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AN ASSESSMENT OF THE PERFORMANCE OF PRIVATE SECTOR IN SUPPLYING FARM INPUTS

Khalid Mehmood, Muhammad Sidd. Javed, Sofia Anwar & Valid Basit
Department of Agricultural Economics, University of Agriculture, Faisalabad

This study is an attempt to assess the performance of private sector in providing inputs to the farmers. The sample comprised 40 farmers with different farm sizes selected from two villages of Faisalabad district. The findings of the study showed that private sector had large coverage of farmers in providing inputs to them. The factors which mainly influenced farmer's decision to purchase inputs from private sector were availability of inputs on credit, easy access of farmers to inputs and their timely availability. Other factors associated with farmer's preference for purchasing of inputs from private sector were their good dealing, appropriate prices (due to competition among various private agencies), better quality and correct weight of inputs supplied. However, some of the private dealers were reported to be involved in various malpractices and were thus a source of dissatisfaction among farmers.

Key words: performance of private sector, supply of farm inputs

INTRODUCTION

Agriculture remains the single largest sector of Pakistan's economy. It contributes about 24.8 % to GDP and engages about half of the total labour force. It is the largest source of foreign exchange earnings and meets raw material needs of the country's major industries like textiles and sugar (Economic Survey, 1995-96) .However, the basic challenge faced by agriculture sector is to increase farm production at a rate faster than presently required to feed an ever increasing population and to meet the need of raw material for rapidly expanding industrial sector. The sitution demands the modernization of agriculture sector which in addition to irrigation water requires a balanced use of fertilizers and pesticides. Seed also is strategically an important input for the enhancement of agricultural production. The basic genetic capability transmitted through seeds permits the most productive use of inputs such as water, fertilizer, farming technique, etc. Thus, seed enjoys a central position among various agriculture inputs. Its production, certification and distribution to farmers is a basic pre-requisite for increased agricultural production.

Increased agricultural production in Pakistan is mainly the result of intensive cultivation. Continued production of crops on farmland depletes the plant nutrients from the soil. Chemical fertilizers is the most important contemporary technology which has contributed more than any other input to the productivity of crops by making up the plant nutrient deficiency in the soil. Increased use of improved seeds and fertilizers has no doubt enhanced agriculture production but at the same time the use of these inputs paves way (by rendering crop succulent and tender) for higher insect pest infestation. Therefore use of improved inputs may not result in significant increase in production unless accompanied by plant protection measures. However, scarcities of seed, fertilizers and insecticides at a peak demand period are a common feature in Pakistan.In most of the far flung rural areas, the supply of these inputs is neither sufficient, nor timely available. The situation demands that the modern inputs be supplied to the needy farmers timely, in adequate quantity and at low cost through appropriate institutional arrangements. During the period of 1978-83 the input supply system in Pakistan's agriculture involved public and private sectors. However, from 1983-88 till now privatization philosophy has been adopted,limiting the role of state as the facilitator for the private sector . The role of public sector in providing inputs has been limited particularly in its coverage of large scale farmers (CIRDAP, 1992). It has rather been involved in the gigantic task of development and distribution of irrigation water, improvement of drainage, agriculture research and extension, marketing services etc. where private sector feels shy to invest. This paper aims at assessing the role of private sector in the provision of farm inputs used by the farmers.

METHODOLOGY

The study was carried out in Faisalabad district as it fairly represents the conditions prevailing in the Irrigated areas of the Punjab province. The primary data regarding the availability and use of inputs were collected from 40 farmers selected from two villages. A stratified random sampling technique was employed to select the sample villages, located at different distances from the town/city markets. Village-I was located within 10 kilometers and village-II beyond 10 kilometers radius from the center of the city. From each village, 10 farmers belonging to small farm category holding up to 12.f) acres and 10 farmers from large farm categ'ory holding more than 12.5 acres land were selected for detailed data collection. The data were collected by personal interviews with the respondents and pertained to the year 1992-93.

RESULTS AND DISCUSSION

Use of Inputs: Analysis of the data regarding the use of inputs showed that all the sample farmers of both the villages were using fertilizers, while 80 % of small farmers and 90 % of large farmers of village-1 and 60% and 70% of both the categories of village-II respectively used agro-chemicals (Table 1). Only 30% and 60% of the small and large farmers in village-I were using improved seeds respectively, whereas for village-II these figures were 30 and 50% for the small and large farmers, respectively.

On all sample basis, more farmers of village-I were using inputs of agro-chemicals and improved seed i.e. 85 and 45 % respectively as compared to the farmers of village-II, where 65% farmers were using aqro-chemicals and 40% improved seeds. Among farmers with larger size holdings, 80% were using aqro-chemicals and 55% improved seeds as compared to the small farmers of whom 70% used agro-chemicals and 30% improved seeds. These results indicated that size of holding and distance from the town market (supply service) seemed to have direct impact on the farmer's use of modern inputs.

Sources of Purchase of Inputs by the Sample Farmers: Analysis of the data regarding the purchase of inputs showed that 90% of the fertilizer users, 100% of agro-chemicals users and 21 % of improved seed users in case of small farmers and 100% of the fertilizer and agro-chemicals users and 29% of improved seed users in case of large farmers of village-I purchased their inputs from private agencies. In village- II, 100% of the fertilizer and agro-chemicals users and 23 % of improved seed users of small farmers purchased inputs from the private agencies, while 100% of fertilizer and agro-chemicals users and 60% of improved seed users of large farmers obtained inputs from private sector agencies. Other sources of improved seeds were fellow farmers and their own farm-produced seeds. More than 71.00% and 58.82% of the seed users in the case of small and large farmers of village-I used these sources to fulfill their seed needs. For village-II, the corresponding figures were 76.9% and 30.00% respectively (Table 2). These results indicated that tr.e private sector mainly provided inputs to sample farmers of both the villages.

The impact of location on the source of purchase ot inputs is amply clear from Table 2. Farmers of village-II mostly purchased inputs from the private sector as compared to the farmers of village-I, who partly purchased inputs from public sector agencies. It indicated that private sector covers more of small farmers of far off villages than public sector agencies. The public sector despite huge investments, is still far behind in the coverage of farmers for the supply of inputs.

Factors Influencing Farmers Preference for Input Purchase from Private Sector: The main factors which influenced the farmers decision to purchase inputs from private sector were availability of inputs on credit, easy access of farmers to the inputs supply source and their timely availability. Availability of inputs on credit was mentioned as a major reason of inputs purchase from private sector by 38.39% of small farmers and 33.33 of the large farmers of village-I, while these figures for village-II were 33.33 and 48.00% respectively (Table 3).

Among other factors, 20.83% of the large farmers of village-I and 11.11 % of the small farmers and 12.00% of the large farmers of village-II recognized good dealing of most of the private sector in terms of reasonable prices of inputs (due to competition among various private agencies), quality products coupled with their correct weights. These were the main reasons which influenced farmer's preference for the purchase of inputs from private sector (Table 3). On these bases, the respondents considered the private sector an efficient source of supplying farm inputs to them almost at their door step.

As far as the extent of satisfaction with the working of the private sector in the input delivery system was concerned, 70% of small farmers and 50% of the large farmers of village-I and 60% of the small farmers and 40% of large farmers of village-II were

Table 1. Percentage of respondents using various modern inputs at their farms

Input	Village-I			Village-II			Overall sample	
	Small farmers	Large farmers	Farmers village-I	Small farmers	Large farmers	Farmers village-II	Small farmers	Large farmers
Fertilizers	100	100	100	100	100	100	100	100
Agro-chemicals	80	90	85	60	70	65	70	80
Improved seeds	30	60	45	30	50	40	30	55

Table 2. Source of purchase of inputs at the farm level

	Source of purchase		
	Public sector	Private sector	Others
Village - I			
Small farmers			
Fertilizers	10.00*	90	-
Agro-chemicals	-	100	-
Improved seeds	7.14	21.14	71.43
Large farmers			
Fertilizers	-	100	-
Agro-chemicals	-	100	-
Improved seeds	11.77	29.41	58.52
Village - II			
Small farmers			
Fertilizers	-	100	-
Agro-chemicals	-	100	-
Improved seeds	-	23.0	76.90
Large farmers			
Fertilizers	-	100	-
Agro-chemicals	-	100	-
Improved seeds	10.00	60.00	30.00

*All figures have been expressed in percentages,

Table 3. Factors influencing the farmer's preference for purchase of inputs from private sector

Factor	Village - I		Village - II	
	Small farmers	Large farmers	Small farmers	Large farmers
Availability of inputs on credit	38.89*	33.33	33.33	48
Easy access of farmers to inputs	44.44	33.33	33.33	40
Timely availability of inputs	16.66	12.50	22.22	40
Others	-	20.83	11.11	12

* All figures have been expressed in percentages.

Table 4. Level of satisfaction of sample farmers with the p~ivate sources of input purchase

	Fertilizers	,A9ro-chemicals	Improved seeds
Village - I			
Small farmers			
Satisfied	70.00*	50	100
Dissatisfied	30.00	50	-
Large farmers			
Satisfied	50.00	66.66	50.00
Dissatisfied	50.00	33.33	50.00
Village - II			
Small farmers			
Satisfied	60.00	6666	66.66
Dissatisfied	40.00	33.30	33.30
Large farmers			
Satisfied	40.00	57.10	100
Dissatisfied	60.00	42.86	-

* All figures have been expressed in percentages.

satisfied with the working of private source for the supply of fertilizers. In case of agro-chemicals, 50.00 and 66.66% of small and large farmers respectively of village-1 were satisfied with their purchase from private sector. In village-II, these figures were 66.66 and 57.14% in respect of small and large farmers respectively. The rest of the small and large farmers of both locations were dissatisfied with the private agro-chemical supply agencies (Table 4).

In case of improved seed, 100% of the small farmers and 50% of large farmers of village-I and 100% of large farmers and 66.66% small farmers of village-II, were satisfied with the private source of input supply. However, rest of the farmers of both locations expressed their dissatisfaction with this source. Main reasons stated for dissatisfac;tion by farmers of both the locations for the inputs purchased from private sector were, a) exaggerated high prices due to pseudo-dearth created by dealers /suppliers particularly during the peak demand periods. b) adulterated low quality products and c) deceitful weighing and removal of material from original packings.

Conclusion and Suggestions: Despite its weaknesses private sector input supply system is still preferredbv the farmers. It is the main source of supply of various farm inputs for small farmers and those located in far flung rural areas. To improve the private sector input delivery system, all possible assistance should be given through its access to credit and other facilities. Government supervision is must to eliminate malpractices such as charging high prices, creating shortage especially during peak demand periods and adulteration of seed and agro-chemicals. ,In this respect strict regulations should be enforced and implemented. Awareness among farmers should be developed so that they can save themselves of any undue exploitation by unfair dealers of farm inputs.

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