

Backward Integration: Impact on Resource Use Efficiency and Problems Under Chilli Farming

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ABSTRACT

The present study focussed on the impact of backward integration on resource use efficiency and problems faced by the chilli farmers. Under integrated chilli farming, human labour and irrigation are showing a positive significant effect on output. whereas, fertilizers and plant protection chemicals are showing a negative significant effect on output. Under non-integration chilli farming, seed, manures and irrigation are showing positive significant effect on output. whereas, human labour, manures and plant protection chemical are showing negative significant effect on output. Difficulty in meeting quality parameters, low/excess production of chilli and pressure for maintaining quality of produce are the major problems faced by the integrated farmers. The major problems faced by chilli firms are farmers negligence in maintaining quality, frequent price fluctuation in the market and low productivity. The major problems faced by the non-integrated farmers are low production, high cost of cultivation and non-availability of quality seed.

Keywords: *Backward integration, chilli farming, Resource use efficiency*