



Impact of Contract Farming on the Income of Farmers: An Empirical Study of Indian Punjab

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ABSTRACT

The continuous decline in groundwater table due to the monoculture of paddy and wheat, heavy use of pesticides to increase in crop yield causing health-related problems, mismatching in demand and supply of produce in terms of quality and quantity, decline in farm income are compelling the farmers and the state government to rethink of agriculture system in Punjab. The conventional cropping pattern seems unfit to cater the demand of modern society. Contract Farming is the hope for farmers' survival in this modern world; hence the paper in hand is an effort to compare Contract Farming and Non- Contract Farming in terms of gross and net income. To achieve the objective, total 497 farmers engaged in both Contract Farming and Non- Contract Farming of four districts of Indian Punjab, namely Amritsar, Gurdaspur, Hoshiarpur, and Jalandhar were involved in the study.

Keywords: Contract Farming, Non- Contract Farming, Gross Income, Net Income, Agriculture, Farmers.

1. Introduction

Small-scale farmers have been found on the verge of danger due to liberalization and globalization in the agribusiness sector (Eaton Charles et al. 2001). They find it difficult to participate in the market economy as it has become very necessary to hold large farms for profitable operations. In response to changes in globalized agribusiness, one can anticipate the small farmers' migration towards urban areas to earn their livelihood. At present, this tendency has been identified in almost every country in the world. Efforts are being made by development organizations and the Government to overcome this problem. Other sources of income generation for rural people are being identified and unfortunately, very little efforts are being made towards this direction. The reason behind the low income of farmers is a lacking of the necessary forward and backward linkage among farmers with market, i.e. farmers and entrepreneurs in rural areas with small investment are lacking quality inputs, modern technology and efficient advice of agriculture experts, cost-efficient production techniques, credit facilities, quality seeds, transport facilities and access to market for their produce.

“Poverty implied problems are the main issue being faced by the poor rural population, which counts around 70 percent of the total Indian population, a major share of this population are poor rural farmers who completely depend on agriculture to earn their *bread and butter*” (Berrebi, 2013). Most of the time farmers are able to make efficient choices if they are given the chance or favorable environment to make decisions for cultivation. More yield does not mean higher income, particularly in a situation where the market is very volatile and prices fluctuate very widely on a daily basis, the market is inefficient, unorganized and, access to market is very limited. The profit margin is very weak

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for a farmer in Punjab as they strongly believe that they are being excluded from the high income generating agribusiness activities. Hence, they find it difficult to earn good income due to their small and uneconomic size of land holding with limited access to quality inputs and other facilities.

India occupies about 4.5 percent of the total water and 2 percent of the land resources of the world, but it provides housing to 17 percent of the world population (Kumar & K, 2008). So the natural resources of India are under high pressure to cater to the need of this population booming. There is a grave need to find some alternatives for transforming agricultural technology to reduce the burden on natural resources for the survival of humanity in the future. The changing lifestyle and diversified human demand have created room for growth and development of the organized agricultural business and processing venture in India, where small farmers will be in a position to fully participate in catering the demand of these agro-processing units which will help pro-rural farmers to earn a good income for their prosperous life. The basis behind achieving this goal will depend on the linkage between farmers, processors, wholesalers, and retailers. The strong supply chain will be the base of agribusiness development. The agriculture sector in India is in miserable condition due to the lack of strong linkage between farmers and companies. Hence this sector is moving through a critical phase, because of the demand-supply gap. The death of 58 farmers in 2016 in the state is a clear indication of the fact that agriculture these days is no more a profitable venture (Khanna, 2016). As per the study by Dr. Gian Singh, Professor of Economics, Punjabi University, Patiala, the farmers in Punjab are under ₹69,000 crore debt (Rambani, 2016). In view of rising debt, inferior quality of seeds, increasing production cost, etc. Contract Farming seems the only option left to the farmers, as every necessary assistance required for the production of specific crops under contract, for example, quality seeds, expert advice, guaranteed to buyback and other extension services will be provided by the companies engaged in Contract Farming (Da, 2005).

1.1 Definition

Contract Farming: “A contractual arrangement for a fixed term between a farmer and a firm, agreed verbally or in writing before production begins, which provides resources to the farmer and/or specifies one or more conditions of production, in addition to one or more marketing conditions, for agricultural production on land owned or controlled by the farmer, which is non-transferable and gives the firm, not the farmer, exclusive rights and legal title to the crop” (Hamilton, 2008)

This arrangement completely depends upon the commitment of the parties involved in the arrangement. The farmers will be committed to supply the quality produce, within a definite time, over predefined price while on the other hand contract company will be committed to buying back the produce following the terms and conditions of the agreement. The concept Contract Farming gives assurance to provide linkage between market and farmers which is why several corporations have involved in agro trading, promoting export, etc. along with a company established a model/system which ensures timely delivery of quality produce within predefined time at low cost.

The participants in Contract Farming are usually large buyers such as food processors and exporters who ensure the sustainable supply of material, which meets certain quality standards and it has been seen that Contract Farming is found to be rare in basic staple foods and is common for industrial crops such as dairy, tobacco, poultry, sugarcane, particularly when these are produced for upper class and upper middle- class group of consumers which are ready to pay premium price for the fine quality products (Minot, 1986); (Jaffee & J, 1994).

The Punjab government has proactively encouraged crop diversification through Contract Farming and the sole purpose of Contract Farming is not only to establish firm farm linkage, but also providing the farmers an assured market for their produce, protecting them from crop failure, ensuring certain minimum remunerative price and help them with credit facilities at low rate of interest with crop insurance, modern agricultural technology, extension services and information related to marketing. These institutional services would help the small farmers to take part in the marketing of a produce which can be sold at premium prices.

Contract Farming seems to be the only solution to the problem being faced by farmers these days and national agriculture policy 2000 has announced that contract Farming will be promoted in partnership with the private companies in the agricultural sector to strengthen the use of modern technology, information technology, and other extension services, so that assured market with a certain minimum price can be provided to the farmers for their produce (Asokan, 2005).

Every country is trying its level best to promote the concept of Contract Farming; even wide assistance has been received by world level international agencies like United States Agency for International Development (USAID), World Bank (WB), International Finance Corporation (IFC) etc. under structural adjustment programs and liberalized policies (Little, Peter, Michael, & Watts, 1994), (White, 1997). The new agricultural policy of India is making efforts to encourage Contract Farming with the participation of private companies in agriculture, which will be helpful for farmers for their better income with more employment to labor in rural areas and food security for the nation (Singh S., 2000). The continuous decline in agriculture growth rate from 5.15% in 1980 to 2.16% in 1990 (Gill & Singh, 2006) and it was just 1.6% during the 2007-2012 (India, 2012). 11th plan (Sharma & Singh, 2014) has shown the miserable condition of the agriculture sector. This picture of declining agriculture growth rate has given birth to crop diversification that has helped farmers fight against the agricultural crisis. Moreover, the changing lifestyle and consumption pattern of traditional food grains to value-added and processed food has played an important role in pushing towards crop diversification (P.S., Joshi, Roy, & Thorat, 2007). Factors like sustained growth in income and urbanization have also contributed towards realizing the need for crop diversification (Pingali & Rosegrant, 1995). The objective of crop diversification can only be achieved with the help of Contract Farming and this concept has been touted as the main player for crop diversification (Punjab G., 2013), (Dhillon & Singh, 2006). In agriculture area the first phase 1971-72 to 1980-81 was considered as the period of Green revolution, second phase 1981-82 to 1991-92 was the beginning of stagnation in farm income and productivity, third phase from 1991-92 to 2000-2001 was known as the period of liberalization. It was 1990 when companies like PepsiCo first time entered in the field of agribusiness in Punjab and started Contract Farming which motivated the farmers to adopt crop diversification. In the fourth phase from 2001-2002 to 2010-11, Government of Punjab took an initiative to promote crop diversification through contract Farming. Therefore the paper in hand tries to find whether entering into Contract Farming is the right step for farmers for their survival. This paper's effort is to identify the right step towards earning sufficient income for their livelihood when it is compared with independent farming or open farming. This paper tries to compare the income of both Contract Farming and Non-Contract Farming cropping patterns so that the best and suitable cropping pattern can be adopted for the sustainable growth of farming and farmers. Along with this, the paper also tries to comprehend the perception of farmers towards continuation of contract Farming.

2. Literature Review

Contract farming along with the rise in income of farmers also contribute towards raising the political, social, public recognition and extension participation of farmers (Sahana S. et al. 2017). Under Welfare efforts of farmers contract farming leads to higher income and adoption of modern production technology among farmers (Marc F. Bellemare et al. 2018). It is also observed that farmers participated in contract farming earned a significantly higher profit and attained improved yield. The study also revealed that major participants in contract farming were Dalit caste farmers with low education and small landholding (Anjani Kumar et al. 2018). Contract farming improved access to high yielding inputs, better extension services, income, and asset accumulation when compared with non-contract farming but on the other hand, companies also charged a high price for the inputs provided to farmers. When compared it was observed that the number of benefits were comparatively more than the losses (Freedom Mazwi et al. 2018). Farmers who cultivated Organic Basmati Rice (OBR) under contract farming got the maximum benefit. Although the yield per acre for OBR was comparatively low they received the higher price for their produce and improved the livelihood of the OBR producers (Mishra et al. 2018). Contract farming can also play an important role in mitigating post-harvest losses and reducing liquidity constraints (Mishra et al., 2016). Contractors play an important role in improving the quality of produce by providing technical know-how and access to quality inputs to farmers which leads to higher income for their produce (Masuka, 2012). Contract Farming also reduces food insecurity among farmers by raising their income (Bellemare and Novak, 2017). The ample pieces of evidence showed the positive impact of Contract Farming on the income of farmers (Wainaina et al., 2012). Smallholder farmers enjoy number of benefits such as access to reliable markets, affordable credits along with access to inputs, new technology and technical know-how under Contract Farming (Le Thi Kim O et al., 2016, Saenger et al., 2013, Prowse 2012, Setboonsarng 2008). Contract Framing plays significant role in increasing the farmers income (Sokchea et al., 2015). It has also been observed that the involvement of small farmers in agricultural value chain and their access to profitable markets is limited (Barrett et al., 2012). The study has shown that microeconomic and institutional policies have given the birth to contractual arrangements which motivated the small farmers' participation in agricultural value chain (Barrett et al., 2012). Contract Farming helps in providing incentive mechanisms for marginal and small farmers towards efficiently resource allocation leading to higher return on production factors (Du et al., 2013; Saenger et al., 2013). The welfare impact of Contract Farming somehow has been observed as controversial as on one side Contract Farming has a positive impact on the income of the farmers (Olomola, 2010; Bellemare, 2012; Wainaina et al., 2012) and on the other side benefits provided by Contract Farming are limited (Glover and Kusterer, 1990). The farmers entered in CF very few of them were poor as they had the access to quality inputs and higher income, especially when they had direct tie-up with firms without the involvement of middlemen (Giel Ton et al., 2018). With the passive role of the Government in raising the standard of living of smallholder farmers, private sector played an active role in access of farmers to modern agricultural technology, technical know-how, credit facilities and marketing of produce (Daniel and Hanson, 2013). Being staple food rice is the primary source of calories for most of the small farmers in India and it plays crucial role in food security among small farmers. Its cultivation is the main source of income among smallholder farmer families which is grown through Contract Farming (Naresh et al., 2013). The study finds that Contract Farming in rice has doubled the farmers' income in Benin and also increased the household income by 17% (Maertens & Vande Velde, 2017). As an institutional arrangement Contract Farming can

help in overcome uncertainties in input, labor, insurance and marketing of output and hence can improve the productivity timely supply of inputs leading to increase in income of farmers (Abebe, Bijman, Kemp, Omta, & Tsegaye, 2013). The study by Giel Tom et al., 2018 observed that farmers participants in the Contract Farming were comparatively wealthier than the non-participants and higher income among participant farmers was observed. Along higher income among participant farmers had also better access to market, technical know-how and other facilities offered by companies. Another study on Contract Farming revealed that not contract farming rather nature of the contract determine the welfare impact of Contract Farming among participant farmers. And it was also observed that Contract Farming also helpful for participant farmers in raising their earning from agricultural produce (Mercy Maiwa Mwambi et al., 2016). Farmers participants in Contract Farming had 1.4 times higher income than the non-participants in Contract Farming (Lighton Dube, 2017). Contract Farming can improve the income of smallholders' farmers as it facilitates the farmers to access the credit and necessary technology for increasing production of various crops, has been discussed by (Glover, 1984). (Goldsmith, 1985) revealed that contract Farming holds positive impact on rural incomes. Almost every case and contract Farming has also led to increase the productivity and cash sales. (Little P., 1994), the study on Contract Farming shows an increase in income of farmers from moderate (30-40%) to a high (50-60%). (Benziger, 1996) and (Singh S., 2000) found that Contract Farming has been used in many ways to increase the income of farmers and improve rural employment. (Key & Ruston, 1999) in their study found that besides increasing the income of farmers, Contract Farming is helpful in creating multiple positive effects on employment, market and infrastructure development in the state economy. (Rangi & Sidhu, 2000) discussed that contract Farming generates almost three times more income in tomato production when compared with wheat, paddy, and potatoes. (Warning & N, 2002) used Heckman selection model to measure the estimated income and found that participation in Contract Farming generated 39% more gross income over non-participation in Contract Farming. In the study discussed by (Tatlidil & Akturk, 2004) analyzed that participant in Contract Farming use more input and technology per acre and generate more income and yield than the non-participants in contract Farming. The gross margin was 13% while the net profit was high when compared with non-contract farmers. (Simmons, Winters, & Patrick, 2005) studied Contract Farming of seed rice, poultry, and maize. They used the Heckman model to control the selection bias and found that poultry and maize significantly generated more income while on the other hand rice did not generate any significantly higher income. They also found in their study that participant in poultry and maize crop through Contract Farming were large farmers. They also concluded that Contract Farming is an important weapon to reduce absolute poverty. (WB, 2007) in their report shared on agriculture discussed that the income of small landholder farmers can be increased through proper utilization of inputs, technical, and technology offered to farmers through Contract Farming. (Mwambi, Judith, Mshenga, & Saidi, 2013) observed that the increase in avocado income of contract farmers in this study can be attributed to the benefits that come along with contract Farming. It could be that contract farmer had better access to technical advice that improved their production in terms of quality and positively influenced household decision making in marketing. Another possibility could be that farmers might have received better prices from contract Farming which led to an increase in avocado income. Further, it is likely that contract farmers had access to the ready market for their produce which reduced post-harvest losses. (Narayanan, 2014) revealed that participation in contract Farming increased the profit of Gherkin among farmers by 21%, papaya farmers' by 32%, poultry farmers by 150%.

3. Methodology

This section deals with the research design, the methodology and the research procedures used in the study. This section also explains the procedure of data collection and the relevant analysis, techniques, and methods. All the problems and issues that have come across during the research process have also been critically discussed. The literary review helped the researcher to understand how farmers perceive Contract Farming. An insight was drawn to analyze the concept of Contract Farming and what sort of opportunities and challenges are faced for its implementation. An insight was drawn to comprehend the prevalence of Contract Farming and its impact on the income of farmers. One-tailed t-test and the simple mean was used with a goal of acquiring prescience into comparison in the income of contract farmers with the income of Non-Contract Farmers and their experience with Contract Farming related issues. The universe of the study comprised the farmers of Punjab State in India engaged in both Contract Farming and Non-Contract Farming. Sampling is related to the choice of a subset of respondents from a statistical population to estimate the distinguishing features of the whole population. In the present study, multistage stratified random sampling technique has been used to collect the data from four districts namely Amritsar, Jalandhar, Hoshiarpur and Gurdaspur as the crops selected under Contract Farming are covering a maximum area under these four districts. Four crops, namely Basmati, Potatoes, maize, and tomatoes have been selected for study as these are the main crops which are being grown in maximum quantity in these four districts of Punjab and same crops are also being grown in maximum quantity under Contract Farming in Punjab. All farmers of these four districts engaged in both Contract Farming and Non-Contract Farming were the respondents for the study at hand. In the view of time constraints, only those farmers have been selected which engaged in both Contract Farming and Non-Contract Farming or they were having the experience of contract as well as open farming as no such farmer has been found who put the whole of his land under Contract Farming due to certain limitations of Contract farming. The survey was conducted in person.

The sample size is an important feature of any empirical study in which the goal is to make inferences about a population from a sample. The proposed sample size for the survey was 500, but total 544 questionnaires were sent to the respondents for compensating the loss of incomplete and unfilled questionnaire. Out of total 544 survey questionnaires, only 497 questionnaires were included in the main study. After due screening and error checking, it was found that remaining 47 questionnaires were either not received back or had blank response. 20 questionnaires out of 47 questionnaires were not received back from respondents, though phone calls were made, but they did not give any positive response and remaining questionnaire had blank answers (Less than 25% of the questions).

After carrying out the screening process 497 responses were considered valid for data analysis. This represents a success rate of 91.36%, which is considered to be good in view of time and cost.

To get the response of the farmers (the respondents), 2 Block/Tehsils/Taluks were selected from each district mentioned above and four villages from each Taluk were selected. While taking into consideration time and cost constraints farmers only with a land cultivation from 6 to 10 acres (medium size farmers) were selected as this group is participating at maximum level in Contract Farming as suggested in a literature review by (Dhillon & Singh, 2006). The Sarpanch of each village was contacted to get the information for the farmers which are engaged in Contract Farming. Hence 32 villages were covered to get the data from the respondents.

4. Objectives and Hypotheses of the Study

In the words of (Singh S., 2005) technological advancement in agriculture through Contract Farming can help in increasing productivity, reducing food prices, generating employment and more income to farmers. (Haque, 2000), (Dileep, Grover, & Rai, 2002) found that net income was much higher under Contract Farming when compared with the independent grower, though the input cost was higher in Contract Farming. Gross return in the production of potatoes under Contract Farming was found to be higher in comparison with Non- Contract Farming in the study on Contract Farming by (Singh R., 2009). (Tripathi, Singh, & Singh, 2005) in their study on Contract Farming of potatoes revealed that potatoes in Haryana also showed a higher return (17-24%) under Contract Farming for growers when the return was compared with the return of Non-Contract Farmers. (Sharma V. P., 2007) discussed in their study that per hectare production was higher (12%) under Contract Farming in comparison with Non-Contract Farming (6.4%) in 2007. Some companies paid a low price for the produce, the reason behind was companies provided the farmers, latest agricultural technology, quality seeds, and other extension services, which improved farm productivity, thereby farmers to get higher net income (Sharma, 2008). (Begum, 2013) estimated that net return gain per bird for the two farming systems. The gross margin and net returns were 18.3 Taka and 17.3 Taka respectively. The study by (Wijesooriya & Champika, 2015) found that the educated small maize farmers earned more net income through forwarding contracts when compared conventional farming system. After reviewing the studies on Contract farming the objective of the study was set to see the impact of contract farming on the income of farmers and their perception towards Contract Farming in Indian Punjab and to achieve the objective the following two alternative hypotheses were formulated:

H₁₁: Gross income earned in *CONTRACT FARMING* is greater than gross income earned in *NON -CONTRACT FARMING*.

H₁₂: Net income earned in *CONTRACT FARMING* is greater than net income earned in *NON-CONTRACT FARMING*.

To check the validation of the formulated alternative hypotheses One-Tailed Paired Sample T-Test was employed at 5% level of significance.

5. Analysis of Farmers' Income Under Contract Farming and Non-Contract Farming and their Perception Towards Contract Farming

The study analyzes the comparison of income in case of Contract Farming and Non-Contract Farming. The mean gross and net income of four crops such as Basmati, Potatoes, Maize, and Tomatoes were compared in terms of per acre under Contract Farming and Non-Contract Farming.

Table 1
Gross Income In Terms of per acre

Crop Type	Gross income per acre (in ₹)		Percent Change	t-value
	Contract Farming	Non Contract Farming		
Basmati	54175.05	49391.39	9.69	4.64*
Potatoes	103476.86	80803.42	28.06	5.13*
Maize	47431.90	33118.56	43.21	3.51*
Tomato	145718.31	115360.56	26.31	7.13*

*Significant at 5% level

Table 1 showed that farmer earned more by growing basmati under Contract Farming. On an average increase in gross income under Contract Farming was found to be 9.69%. This difference between the gross income of contract and Non-Contract Farming for basmati was found to be significant leading to the validation of the hypothesis. The value obtained using one-tailed paired sample t-test was 4.64 which was found to be significant.

A gross income of potatoes was 28.06% more under Contract Farming than Non-Contract Farming. It was ₹103476.86 on an average under Contract Farming per acre per yield and on the other hand, farmer earned ₹80803.42 on an average for the same crop under Non-Contract Farming. This difference between gross income under Contract Farming and Non-Contract Farming was found significant leading to the validation of the hypothesis. The value 5.13 was found significant which was obtained using a paired sample one-tailed t-test.

Maize also generates more gross income under Contract Farming than Non-Contract Farming and on an average maize generated a gross income of ₹47431.90 under Contract Farming while on the other hand, it generated ₹33118.56 as gross income under Non-Contract Farming. Contract Farming generated 43.21% more gross income per acre per yield. The difference was also found to be significant which was obtained through the paired sample one-tailed t-value 3.51 leading to the validation of the hypothesis.

If we talk about tomatoes, it generated a gross income of ₹145718.31 on an average under Contract Farming and ₹115360.56 on an average under Non-Contract Farming. Hence Contract Farming provided 26.31% more gross income than Non-Contract Farming for tomatoes per acre per yield. The paired sample t-value was 7.13 leading to the validation of hypothesis H_{11} as the difference between gross income under contract and Non-Contract per acre per yield was found to be significant.

Table 2
Mean Net Income per Acre

Crop Type	Mean Net Income Per Acre (in ₹)		Percent Change	t-value
	Contract Farming	Non Contract Farming		
Basmati	30706.42	26891.98	14.18	5.14*
Potatoes	72110.99	51345.73	40.44	6.53*
Maize	32761.88	24298.84	34.82	8.34*
Tomato	97335.97	74603.85	30.47	4.67*

*Significant at 5% level

Table 2 showed the data regarding net income earned by farmers for different crops when grown under Contract Farming and Non-Contract Farming and from the data, it can be inferred that net income earned by growing basmati was ₹30706.42 under Contract Farming whereas it was ₹26891.98 under Non-Contract Farming. The increase was approximately 14.18% indicating that the ways of Contract Farming would provide better income than Non-Contract Farming. This difference between net income under Contract Farming and Non-Contract Farming was also found to be significant leading to the validation of hypothesis H_{12} .

The same results had been shown by potatoes, maize, and tomatoes. Net income is also maximum for these crops grown under Contract Farming. The net income generated for potatoes, maize and tomatoes was ₹72110.99, ₹32761.88 and ₹97335.97 on an average respectively under Contract Farming and was ₹51345.73, ₹24298.84 and ₹74603.85 on an average respectively under Non-Contract Farming which was more by 40.44% for potatoes, 34.82% for maize and 30.47% for tomatoes under contract Farming.

The difference between net income under Contract Farming and Non-Contract Farming was found to be significant from the values shown in table 2, obtained by applying paired sample one-tailed t-test leading to the validation of hypothesis H_{12} .

6. Perception Of Farmers Towards Contract Farming

The perception of farmers towards Contract Farming was observed through the following questions that whether they will continue Contract Farming with a specific company in the future and it was also observed through these questions about the experience of farmers with Contract Farming and the role of State Government in the promotion of Contract Farming in the state was also observed.

The Government of India (India, 2012) and (Singh S., 2011) found in their studies that price fluctuation is the main reason behind marketing risk to the farmers. Low prices and faulty procurement system were the main constraints and the reason behind the emergence of these loopholes is the absence of any legal framework (Sharma & Singh, 2013). During the survey number of pros and cons were discussed by the farmers and the tables (3, 4, 5 and 6) show that the perception of the farmers towards the Contract Farming and their continuation of the same. Despite these flaws, most of the farmers revealed they like the idea of Contract Farming and they also want to continue with it.

Table 3
Perception of Farmers towards Benefits of Contract Farming

Sr. No	Statement	Response (%)
1.	Yes	68.00
2.	No	14.45
3.	Can't say	17.55
Total		100

Source: *Field Survey 2017*

As shown in the above table 3 68% farmers that Contract Farming is beneficial experiences which mean it generates more income for them and only 14.45% farmers observed that Contract Farming is not beneficial for them. 17.55% were of the views that they are neutral about the idea of Contract Farming that whether it is beneficial or not.

Table 4
Experience of Farmers with Contract Farming

Sr. No.	Statement	Response (%)
1.	Excellent	2.13
2.	Very Good	6.22
3.	Good	63.78
4.	Fair	19.14
5.	Poor	8.73
Total		100

Source: *Field Survey 2017*

If we talk about the experience with Contract Farming, (as shown in table 4) 8.73% respondents had a poor experience with Contract Farming practices with various companies and 19.14% observed fair, 63.78% farmers replied that they had a good experience with Contract Farming 6.22% and 2.13% farmers observed very good and excellent experience with the Contract Farming practices.

Table 5
Perception towards Continuation of Contract Farming In The Future

Sr. No.	Statement	Response (%)
1.	Yes	63.52
2.	No	33.78
3.	Can't say	2.70
Total		100

Source: *Field Survey 2017*

The above table 1.7.3 also discussed the perception of the farmers towards Contract Farming 63.52% of the farmers were of the view that they were interested to continue Contract Farming practice with companies, while 33.78% were not found interested Contract Farming practices with the companies only 2.70% were found undecided for the continuation of Contract Farming.

7. Conclusion and Implications

Thus, it can be said that there is a huge gap in awareness of urban and rural respondents regarding social advertising campaigns. There is a significant difference between rural and urban population about the knowledge that these media campaigns are known as

social advertisements. The awareness level is found to be more in case of urban respondents for all the advertising campaigns. But the gap in awareness differs from campaign to campaign. The lowest gap is in the case of 'Pulse Polio' and highest is in the case of 'Eye Donation' campaign. But even in urban respondents, awareness is not 100 per cent even for a single social advertisement campaign.

In a nutshell, it can be inferred that generally people like to watch advertisements. They know about the social issues but do not know that these types of advertisements are called social advertisements, especially the rural population. The awareness level of urban people is significantly ahead of rural people. As there is a huge gap between the sensibilities and levels of awareness of the urban and rural population, social advertisements need to cater to them. But, the same types of advertisements are being broadcast for both the urban and the rural population. The advertisements should be framed in a manner that they spread knowledge about social issues among people in general and the rural people in particular.

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