

New Horizons in Commerce, Management and Information Technology

Editors

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AN ANALYSIS OF CASHEW FARMING BUSINESS IN GOA

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1.1 INTRODUCTION TO BACKGROUND OF THE STUDY

Cashew was discovered by Portuguese traders and explorers in Brazil in 1578. The statistics worldwide shows that in 2021-22, the cashew exports by value grew from US\$ 420 million in 2020-21 to US\$ 452 million in 2021-22, witnessing a growth of 7% (Statistica, 2022). Ivory Coast ranked the highest in cashew nut production with 970,000 tonnes followed by India and Vietnam in 2022. After Côte d'Ivoire, India is the second largest producer and exporter of Cashew Nuts with a share of more than 15%, followed by Vietnam in the world's cashew export. Cashew is one of the most important crops in India fetching considerable foreign exchange. India exports cashews to over 60 countries of the world. India's top export destinations are the UAE, the Netherlands, Japan, and Saudi Arabia the USA, the UK, Canada, France, Israel, and Italy, (National Horticulture Board, Indian Institute of Food Processing Technology and Ministry of Food Processing Industries, Government of India, 2022).

1.2 STATEMENT OF THE PROBLEM

The journey of cashews in Goa began 450 years ago when Portuguese brought Cashew plant from Brazil to Goa to prevent soil erosion. During the years 1942-1943, Zantye's Cashew processing industry was popular. After liberation of Goa in 1961, the cashew processing industry progressed. Since 1961-2023, Zantye's are currently leading the cashew processing industry in Goa.

There are several issues affecting Goa's cashew industry such as increasing quantities of cashews coming to Goa from other states and countries. Approximately, 30-40% raw cashews processed in Goa are from Tanzania and Mozambique at low-price ranging between Rs 80 -Rs 92 per kg. Inferior quality imports are endangering the quality of Goan brand cashews. In 2022 farmers demanded increase in support price of the cashewnut from Rs 125 per kg - Rs 160 per kg. Goan farmers, cannot compete with cheap imports from countries. In the recent years, cashew sales are adversely affected due to climatic conditions, unfavorable market forces, increasing number of cashew retailers in the coastal belt in Goa, selling poor quality nuts in the name of Goan cashews. With this background, there was a need felt in the present study to analyze the performance of cashew farmers/cultivators business in Goa.

1.3 OBJECTIVES OF THE STUDY

1. To examine the performance of cashew farming business in Goa.
2. To analyze the problems faced by farmers engaged in cashew farming business in Goa.

1.4 SIGNIFICANCE/PURPOSE OF THE STUDY

Cashew is the main cash crop and plays a key role in ensuring household income and food security for farmers in Goa. In Goa, cashew farming occupies the largest area among horticultural crops covering about 55302 ha area with an annual production estimated at 27070 tonnes. The present study highlights the demographic characteristics (variables) namely; gender, age, educational qualification, number of cashew trees cultivated by the cultivators. The study analyses business profile, finance, labour employed and problems in cashew farming business. The contribution of this study is to understand the efficiency of farmers growing cashews in Goa, in terms of finance, cost, labour and production.

The findings of this study will help in improving productivity of the cashew sector, provide employment opportunities to rural communities, increase income, reduce poverty, and improve food security among cashew cultivators in Goa.

1.5 RESEARCH METHODOLOGY

The research methodology includes sample size, sample design, sources of data, period of the study, hypothesis, statistical tools, data analysis and interpretations.

1.5.1 Sources of Data, Sample Size and Sample Design

Sources of data is primary and secondary for the study. The primary data is collected from 60 cultivators/farmers doing cashew nut business in North and South Goa using interview schedule. Selection of the respondents was based on their experiences in cashew farming. Random sampling method is used in the study. Secondary data is collected from various organizational databases, websites, other necessary official records, books & magazines.

1.5.2 Period of study: The study was undertaken from 3rd October 2022 to 15th February 2023.

1.5.3 Hypothesis of the study

The null hypotheses formulated for the present study are as follows:

H_{01} =There is no significant association between number of cashew trees and profitability of the farmers involved in cashew farming business in Goa.

H_{02} = There is no significant association between number of cashew trees owned and number of years into cashew farming business in Goa.

1.5.4 Statistical Tools

i. **Parametric Tests:** Statistical measures like percentage bar graphs, frequency, descriptive statistics, mean, are used in the study to analyze primary data.

ii. **Non-Parametric Tests:** Chi-square tests is used to analyse the primary data.

Following findings, discussion, suggestions and conclusion drawn from the present study are summarized in the ensuing sections:

1.6 SUMMARY OF MAJOR FINDINGS

- i. Most of the cultivators/farmers involved in cashew business in Goa are males.
- ii. Majority of the respondents in cashew farming business are in the age between 26-55 years.
- iii. The educational qualification of majority of the respondents in the study area is between 5th -12th Std.
- iv. Majority of the cultivators owned cashew trees ranging between 1-1,000 trees.
- v. Majority of the farmers inherited cashew farming business from their ancestors, they are the cultivators under mundkarial rights cultivating cashew trees on Comunidade land.
- vi. Majority of the farmers annual turnover from selling cashew nuts in 2022-2023 is less than Rs 2,00,000 per annum per season.
- vii. Majority of the respondents employed labourers ranging between 5-15, maximum up to 20 labourers per season depending on the area of the land cultivated.
- viii. Majority of the labourers in cashew farming worked between 60-120 days per season.
- ix. Majority of the farmers total average expenditure per season approximates between Rs 1,00,001 -Rs 3,00,000.
- x. The results of the chi-square tests shows that there is no significant association between the variables, numbers of cashews trees owned and profitability of cashew nut business.
- xi. The chi-square tests shows that is no significant association between the variables number of years in cashew nut business and numbers of cashews trees owned.
- xiii. The average amount spent on fertilizer by each farmer is approximately Rs 79,548/- per season in 2023.
- xiv. Major problem faced by the farmers is crop failure due to climatic conditions. Farmers receive very low price per kg on the sale of their cashew produce, as there is no government control on the price per kg fixed by the monopoly of wholesalers/purchasers/retailers.

1.7 SUGGESTIONS

In the light of empirical study, suggestions are proposed to the Government of Goa which will benefit cultivators doing cashew farming business. The following suggestions are recommended to the government for future implementation:

1.7.1 Suggestions to the Government

- i. Government is not involved in fixing the price of cashew nut per kg. Rates of the cashew nuts are quoted by the purchasers without consulting the cashew farmers. The present price of cashew nuts per kg received by the cultivator as on 13th March, 2023 is Rs 123 per kg which is very low. Farmers are forced to sell cashew nuts in the monopoly market to the buyers at the quoted price, earning very low income. Thus, there is an urgent need for the intervention of the government to hike the price per kg of cashew nuts. Farmers are totally dependent on this seasonal income from selling their cashew produce which they earn in from February to May. Cashew farmers from Sanguem and other parts of Goa have urged the government in the year 2023 to fix the minimum base rate for cashew seeds at Rs 200 per kilogram.
- ii. The rates which existed for liquor of cashew some years back did not increase as per the existing market inflation. Cashew liquor production has decreased over the years because expenditure is more than the income. There is no market rate fixed by the government, every producer sells at their own price, thus earning maximum profits at the cost of hard toiling cultivators. Excise department issues license for cashew juice extraction and liquor production but the laws are very complicated. Under the banner of small-scale industry, cashew liquor planation and liquor industry can get benefit from Government of Goa but because of stringent laws they cannot get benefits directly, hence the laws regarding the cashew industry needs amendments by the government. The cultivators should get the opportunity to avail the benefit from the Government to start small scale industries.
- iii. In the past there was a market in North Goa and people would come to sell cashews and liquor, in Mapusa and Siolim market, but this is presently discontinued.
- iv. In the past cashew festivals were organised by the government but only the landlords would participate and avail the government schemes, no benefits were passed on to the cultivators. To solve this issue, government should organize cashew festival for the cultivators who are not the owners but managing the cashew farms.
- v. Most of the landlords sell the cashew farm property to buyers who offer high price other than the cultivators or mundkars without taking the 'No Objection Certificate' from the cultivators or mundkars. Strict action has to be taken by the government on such landlords by amending the laws regards sale of agricultural cashew farm property to protect the interest of the existing cultivators or mundkars. Resurvey of the cultivators should be done by the Government survey department so that those who have cultivated cashew farming business for more than 50 years should be given the legal rights to land.

- vi. In villages there is lack of transportation facilities for the cashew nut cultivators to take their cashew nut produce for sale to the market. The cost of transportation increases in the villages for the farmers. Government through local authorities could arrange for transport facilities so that the farmers could take their cashew nut produce for sale in the market, thus saving time, cost of labour and transportation cost.
- vii. Government should promote organic farming, as nowadays cashew plants do not sustain for long period due to use of artificial fertilizer as compared to ancestors who used organic manure.
- viii. Government should conduct awareness programmes and implement schemes which will benefit the cashew farmers/cultivators. In order to encourage the growth of cashew business, subsidy should be provided by the Government of Goa to the cultivators.
- ix. Government should provide financial support and loans at concessional rate to cashew farmers belonging to lower income category. There is a need for the government to initiate measures in coordination with the financial institutions to give extension period to the farmers to pay the loans specially when there is crop failure.
- x. The officials should be made free from bias- corruption, partiality, and illegal activities through proper inspections. Government should implement permanent and fixed wage system to the cashew workers.
- xi. Special packages should be introduced by the government for securing better working conditions to raise the living conditions of cashew workers. Government should provide ample measures to regenerate the cashew industry for sustaining the socio economic conditions of cashew workers.
- xii. The government should implement the policies and programs especially for the weaker sections of cashew workers for sustaining the industry.

1.8 IMPLICATIONS AND POTENTIALS FOR FUTURE RESEARCH

In the present study there is a considerable scope for future research. The focus of the present study was restricted to four talukas in Goa due to constraint of time. The present study excluded respondents from the cashew nut industry involved in processing of cashew nuts in Goa, hence further studies could be done on the same. The sample size was restricted to 60 due to their busy farming schedule.

1.9 CONCLUSION

If all the above suggestions are implemented then production will increase and benefit will go to the cultivators which is the need of the hour. To conclude, the results of the present study will help the government to implement the proposed suggestions for the welfare of the cashew famers in Goa to fulfil their basic financial needs and improve their standard of living specially for cashew farmers/cultivators who are below poverty line and low-income group.

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