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FARMERS SATISFACTION TOWARDS PERFORMANCE OF APMC

[With reference to Shimoga APMC]

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ABSTRACT

Agriculture plays a crucial role in the development of the Indian economy. The prosperity of the people in India is, very much interrelated with progress in her agriculture in view of the predominantly agrarian character of the economy (Mani 2007). It accounts for about 18 per cent of GDP and still about two third of the working population depends up [on this sector for their livelihood. Any change in agriculture production and productivity creates spill over effects on other sector and all over growth rate of growth rate of the economy. Agriculture development depends upon a number of factors- favourable monsoons, availability of irrigation, high yielding seeds, credit etc, however the adequate and timely availability of credit is the crucial factor which augmenting agriculture production and productivity

The objectives of an efficient marketing system are to enable the primary producers to get the best possible returns, to provide facilities for lifting all produce, the farmers are willing to sell at an incentive price, to reduce the price difference between the primary producer and ultimate consumer and to make available all products of farm origin to consumers at reasonable prices without imposing on the quality of the produce.

The policies, programmes and actions of the government in its efforts to develop and modernize the marketing system for rural area are mainly in three directions:

1. The institutionalizing of agricultural marketing by facilitating the formation of co-operative marketing societies;
2. Regulation of markets for various agricultural products designed to minimize or eliminate unfair trade practices; and

3. Direct involvement of the state in the marketing of certain agricultural products.

In order to improve the marketing system along these three lines, certain steps have been taken as encouraging co-operative marketing, establishment of regulated markets, and grading, storage and warehousing. In this connection the role of the agriculture produce marketing committee (APMC) pivotal in promoting the agricultural market.

KEYWORDS: *Agricultural Marketing, Farmers, Price, Board, Perception.*

INTRODUCTION

Agriculture in India was practiced formerly on a survival basis; the villages were self-sufficient, people exchanged their things, and services within the village on a negotiation basis. But with the advancement of means of transport and storage facilities, agriculture has become commercial; the farmers grow only those crops that earn more money. Marketing of agriculture produce is considered as a vital part of agriculture, since and agriculturist is encouraged to make more investment and to increase production. Thus, there is an increasing awareness that not only to produce a crop or animal product, but also be marketed as well.

Agricultural marketing involves in its simplest form the buying and selling of agricultural produce. This definition of agricultural marketing may be accepted in olden days, when the village economy was more or less self-sufficient, when the marketing of agricultural produce presented no difficulty, as the farmer sold his produce directly to the consumer on a cash or barter basis. But, in modern times marketing of agriculture produce is different. In modern marketing, agricultural produce has to undergo a series of transfer or exchanges from one hand to another before it finally reaches the consumer.

AGRICULTURAL PRODUCE MARKETING COMMITTEE [APMC]

Agricultural market in most parts of the country is establishing and regulated under the state APMC Acts. The whole geographical area in the State is divided and declared as a market area wherein the markets are managed by the

Market Committees constituted by the State Governments. Once a particular area is declared a market area and falls under the jurisdiction of a Market Committee, no person or agency is allowed freely to carry on wholesale marketing activities. The monopoly of Government regulated wholesale markets has prevented development of a competitive marketing system in the country. The agricultural produce marketing Committee is a marketing board established by the state government of India. The state government in order to facilitate farmers to sale their produce and get a reasonable price, constituted by APMC in many towns. Most of the APMC have market yard where traders and other marketing agents are provided godowns and shops for purchase of agriculture produce from formers. Formers can sell their produce to agents or traders under supervision of APMC.

The ,major functions of the APMC are: grant, renew, refuse, suspend or cancel license; provide the necessary facilities for the marketing of agricultural produce within the market; regulate and supervise the auctions of notified agricultural produce in accordance with the rules and the bye-laws; maintain and manage the market including admissions to and conditions for the use markets; regulate the making carrying out and enforcement or cancellation of sales, weighment delivery and payment to be made thereof; promote and organize grading and standardization of the agricultural produce; take measures for the prevention of the purchase and sales below the minimum support price as fixed by the government from time to time and provide storage and ware housing facilities in the market area.

The APMC generates many benefits to the farmers community they are farmers get fair price (MSP) for the produce as the intermediaries are not able to indulge in malpractice; correct weighing for agricultural produce; maintenance of daily list of prices of commodities for the benefits of formers and immediate payment after disposal of the produce (within 24 hours). Government organized marketing of agriculture in the country through the network of regulated markets established under the provisions of the Agriculture produce market Act enacted by the states and union territories. As on 31-03-2010 the market covered under regulation is 7177 in India. In addition there are 27924 rural periodical markets or hats, about 15 percent of these in markets have been brought under the ambit of the regulation.

The Karnataka State Agricultural Marketing Board was established on 1st September 1972 as per section 100 of the Karnataka Agricultural Produce Marketing (Regulation and Development) Act, 1966 and Rules 1968. The Board acts as a liaison agency between the Market Committees and the Government of Karnataka for all round development of agricultural marketing in the state.

OBJECTIVES OF THE STUDY

1. To identify the arrivals of total production in to APMC market and variations in the prices of the commodity over the years.
2. To find out the perception of the farmers about the performance of the APMC.
3. To identify the problems in marketing of agriculture product at the market level.
4. To study the formers satisfaction towards services provided by APMC.

METHODOLOGY

The study is based on both primary and secondary data. The primary data were collected from the selected farmers and traders through

the structured interview schedule and necessary secondary data were collected from various government reports, journals and periodicals. The study is confined to Shimoga APMC among the 7 taluks of Shimoga district of Karnataka state. The reason for this is to the fact that it has an easy access to various prominent marketing centers both within and outside the state. The purposive stratified random sampling method is adopted. The total sample size of the study was about 100 farmers, those who are the customers to Shimoga APMC.

SHIMOGA APMC

The APMC in Shimoga is situated near to 206 National Highway. APMC has 35 acres of total land area, in which built up area nearly 30 acres. The total number of shops in the APMC is nearly about 675 and 2 warehouses. In a year around, 112 agricultural commodities are traded in the APMC. Areca nut and Paddy, Maize, Ginger and number of Vegetables, Chilly Ragi, Jower Cotton and others traded in the APMCp [remises. The nature of trading of the agricultural commodities is traded tender system, auction sales, direct marketing and commission agents system. The total number of Traders is 537, Stockist 502, Processor 47, Commission agents 270, Exporters 537 and Importers 492. Number of Rice mills 47, Average daily dispatch to outside market during season period 6,500 quintols. The regulated committee consist of a president, 10 members and secretary to perform necessary function of the APMC.

ANALYSIS AND INTERPRETATION OF DATA

Ten major commodities traded in the APMC and their arrivals and their percentage during the last five years given in Table-1

Table-1 Arrivals of major commodities to APMC Shimoga.

Sl. No	Commodities	2008-09		2009		2010		2011		2011-12		2012-13	
		Quantity Kg	%	Quantity Kg	%								
1.	Areca Nut	534770	41.68	395518	24.05	462823	39.33	506309	23.38	464695	21.12		
2.	Paddy	314961	24.55	431733	26.24	491465	25.33	557313	2.65	485887	22.09		
3.	Rice	20786	1.62	54838	3.00	46149	2.38	91400	4.22	98721	4.48		
4.	Maize	408241	31.81	739498	44.96	884143	45.59	979068	45.21	1114540	50.67		
5.	Ragi	2858	0.22	3235	0.19	3166	0.16	6244	0.29	3368	0.02		
6.	Jower	123	0.01	51	0.01	152	0.01	93	0.01	245	0.01		
7.	Vegetables	1594	0.13	11420	0.09	12295	0.63	---	---	20473	0.91		
8.	Cotton	---	---	8529	0.52	39333	2.02	25109	1.16	11411	0.50		
9.	Total	1283333	100	1644822	100	1939526	100	2165536	100	2199340	100		

Source: Data collected from APMC Shimoga.

Table No-2 Adequacy of storage facility of Marketing Functionaries

Sl.No	Opinion	Direct Dealer	Dealer	Sub Dealer	Total
1.	Yes	02 (100.00)	25 (75.76)	04 (26.67)	31 (62.0)
2.	Not bad	---	08 (24.24)	05 (33.33)	13 (26.0)
3.	No	---	---	06 (40.0)	06 (12.0)
	Total	02 (100)	33 (100)	15 (100)	50 (100)

Source: Data collected through field survey.

Note: Figures in parentheses indicate column percentage.

From table No. 2 It is observed that 62 per cent of the respondents have opinion that godown facilities are good as they make use of their own godown. 26 per cent respondents have opined that godown facilities are not bad. 40 per cent of sub dealers have no godown facility as they make use of dealer's godown or friends, etc. It shows that direct dealers are satisfied with storage facility.

Table: 3 Classification of Marketing Functionaries According to the Problems of raising Finance.

Sl.No	Problem of raising Finance	Direct dealer	Dealer	Sub Dealer	Total
1.	Government policy	---	---	---	---
2.	Lack of co-operation from banks	01 (50.0)	05 (15.15)	06 (40.00)	12 (24.00)
3.	High rate of Interest on Borrowing	01 (50.0)	05 (15.15)	03 (20.00)	09 (18.00)
4.	Security problem	---	06 (18.18)	01 (6.67)	07 (14.00)
5.	More than one problem	---	17 (51.52)	05 (33.33)	22 (44.00)
	Total	02 (100.00)	33 (100.00)	15 (100.00)	50 (100.00)

Sources: Data collected through field survey.

Note: Figures in parentheses indicate column percentage.

It is noted that Table 3 shows that 80 per cent of the marketing functionaries raise finance from different source like own capital, loan from Banks, co-operative banks, money lenders, etc., whereas 20 per cent exclusively do their business on their own finance. The survey also revealed that the functionaries pay interest in the range of 15 per cent to 19 per cent on their borrowings from banks and 24 per cent to 36 per cent interest on loans taken from money lenders.

Table 4 Adequacy of transport facilities of Marketing Functionaries.

Sl.No	Opinion	Direct dealer	Dealer	Sub Dealer	Total
1.	Yes	02 (100.00)	26 (78.79)	02 (13.33)	30 (60.00)
2.	Not Bad	---	07 (21.21)	09 (60.00)	16 (32.00)
3.	No	---	--	04 (26.67)	04 (5.00)
	Total	02 (100.00)	33 (100.00)	15 (100.00)	50 (100.00)

Sources: Data collected through field survey.

Note: Figures in parentheses indicate column percentage

PERFORMANCE OF SHIMOGA APMC

To know the performance of the Shimoga APMC, the selected farmers were asked their perceptions about the Performance of Shimoga APMC. The same is depicted in table No 5.

Table No. 5 Farmers perception about the performance of Shimoga APMC

Sl. No.	particulars	Satisfied	Dis satisfied
1.	Regulated Markets	84	16
2.	Co-operative market	12	88
3.	APMC Act	80	20
4.	Supervising in market	60	40
5.	Payment to farmers	60	40
6.	Varies in payment	40	60
7.	Facilities provided by APMC	80	20

Sources: Data collected through field survey.

It is clear from the chart-2 that, 84 per cent of the respondents have preference for regulated markets, followed by co-operative markets with 12 per cent. Regulated markets have many positive points as compared to other market. Almost 80 per cent respondents have fair idea about the APMC act and 80 per cent of them are happy with the procedure followed in APMC. About 60 per cent of the respondents are satisfied with the supervision in the market. With regard to the payment made to the farmers, 60 per cent of them say they got the payment on the same day and 40 per cent of them opined that payment varies in 1-15 days. About 80 per cent of them are happy with the facilities provided in the APMC. The Shimoga APMC uses modern weighing machines and farmers are happy with it. Farmers are getting fair prices further produce, though they are happy with the operation of the APMC system but have little displeasure.

FACILITIES REQUIRED FOR AGRICULTURAL MARKETING

In order to have best advantage in marketing of his agricultural produce the farmer

should enjoy certain basic facilities like he should have proper facilities for storing his goods, he should have holding capacity, in the sense, that he should be able to wait for times when he could get better prices for his produce and not dispose of his stock immediately after the harvest when the prices are very low, he should have adequate and cheap transport facilities which could enable him to take his surplus produce to the market rather than dispose it of in the village itself to the village money-lender cum-merchant at low prices he should have clear information regarding the market condition as well as about the ruling prices otherwise may be cheated and lastly the number of intermediaries should be as small as possible, so that the middlemen profits are reduced. This will increase the returns to the farmers.

GOVERNMENT ROLE

In India, the state is now playing an important role in agricultural marketing. Agricultural price policy, setting up of Regulated markets, the purchase of products directly by the government through the food corporation of

India etc, come under the subject matter of rural marketing. An efficient system of marketing essential for the economic development of a country. Marketing becomes an important instrument in improving the income of the individual producers of all categories, apart from meeting the requirement of the customers.

The policies, programmes and actions of the government in its efforts to develop and modernize the marketing system for rural area are mainly in three directions:

1. Institutionalizing of agricultural marketing by facilitating the formation of co-operative marketing societies;
2. Regulation of markets for various agricultural products designed to minimize or eliminate unfair trade practices; and
3. Direct involvement of the state in the marketing of certain agricultural products.

In order to improve the marketing system along these three lines, certain steps have been taken as encouraging co-operative marketing, establishment of regulated markets, and grading, storage and warehousing. In this connection the role of agriculture produce marketing committee (APMC) pivotal in promoting the agricultural marketing.

PROBLEMS IN MARKETING OF AGRICULTURAL PRODUCTS

The main problems or defects in marketing system in Shimoga are as under:

(1) Low quality of produce. The production of agricultural goods is generally of low quality due to absence of grading, indifferent use of seeds, pests and diseases, deliberate adulteration etc. The agricultural produce like cotton, rice, does not enjoy good reputation in the foreign market. As such the cash returns to the producers are low.

(2) Costly transport facilities. The transport system which consists of roads, network, railways, air transport, ports and shipping services is not only inadequate but also very costly for the transportation of the bulky agricultural goods from one place to another. Marketing costs take a too high share of the final price.

(3) Lack of market knowledge. The farmers mostly being illiterate do not have detailed market knowledge as to when how and where the goods are to be sold. They therefore do not get a fair return of their produce.

(4) Chain of middlemen. There is a long chain of middlemen or intermediaries who are engaged in handling of the farm produce from the grower on to the consumer. Each of these intermediaries takes their own margin and thereby diminishes the return of the cultivator.

(5) Multiplicity of charges. There are a number of unjustified charges which the farmer has to pay in the market. These charges like commissions, collie, masjid fund flood fund etc are a burden on the seller. The other charges like octroi duties toll taxes are also paid by the farmer while transporting goods to the market.

(6) Lack of storage and warehousing facilities. There is no or inadequate storage facilities at the farm level or in the houses of the farmers to store the surplus produce. They therefore have to sell the produce immediately after the harvest which brings reduced prices. The warehousing facilities in the markets are also insufficient and expensive.

CONCLUSION

It is said that production, processing and marketing are the three pillars of the agricultural economy in India. In marketing policies, it is necessary to throw some light on the peculiarities of the agricultural produce. Infrastructure facilities such as roads, transport, storage, etc. are very much inadequate in rural areas. An efficient agricultural marketing is essential for the development of the agricultural sector as it provides outlets and incentives for increased production, the marketing system contribute greatly to the commercialization marketing system contribute greatly to the facilitate varying models of ownership of markets to accelerate investment in the area and enable private investment in owing, establishing and operating markets. Working of existing Government regulated markets also need to be professionalized by promoting public private ownership in the management. Appropriate legal framework is also required to promote direct marketing and contract farming arrangement as alternative marketing mechanism. Therefore, there is a need to formulate new model policies for agricultural market.

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