

# Improving the supply chain efficiency of marigold through contract farming

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## ABSTRACT

This study focuses on performance of marigold supply chains in contract and non-contract farming by analyzing primary data collected from randomly selected 50 contract and 50 non-contract farmers of Sathyamangalam block in Erode district through personal interview method. The results revealed that efficiency of supply chain (channel I and II) in non-contract farming were affected by exploitation of middlemen, lack of assured price, timely availability of inputs, lack of advanced technologies (farmers) and access to raw materials (processors) and higher retail price (consumers). The contract farming system improved the efficiency of supply chain by eliminating the above constraints and the farmers were getting higher net price in contract farming channel III. Assured price, higher yield and return were the important reason for participation in contract farming. Labour problems and lack of insurance cover were the major problems faced by the farmers in contract farming system.

**KEY WORDS :** Contract farming, Supply chain, Market channel, Price spread, Marketing efficiency

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