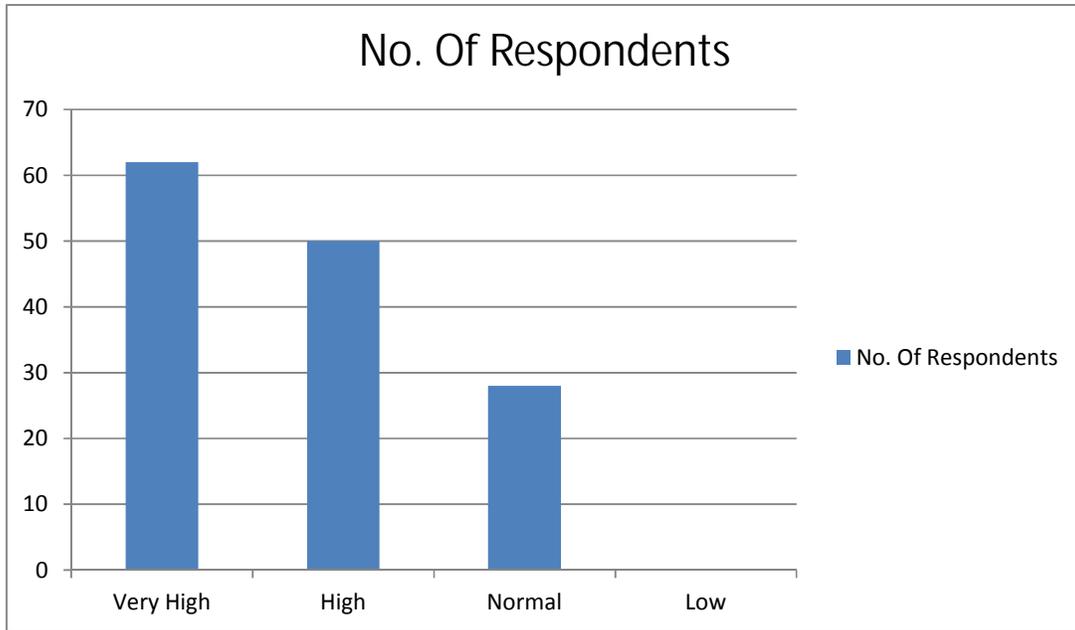


Table 4.6 represent the numbers of respondents who have an opinion on the transportation cost of agricultural goods. Most of the respondents said that it is very high in a present situation. 62 respondents accepted that it is very high and less profit for the small farmers with less agricultural goods. 50 respondents also suffer high cost of transportation. 28 respondents said it is

normal. This might be because of large quantity of goods to take around. They are also big farmers compare to the other farmers.

Storage Facilities:

Many farmers in Lawngtlai district faced the problems of storing their excess products. When we look back to chapter 3 circle-wise area and production table(table1,2,3 and 4) there were some years production reached surplus. During this time farmers have no storage facility to store their goods. They tried to sell their surplus product as soon as possible. If they don't finish selling at a shortest period crops became waste and throw it all the remaining unsold crops. Thus it is always need to have a good storage facility everywhere.

Table 4.7 Storage Facilities:

| Storage | No. of Respondents |
|---------------|--------------------|
| Available | Nil |
| Normal | Nil |
| Not Available | 140 |

Source: Field Survey 2013

Table 4.7 can be shown as graph below

Graph 4.7

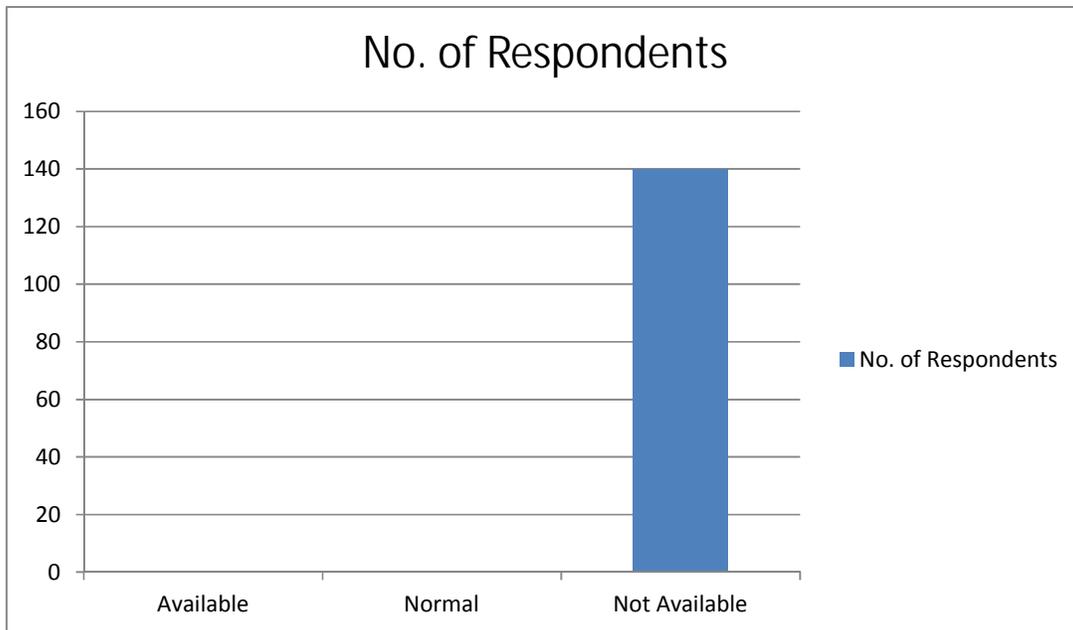


Table 4.7 represents agriculture storage facility in the district. Lawngtlai district have no storage facility for their products, crops are sold in a fastest way before it was becoming rotten. 100% of the respondents said there is no availability of storage facility in the district.

Access to Bank Credit:

To promote savings of farmers and credit absorption capacity it is necessary to promote banking habit and banking operations in the rural areas.

To analyse the numbers of farmers who have obtained loans or any other financial grants from banks the following table is formulated.

Table 4.8 Numbers of Respondents Availing Loans From Banks.

| Particulars | No. of Respondents |
|---------------------------|--------------------|
| Availed | 25 |
| Applied but did not Avail | 10 |
| Never Apply | 105 |

Source: Field Survey 2013

Table 4.8 also with the graph below.

Graph 4.8:

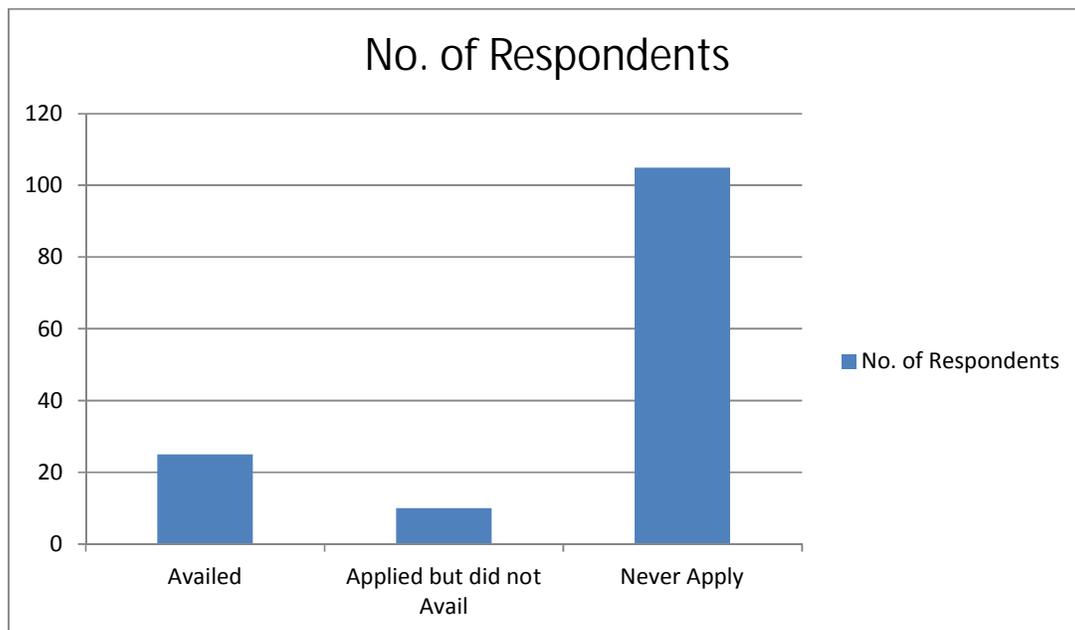


Table 4.8 represents the numbers of the respondents who have had availed loans from banks. Surprisingly, maximum numbers of the respondents have never applied for any kinds of loans from any banks. Therefore, it can be said that there is a low linkage between bank and farmers in Lawngtlai district. Most of the respondents are even aware of the availability of loans for farmers by forming agriculture society.

Allocation of New Land Use Policy(NLUP) and Mahatma Gandhi National Rural Employment Guarantee Schemes (MGNREGS):

The MGNREGS was launched as the flagship programme of the Government of India that directly touches the lives of the poor and promote inclusive growth . The Schemes aims at enhancing livelihood security of households in rural areas of India by providing at least one hundred days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The Schemes was introduced with an aim of improving the purchasing power of the rural people, primarily semi or un-skilled work to people living in rural India, whether or not they are below the poverty line.

The state government also launched NLUP for families living below poverty line in Mizoram for raising their standard living. The objective of both NLUP and MGNREGS are to create durable assets and strengthen the livelihood resource base of the rural poor. The choice of work suggested in the Act address causes of chronic poverty like drought, deforestation, soil erosion, so that the process of employment generation is on a sustainable basis. In the mean time, alleviation of rural poverty has been one of the primary objectives

of planned development in India. Rural poverty is inextricably linked with low rural productivity and unemployment including underemployment. Hence, it is imperative to improve productivity and increase employment in rural areas.

The MGNREGS was launched in Mizoram in the year 2007 where the first phase was implemented in Lawngtlai district. To analyse the numbers of respondents who actually benefitted from these schemes the following table is formed:

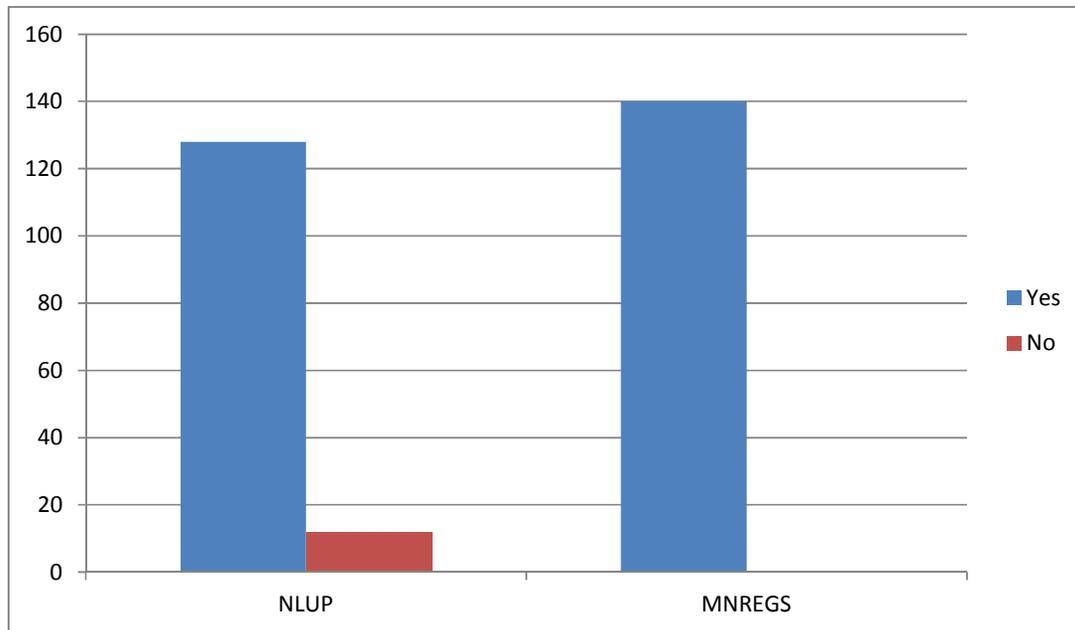
Table 4.9 State and Central Government Schemes:

| Types | Yes | No |
|--------|-----|-----|
| NLUP | 128 | 12 |
| MNREGS | 140 | Nil |

Source: Field Survey 2013

This table is also shown in graph below:

Graph 4.9 :



The NLUP is being received by 128 respondents and 12 respondents did not received. The main reason that only 12 respondents did not received is that beneficiaries under NLUP can be attributed to political factors i.e, 12 respondents who did not received NLUP might be from opposition party in the state government. As seen in table 4.9, all the respondents are direct beneficiaries of MGNREGS. Wage employment programmes have been

important elements of public policy in India to provide unskilled workers with short term employment on public works. Durable assets that these programmes create have the potential to generate second round employment benefits in Lawngtlai town as requisite infrastructure is developed.

Conclusion.

After mentioning the above problems i can conclude that there are many factors which put effect on Agriculture problems but if the focus would be given on these problems we can get freedom from these problems. If government gives attentions on above problems and factors i think they will be able to find the solution. It is most important to save the agriculture sector because it is the backbone of any economy. We represented fundamental problems and also tries to find some solution based upon above factors.

Main findings:

The major crops in the district are rice, maize, sesamum, potato and ginger. In terms of productivity, the average yields of principal crops are lesser than the state average. Agriculture produces, forest products, livestock products, fish etc. are sold in the primary market at village level or block level. Lack of good marketing facility in the villages or rather due to lack of buyers the produces are generally transported to the nearest Sub-Urban or Urban areas especially District Capital i.e. Lawngtlai or sometimes even outside the district for disposal. There are no reliable market facilities in the villages except week-end markets and that too only for a small quantity of the products.

The markets are generally thin and there is no daily marketing activity in the villages. It is only at the weekend bazaar that sellers and buyers came to meet together in the small townships designated as Block-center. In view of the deficiency of demand for agricultural products of locally locally available commodities, the farmers do not adopt a type of capital farming which is focused on production for the market. Even then, there has been continuous flow of supply of agricultural product for the market in the district center.

The quality as well as the quantity of agricultural products are beyond the control of the producer. Since the quality of output depends on the favorable weather conditions from year to year, variation in the weather condition leads to variation in quality and quantity of agricultural goods which give rise to problems of price fluctuation and uniform grading system. In case of most agricultural goods, the demand is relatively in-elastic, consequently, prices of agricultural goods rise steeply during the period of their short supply and fall sharply in the period of their excess supply.

The distributive cost of agricultural products is high due to the following reason.

- 1) The difficulty of assembling the small output of several producers scattered all over the district.
- 2) The greater incidence of transport cost especially for bulky and low priced products.
- 3) The impossibility of maintaining regular production and supply.
- 4) The greater need for storing and processing to cope with seasonality of production.
- 5) The greater risk resulting from the need for storage and from the handling of highly perishable products.

The communication network especially the roads are in bad shape. Even the roads which transverse through major economic centres like Lawngtlai, Bungtlang, Chawngte and Paithar are in dilapidated state. There are certain economic centers which have the most deplorable road connectivity like Chamdur, Vathuampui, Longpuighat and Vaseikai. Even Chawnhu village, which lies adjacent to Lawngtlai town, continues to be deprived of good road connectivity although it has great potential in coffee plantation. Most of the region where WRC has been successfully practices on a limited scale still faced the problem of good road connectivity which hampers their economic prosperity to a great extends. Most of the villages in the western belt and within Chawngte Block are inaccessible especially in rainy seasons due to frequent landslide and improper management. There has always been a dire necessity to improve the road network to help the people of remote areas of the district.

Rashtriya Sam Vikas Yojana which is a Centrally sponsored scheme to addressed the problems of the most backward districts across the country. It has four components viz,component for Bihar, KBK region of Orissa, backward district initiatives and reform component. Under the backward district initiative,The Government of India identified hundred most backward districts

including Lawngtlai district across the country for the implementation of the said scheme.

In Mizoram, the Planning Commission identified the nascent district of Lawngtlai to be the implementation zone and a State- level Steering Committee is formed under the chairmanship of the Chief Secretary with the composition of Finance Commissioner, Principal Secretary, Planning Department etc, Deputy Commissioner ,Lawngtlai District, Chief Executive Member of both Lai Autonomous District Council and Chakma Autonomous District Council and representative of Central Young Lai Association, a leading NGO as members. At the District level, a district-level committee on RSVY is constituted under the chairmanship of the Deputy Commissioner, Lawngtlai District with the composition of head of all line departments,CEM of both LADC and CADC, NGOs representatives and senior citizens of the District. The District-Level Committee prepared a District plan for the implementation of the scheme.

The broad thrust and focus of District plan of Rashtriya Sam Vikas Yojana for Lawngtlai district is on establishing and consolidating infrastructural gap identified in each lead sectors, in particular, in the sectors of agriculture and allied activities, human development, upliftment of backward tribes, social infrastructure, health, road and power and electricity. This is because

infrastructure has been identified beyond doubt as the major constraint and impediment in the path to forwardness.

Irrigation potential being limited, rain fed agriculture is predominant in the district. Soil and climate specific new crops need to be introduced, as they are high yielding and more income generating. It is proposed to undertake massive land development project by mechanization so that the potential area is completely exploited. About 505 hectares around chamdur valley and Diltlang valley is proposed to be developed. Also about 766 hectares of land is proposed to be developed around Tuichawng valley, Thega valley and Hruitezawl valley. Irrigation is proposed to be developed through open flow channel method by tapping of Tuichawng and its tributaries, Thega and its tributaries and Ngengpui River. Out of the total outlay of Rs.45.00crores, it is proposed to utilize Rs.1133.4 lakhs for the development of land and improvement of irrigation. The direct benefit will be bringing about 1176.55 hac of land under irrigation, increase in income of the inhabitants of 16 hamlets located in the compact areas, increase in supply of foodgrains and other agricultural produces, creating self employment for the farmers through construction of channel.

Suggested Measures:

The government must provide market sheds for agriculture produce at strategic location within the vicinity of good transport system. As is well known, all agriculture products are perishable without proper storage facilities and these calls for efficient marketing facilities to expedite the sale of the produce at the shortest possible period. Thus, there will be a benefit for inhabitants of three potential villages within Chawngte Block with good marketing facilities, which is crucial in the development of agriculture sector. This will help the farmers generate profitable surplus for their produces.

It is also suggested that there must be a connection through all-weathered road and sealed surface roads of potential areas that include headquarters of District Councils, Village Councils, market centres, medical essential services centres, and educational centres.

The district itself is the lowest in terms of literacy among the districts of Mizoram. Therefore, it is suggested that district specific literacy programme should be launch for this district as a whole.

To promote savings of farmers and credit absorption in Lawngtlai district it is suggested that banking habit should be promoted and also banks

formalities and loans procedures should be simplified so that farmers can have better access to loans and bank's credit.

To enhance an agriculture product and its marketing it is suggested that farmers training must be provided quarterly and sufficient information must be given to all farmers so that they can avoid black marketers and fake brokers.

Improvements in capacity, quality, and safety should foster increased economic and social development, better access to health and education services for a large portion of the district's population, lower costs for goods and services within Lawngtlai district and improved market access for agriculture-based products.

Conclusion:

Agriculture in Lawngtlai district depends mainly upon rainfall. The net area irrigated to net area sown is only about 20% which is which is well below the state average. Major rivers like Tuichawng, Chhimtuipui and Thega and minor rivers like Dil lui, Sekulh and chikhur lui flowed through the district. Due to her topography only minor irrigation is feasible. The area is rainfall and exploitation of ground water resource is still inadequate. The major crops in the district are rice, maize, sesamum, potato. In terms productivity, the

average yields of principal crops are lesser than the state average. In Mizoram as a whole specially for Lawngtlai district there are some opportunities that under India's Look East Policy, recently, there has been a proposal of waterway from Hruitezawl to Akyap (Myanmar) Sea Port for the facilitation of international trade. Extension services to popularize fish farming. Establishment of cold storage facility (Ice Plant). Facilitation of marketing facility. Popularization of value added fish product. Establishment of hatcheries. Thus hopefully we can say that Mizoram is facing a new starts for the development of agriculture in the entire State.

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**PROBLEMS OF AGRICULTURAL MARKETING: A CASE
*STUDY OF LAWNGTLAI DISTRICT***

(ABSTRACT)

(A DISSERTATION SUBMITTED FOR THE AWARD OF THE
DEGREE OF MASTER OF PHILOSOPHY IN ECONOMICS)

BY

H. LALRAMHLUNA

TO

THE DEPARTMENT OF ECONOMICS SCHOOL OF ECONOMICS,
MANAGEMENT & INFORMATION SCIENCE,

MIZORAM UNIVERSITY



2014

ABSTRACT

My dissertation is entitled Problems of agricultural marketing: A case study of Lawngtlai District. Various commodities are included in my studies, I have no specific crop selection and i generally analyse as a whole, as far as my study is concern the area of study is agriculturally backward because of over dependence on government job and wide development gabs. For example; from agrarian society to information technology era.

The study mainly aims at examining the problems face by the farmers and highlighting the marketable productions in the district and also finding out development taken out by the government to increase agricultural product and their role played.

The study is based on the field investigation done in the erstwhile Lawngtlai district of Mizoram. The present study is also used primary and secondary data. Secondary data had been collected from statistical handbooks, published and unpublished research papers and other publication from government and non government sources. Primary data is collected by canvassing questionnaires from selected households in 5 villages and in 4 selected market places. Questionnaires will be conducted from 140 households, 20 households each from every villages

and 10 households each from every market places. Appropriate statistical technique is also used.

Besides these source the study is conducted unstructured interviews and informal discussion with staff and employees of district agriculture office, hawkers and leaders of farmers' association. Needless to say random sampling method is used in the study.

My dissertation is divided into five chapters, which are:-

CHAPTER – 1: Introduction: This chapter includes History of agriculture in India and Mizoram; Economic Profile of Mizoram, Area of study, objectives, methodology and conceptual framework.

CHAPTER – 2: Review of Literature.

CHAPTER – 3: Agricultural products and marketing in Mizoram and Lawngtlai district : Secondary data analysis. This includes:- present development, Scheme-wise description, jhum practice, analysis of Lawngtlai district population and circle-wise area and production.

CHAPTER – 4: Problems of agricultural marketing in Lawngtlai district : An empirical analysis. This includes Introduction important tables and graphs.

CHAPTER – 5: Main Findings, Suggested Measures and conclusion followed by Bibliography.

Main findings:

The major crops in the district are rice, maize, sesamum, potato and ginger. In terms of productivity, the average yields of principal crops are lesser than the state average. Agriculture produces, forest products, livestock products, fish etc. are sold in the primary market at village level or block level. Lack of good marketing facility in the villages or rather due to lack of buyers the produces are generally transported to the nearest Sub-Urban or Urban areas especially District Capital i.e. Lawngtlai or sometimes even outside the district for disposal. There are no reliable market facilities in the villages except week-end markets and that too only for a small quantity of the products.

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The communication network especially the roads are in bad shape. Even the roads which transverse through major economic centres like Lawngtlai, Bungtlang, Chawngte and Paithar are in dilapidated state. There are certain economic centers which have the most deplorable road connectivity like Chamdur, Vathuampui, Longpuighat and Vaseikai. Even Chawnhu village, which lies adjacent to Lawngtlai town, continues to be deprived of good road connectivity although it has great potential in coffee plantation. Most of the region where WRC has been successfully practices on a limited scale still faced the problem of good road connectivity which hampers their economic prosperity to a great extends. Most of the villages in the western belt and within Chawngte Block are inaccessible especially in rainy seasons due to frequent landslide and improper management. There has always been a dire necessity to improve the road network to help the people of remote areas of the district.

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