CHAPTER VII

CONCLUDING OBSERVATIONS
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The district of Bhandara, known as 'RICE BOWL OF VIDARBHA' is the main supplier of rice to the State of Maharashtra and other States too. Having a positive physiographic character for cultivation of rice, its economy is totally based on the production of rice.

Considering the objectives of the study, various aspects of the marketing of paddy and rice in the district have been broadly examined and following hypotheses have been tested: (i) the farmers, mostly small and marginal, do not get a fair return for their produce because of defective marketing system; (ii) the well-organised middlemen are still exploiting the paddy producers by adopting various mal-practices; (iii) the marketing co-operatives have failed to gain popularity among the farmers and have achieved only limited success in securing remunerative prices for the farmers. Their concentration on distributional operations had badly affected their functioning; (iv) the regulated markets have failed to attract the common farmers, they still prefer village markets for conducting their selling operations.
The point of analysis is to ascertain the role of regulated markets and marketing co-operatives, particularly and other factors in general, have been kept, as an aim to fulfil the objectives of the study. It will not be out of place to mention here that the study is not only concentrated to find out shortcomings but also deeply examines the effects of remedial measures implemented thereto. With an aim to give a practical shape to the study, information regarding different aspects of marketing of rice has been collected from individuals and various agencies by arranging surveys, interviews and discussions through a specially designed questionnaire. The highlights of the study, along with the author's concluding observations and specific remedial solutions have been briefly pointed out in this chapter.

**PRODUCTION AND MARKETABLE SURPLUSES:**

The Bhandara district is amongst the backward, districts, particularly from the point of view of per acre yield and method of cultivation. The methods and practices of paddy cultivation prevailing in the district are mostly traditional. Except the use of fertilizers and improved seeds no other improved techniques are popular among the farmers. The villages are comparatively small in size and the major portion of the population of the villages is found engaged in paddy cultivation only. The proportion
of small farmers is comparatively higher in the total rural population. There is a considerable inequality in the distribution of land too. The single cropping pattern is widely adopted. Only in limited areas, where adequate irrigation facilities are available, double and triple cropping patterns have been adopted. The local variety of paddy is mostly sown by the farmers. It covers about 90% of the total paddy area. The high yielding varieties are generally sown in summer or rabi season only. The district is still lagging far behind in the field of irrigation. The per hectare production of paddy is comparatively lower than the other paddy growing districts of Western Maharashtra. The size of marketed surplus is also comparatively lower. It has been estimated at 44%, 40% and 35% of the total production for the small, medium and big farmers, respectively.

Looking at the importance of paddy in the economy of the district, it is quite essential to increase the productivity per hectare, by implementing various steps to popularize modern methods of paddy cultivation among their farmers and to expand irrigation facilities. The benefits of various developmental schemes are not shared by the small and marginal farmers. It is, therefore, suggested that adequate efforts should be made by the concerned agencies towards proper implementation of various developmental schemes. The production of paddy may
also be stepped up by promoting double cropping pattern in the maximum cultivable areas. Considering the complexity of the problem, various steps related to technological, economical and social aspects should also be taken up.

Every increase in the production of paddy ultimately influences the marketable surplus of the producers. It also increases the income of an individual farmer and generates extrac energy for the overall development of the economy. Proper award for every increase in production is one of the pertinent steps. This can be done by ensuring remunerative prices. In order that the farmers may contribute their best for stepping up production programmes they should be ensured of proper consideration and every step should be taken to pay them optimum rewards. It will certainly provide an incentive to them to regard agriculture as an industry, rather than a mode of life.

VILLAGE- SALE AND ROLE OF INTERMEDIARIES:

The marketing of paddy starts at village level when a cultivator brings his paddy to the local rural market for sale. It is observed that more than 90% of the total marketable surplus is assembled in village markets or nearby unregulated markets. Only 5% to 10% farmers bring their paddy to the regulated markets. The village-sale is governed by various superfluous middlemen who are well-organised and well-equipped. On the other hand, the
producers are unorganised and scattered. There is no agency which may guide them and protect their interests. They are ultimately exploited by the organised sector of middlemen. The existence of long and strong chain of middlemen further reduces the effective share of the cultivators in the sale proceed.

The village sale is more prevalent among the small and medium farmers. They generally sell their major portions of paddy immediately after harvest in the glut market comparatively on lower prices. They do not keep sufficient amount of paddy even for their domestic use. This is very surprising to note that in many cases the small farmers buy their own produce from the market on higher prices as a consumer. Actually, they sell on lower prices and buy on higher prices. This complexity of the problem should be removed by organising farmers and making available suitable marketing facilities at village level on logical and reasonable rates.

As regards marketing infrastructures, the study reveals that the infrastructural network for the marketing of paddy is very weak and deficient in the district. After a long period of planning, the district is still lagging far behind in infrastructural facilities - such as transportation, storage, warehousing, financing, processing etc. particularly in rural areas. It resulted into huge losses to the producers. The producers fail to avail the benefits of price differences of time and place
because of inadequate storage and transportation facilities. The district covers only 3.5% of the total road length of the State. The unscientific and traditional bullock carts, having many technical deficiencies, are the popular mode of transport for carrying paddy and other farm produce to the market. Many remote villages do not have facilities of even kachha roads. They have only a lanes or tracks which are cut off from all connections with the marketing centres during rains. Bad conditions of village roads bring worse strains on bullocks and increases the transportation charges. With a view to expanding marketing activities in rural area, the facilities of road transport should be further extended. High priority should be given to the programmes pertaining to the construction of all weather roads in remote areas particularly in the 20 years-road-development plan of the district. Similarly, the uses of rubber-tyred bullock carts as well as tractors should also be popularized among the cultivators. In this direction too, marketing co-operatives may play an important role by providing credit facilities either directly or through other credit providing institutions for purchase of improved carts and tractors.

It has been observed that the producers generally do not pay proper attention for the preparation of paddy and other agricultural produce from the marketing point of view.
The practice of adulteration by mixing inferior grains and foreign matter by the producer and many times by traders too, has also badly affected the rice marketing system of the district. It is a great set-back that besides growing some fine qualities of rice, the district has not developed any standard grade which may be popularly and commonly acceptable throughout the country for commercial transactions. With a view to ascertaining remunerative prices to the cultivators for their produce the defects of the grading systems are required, to be removed from the marketing scenario of the district. This may be done only by changing the attitude of the farmers towards grading. They should be properly explained about the techniques and benefits of scientific grading. If needed, demonstrations of various grades and their grading methodology should also be arranged. The services of marketing institutions may be utilised for this purpose. They should propagate its advantages and also provide necessary facilities to the farmers. With a view to popularizing the grade, the commonly acceptable norms should be fixed and uniformity must be maintained in determination of the grades. The practice of adulteration may also be controlled by popularizing grading among the cultivators.

The weighing system prevailing in the district is traditional and unstandardised. The Kudo and Payli have
still maintained their supremacy over the metric system, particularly in the rural areas of the district. The existing system should be rationalised. With a view to rationalising the weighing system in the rural area, the deteriorating effects of non-standardised weights and measures should be explained properly to the cultivators and they should be convinced to adopt metric weighing system for safeguarding their interests.

So far as the storage is concerned, it has been observed that the traditional method of storing paddy in self-made 'Kothis' and 'Dholis' are still in practice. These indigenous methods do not adequately protect the paddy and other produce from damp, weevils, rats and other vermins. The losses due to such unscientific storage have been estimated between 5% to 6% of the paddy stored. At the same time the warehousing facilities provided by the State and Central Warehousing Corporations have also not become popular among the cultivators mainly because of high rental and transportation charges and weak retention capacity of the farmers. The regulated markets and marketing co-operatives have not played any significant role towards this direction. On the other hand, it has also been observed that the available storage facilities have not been completely utilised by the farmers. It is seen that only a few big
farmers and traders utilise the existing facilities of warehousing. Often godowns and warehouses have to remain vacant for lack of customers. The small farmers do not derive any advantage from existing warehouses, probably, because, they do not have enough paddy. The influential village traders mostly discourage the farmers for using modern warehousing facilities because of their vested interests in purchase of recently harvested paddy. At this stage, the attitude of farmers towards modern storages and warehouses needs to be changed. They should be convinced about the utility of warehousing by organising practical demonstrations throughout the district. The State Government should also supply useful metallic bins on cheaper rates to the small farmers through co-operative marketing societies. The State warehousing Corporation and other marketing institutions should also divert their warehousing schemes towards rural sector in the district.

The farmers, particularly small and medium ones, are facing crucial problems of non-availability of adequate finance for marketing purposes. They are still in the grip of money-lenders who exploit them by adopting various tactics. The way they charge interest is most undesirable and their compound rate system ultimately
ensnares the poor farmer for ever. Dissatisfactory and unapproachable bank credit has also placed money-lenders in a commanding position in the rural credit scenario of the district. The banks have mostly concentrated their credit facilities on the big farmers only. But they do not provide credit facilities for marketing purposes. One more interesting point has been also observed that despite having easily available loan facilities from the money-lenders and other non-institutional sources, the farmers have shown their preference for bank credit. It shows that there is an ample scope for organised rural banking in the district. If the banks, co-operative and commercial both, make themselves easily accessible to the farmers, by shortening much of their existing formalities and redtapism, they may be able to eradicate money lenders from the credit scenario of the district. With a view to rationalising credit programme in a more realistic and efficient manner, it is suggested that bank should review their present credit policies and streamline their lending and recovery procedures from the common cultivators point of view. Similarly, the cooperative credit structure is also needed to be made more strengthened by organising and rationalising more and more credit co-operatives. The marketing and credit cooperatives, if work together in a well-coordinated manner, may be able to make it more useful and easily approachable.
The market intelligence system prevailing in the district is also found inadequate and ineffective. There is no reliable agency in the district which can furnish the accurate informations relating to market prices. The Government and semi Government information agencies are also not doing well in this respect. The farmers mostly obtained such type of information either from village and itinerant traders or from their colleagues. The information supplied by them is usually inaccurate and inadequate in nature. It does not safeguard the interests of the farmers. The absence of market intelligence ultimately resulted into heavy loss on the part of the farmers. With a view to ensuring remunerative prices to the cultivators, efficient and reliable market information services are to be established atleast at Panchayat Samiti level. Proper arrangements are also to be made for its circulation among the farmers, particularly after harvesting. The regulated markets and marketing cooperatives should also be involved actively in disseminating the market information service. They should instal price notice boards at all the vantage points. They, particularly APHCs, should also publish their annual reports and circulate them among the farmers. The services of audio-visual medias, such as radio and television may also be utilised for broadcasting daily market news and other related programmes.
Rice is either processed by hand-pounding or by machine milling. Handpounding is a traditional method and is gradually disappearing in the district. It may be seen in only those remote areas where machine milling facilities are not available. The district has three types of machine milling plants viz. huller mills, hulker-cum-sheller mills and rubberroll sheller-cum-parboiling plants. The former is mostly located in rural areas, while the latter two are mainly located in semi-urban and urban areas only. As regard processing, one interesting point to worth noting is that about 80% to 85% of the total production of paddy is processed by parboiling method only. Par-boiled rice is not consumed by the local people. It is prepared for export to other states only. The state of Tamilnadu, Kerala, West Bengal and Bihar are the main purchasers of parboiled rice.

The rice milling industry in the district is dominated by the private rice millers and traders. The rice traders generally own a rice mills. They hold a commanding position by operating more than 85% to 90% of the total milling and trading business of rice in the district. On the other hand the cooperative sector has not made any significant position in this respect. The traders and rice millers also hold dominating position in the management of cooperative
rice mills also. As there is no restrictions on the membership of the cooperatives. Hence they may easily get the membership and maintain their supremacy over all other members. They mostly join cooperatives to fulfil their vested interest only.

On the other hand, dissociation from marketing cooperatives and non-participation in the direct marketing of paddy and rice have also affected their business. Thus, the cooperative rice mills have failed to acquire full status of an ideal cooperative because of their unrealistic and unremunerative business policies. It is, therefore, suggested that cooperative rice mills should come forward like a trader with a practical approach. They should formulate realistic and remunerative business policies with the coordination of marketing cooperatives and adopt the organisational pattern of cooperative sugar mills of Western Maharashtra. They should modernise their milling units by installing rubberroller automatic par-boiling plants and plan systematically to participate in the export trade of parboiled rice. This is the only way by which marketing and processing cooperatives may compete successfully with the well organised traders and rice millers and safe-guard the interest of poor farmers.
There are several other problems which the private and cooperative rice mills, both face, such as, inadequate supply of paddy for milling, non-utilisation of installed capacity, cut-throat competition amongst them, non-utilisation of by-products, lack of finance etc. Above all, the problem of inadequate supply of paddy has broadly affected the economic structure of rice mills. Continuous and timely supply of paddy is always necessary for the maximum utilisation of their existing capacity. But the total paddy produced in the district is inadequate to meet the requirement of the rice mills. Adequate supply of paddy may only be possible either by increasing the production in the district itself or by importing paddy from adjacent areas of Madhya Pradesh. Presently, the import of paddy would not be possible because of various restrictions placed by the Government of Madhya Pradesh on the movement of paddy across the border. Similarly, it would not be economical because of high transportation charges. So the ultimate solution lies only in raising production to the maximum possible extent in the district itself. The problem of cut-throat competition amongst them and non-utilisation of by-products may be solved up to some extent by organising trade associations and industrial cooperatives. These associations would workout certain schemes for reducing competitions and setting up satellite industries by utilising by-products. To save their financial problems bank credit should be provided to them on easy terms.
and conditions. The State Government should also help them, particularly to cooperative rice mills by granting loans and subsidies either directly or through other agencies.

**PRICE POLICY AND COST OF PRODUCTION**

The paddy growers particularly small and marginal are still not getting remunerative prices for their produce mainly because of defective marketing and price policies. With a view to testing this hypothesis the cost structure and price policy of paddy and rice have been also broadly examined in this study. The study reveals that there is a considerable difference between the cost of production and the price received by a producer for his paddy. It has been found that the cost of production is higher than the procurement price of paddy too. The difference is comparatively high in case of the cost of production of small farmers. They usually pay more but get less. Even the procurement prices announced by the State Government do not always go with interest. They have demanded a considerable increase in the prices of paddy on the basis of their increased production cost.

Following their dissatisfaction, the farmers often feel, that the procurement prices, as earmarked, are inadequate to cover the cost of production. Though it
is increased every year and the gap between both has been considerably narrowed down. In spite of this it is often felt that it is not sufficient to offset the increase in the prices of inputs like fertilizers, seeds etc. The small and marginal farmers are the worst sufferers of the present price policy. Due to their uneconomic size of holdings their cost of production is generally higher than the big farmers. Similarly, their defective sale policy, particularly selling in the local village market, immediately after harvesting, also put them in heavy loss, because at this juncture the prices are comparatively lower. If they wait for some time and take their paddy to the regulated market where the prices are comparatively higher then only they may receive remunerative prices. But they generally do not wait for the price rise and do not go to regulated markets. Even the procurement prices do not safeguard their interest because many of them do not know about it. They play in the hands of village traders and money lenders who compel them to sell paddy to them only at the prices they offer.

The big farmers are the only beneficiaries of the procurement prices. Due to their large scale of farming their cost of production is estimated less than the procurement price. They generally sell their paddy in regulated markets at a higher price. The incentive
should also be given to the small and medium farmers to avail the existing facilities.

The study reveals that a large portion of paddy is sold in village markets only, hence proper weightage must be given to the prices prevailing in these markets, while framing the price policy.

The criteria fixed by the MPC for the fixation of minimum support prices have been also examined and it has been found that the MPC do not clearly point out the weightage given to each of the criteria. It has created confusion and dissatisfaction among the farmers. Similarly, the MPC has not clearly pointed out the various components of cost which it has considered while studying the cost of production of paddy. There are certain important elements such as transportation charges, taxes, interests on loans and investments, risk of weather fluctuations, their own wages etc. which have to be given proper weightage while calculating cost of production.

A considerable difference (i.e., about 10% to 33%) between the procurement and the market price of paddy has been estimated in the study. The market price is generally found higher than the procurement price. Similarly the differences have also been observed in the prices received by the producers and paid by the consumers. As estimated, the paddy producers generally receive about 65% to 70% of the amount which a consumer pays. The difference between
the market and the procurement price is a natural phenomena. The private traders generally offer more than the procurement price, just to influence the producer-sellers to sell him, instead of selling to procurement agencies. But the high volume of differences in both the prices is not desirable. This difference should be minimised. If needed, the procurement price should be increased to the maximum possible level. On the other hand the market price should also be controlled by adopting certain restrictive measures. The long gap between producers prices and consumer prices is also needed to be minimised. It may be reduced only by shortening the distribution channel, and promoting marketing and consumer's cooperatives. This will also reduce the marketing cost and protect the producers and consumers both from the malpractices of middlemen.

The price rise also hits the economic policies of the State Government. The Government has to increase subsidy to the farmers when the price rises. Similarly, every increase in the price of paddy and other produces ultimately affected the general price level. The poor farmers will become the victim of each and every price rise. Thus an increase in procurement price is not the only solution. The problem may be solved by increasing per hectare production. This will decrease the distress sale and will provide opportunities to the producers for increasing their income.
PERFORMANCE OF REGULATED MARKETS

With this hypothesis that the regulated markets in the district have failed to attract the common farmers and the village sale is still prominent in the entire scenario of agricultural marketing, the working and performance of all the regulated markets have been examined in detail, and their success in meeting their cherished goals have been assessed in the present study. The growth of marketing regulation is found dissatisfactory in the district. After a long period of 25 years of regulations, only 9 regulated markets have been established so far in 13 tahsils of the district. The existing regulated markets have not diverted their attention towards extension of working to the rural areas. Only seven sub-market yards have been opened so far in the rural areas, out of which many of them are not functioning well.

With a view to involving maximum number of farmers, it is suggested that at least one regulated market in each tahsil must be established. Similarly, they should also open at least one sub-market yard between the range of ten to fifteen villages. Wherever possible, they should also take the help of other co-operatives and village panchayats for smooth functioning of the sub-market yards. This will definitely accelerate the regulated marketing techniques in the district.
There are numerous periodic markets in the district which are still unregulated. The farmers, particularly small and marginal ones, largely visit these places for satisfying their requirements. They sell paddy and other agricultural produce and purchase several articles of their domestic use in these markets. The local traders and inherent vendors are found very active in these markets. Looking to the greater importance of periodic markets in the rural marketing structure, their regulation is urgently needed. As a preliminary measure, it is suggested that at least one sub market yard should be opened at every important periodic market centre in the district. These market centres are also recognised for social gathering of rural mass. Hence, they can also be used for effective communication of marketing news and other related schemes among the farmers.

Some regulated markets, particularly, Bhandara, Lakhani and Lakhandur, are not functioning satisfactorily. Among all the three, the regulated market of Bhandara has its own importance because it is located at the district head-quarters and having a well constructed market yard. But after having all sorts of facilities, the performance of this regulated market is found poorest in the district. Even the ! auction sales have not been performed in the market yard of this regulated market since
a very long time. Similarly, the arrival of paddy and other agricultural produce is also meagre even during harvesting months too. Simultaneously, some sub-market yards are also not functioning well in the district. With a view to make them successful it is suggested that the State Government should take necessary steps to check their monotony. They should be provided necessary facilities for smooth operations of various activities. The Government should direct the Bhandara APMC to start auction-sale and other activities with all efforts. The other APMCs should also be directed to concentrate their efforts to increase market arrivals.

With a view to boosting up market arrivals, the APMCs are suggested to enlarge their activities by involving more and more cultivators. They should adopt such type of marketing procedure which should be convenient to the farmers in all respects. On the other hand, they should also take necessary steps towards controlling the outside-sale. In this direction, it is further suggested that the necessary amendment should be made immediately in the State Marketing Regulation Act regarding forfeiture of commodities which are marketed outside the market yard. The APMCs should be given legal rights, for forfeiture of such type of commodities. By adopting these measures, quantity of market arrivals of paddy may also be improved to the
maximum possible extent. It has also been observed that the market arrivals of paddy is increasing slowly. It may not be concluded as satisfactory, because more than 98% of the total marketed surplus of paddy is still sold out in the unregulated village markets. The increasing trend of market arrivals seems to denote the favourable attitude of farmers towards APMC's. It also shows that the APMC's may increase their market arrivals, if sincere efforts are made.

On the other hand, it is observed that many farmers are not satisfied with the lengthy and complicated working procedures of the APMC's. Despite dissatisfaction they still believe that they may get better prices in regulated markets and hence they sometimes visit these markets. The APMC's should launch various incentive schemes for the farmers and properly propagate such scheme.

The APMC's should also develop a sound network of market intelligence system. From the beginning they awfully neglected the publicity aspect of the marketing. It may be evident from the fact that none of them have published even their annual reports and price bulletins since their inception. With a view to develop market intelligence and marketing awareness among the farmers, it is, suggested that APMC'S should give considerable importance to the publication of annual reports and price bulletins and
should also make necessary arrangements for their proper circulation among the farmers.

Delay in payments is another working defect which has been found mostly in all the regulated markets in the district. The traders generally violate the existing rule of spot payment. They usually call the cultivators to their office and pay them after a gap of three to four days. The producers are very much disappointed with this procedure. It is therefore, suggested that the APMCs should strictly enforce the existing rule of spot payment. They should specifically check that payments must be made in the market yard immediately after the weighment. If possible the APMCs should also arrange for promotion of essential banking facilities in the market yard.

The cultivators are not satisfied with existing pattern of auction-sale. The present auction procedure is also very lengthy and time-consuming. Some times, particularly during harvesting days, a cultivator has to wait for a day or two for his turn in auction. The producer-sellers are generally ignored during the auction. What the traders decided is final and binding on his part. They generally become the victims of traders conspiracy. Such types of practices are to be controlled. APMCs should strictly follow the rules of open auction and see that
farmers should also be involved in the auction operations. The auction hours should also be fixed in the morning particularly before 12.00 A.M. This will save the time of farmers and they may easily go back to their respective villages on the same day. The APMCs should review their existing auction procedure and rationalise it. Simultaneously, the traditional system of sale by mutual negotiations should also be restricted. This system is still in vogue, particularly outside the premises of the market yard.

The regulated markets in the district have successfully abolished many undesirable customary deductions. The market charges have been reduced by 62% as compared to the pre-regulation period. The unauthorised deductions in the form of donation for construction of temples have been evident in Tirora APMC only. Some APMCs have also imposed certain charges on the producers. The APMCs should carefully watch over the unauthorised deductions and should minimise, if possible abolish the market charges imposed on the producers to the maximum extent. It will attract the farmers and provide incentive to them.

Another positive factor which attracted the farmers towards regulated markets is fair and timely weighment. The study reveals that farmers are mostly satisfied with the existing arrangement of weighment. Except few, all
the APMCs have made sufficient arrangements for fair and
timely weighment. But during harvesting days, particularly
in the month of December and January, when the bulk of
paddy arrives in the market, the weighment system usually
fails to provide timely weighment. In order to provide
fair and timely weighment it is suggested that APMCs should
replace traditional weighing instruments and install modern
weighing machines. This will save the time and control
the unfair deals of weighmen. Weighing inspectors should
also be appointed for carefully and continuous watch
over the weighing operations. He should see that weigh-
ment must be started immediately when the auction is over.

So far as the grading and standardisation is
concerned, it has been observed that the APMCs have also
neglected this important aspect of agricultural marketing.
They have neither appointed a trained and qualified grader
as their staff nor equipped themselves with modern grading
equipments. The method of commercial grading is mostly
popular in all the APMCs. The grades are generally determi-
ned by the traders themselves. There is no uniform norms
for deciding the grades. It results in a great loss on the
part of the producers. It is, therefore, suggested that
APMCs should immediately appoint technically qualified
graders on their staff and provide necessary equipments
for this purpose. The farmers should also be well informed
about the availability of the grading facilities.

The APMCs have also not paid proper attention towards construction of storages and warehouses in the market-yard. The absence of grading and warehousing have ultimately affected the remunerative returns of the poor farmers. They failed to avail the benefits of price differences. With a view to providing better returns to the producers for their produce, the APMCs should prepare a substantial plan for constructions of warehouses in the market yard. The Tumsar APMC has proposed such type of plan for its new market yard which is yet to be constructed. To achieve the target of warehousing they should create a special warehousing fund and obtain loans and subsidy from the Government and other financing agencies. The State Warehousing Corporation should also be approached for this purpose.

It has been also evident that the APMCs of Lakhni, Lakhandur and Arjuní Morgaon have not constructed their market yards. Other APMCs, which have constructed their market yards are also facing the problem of inadequate space. They do not have sufficient space even for auction-sale, cart-parking, offices, rest-houses etc. Looking to the crucial role of market yards in the marketing operations, it is suggested that the APMCs should frame a perspective plan for the development of market-yards. This plan should be based on the guidelines suggested by the Indian Standard
Institutè. (1) APMC of Tumsar has adopted the ISI guidelines and has prepared a standard plan for the construction of its new market yard, which is nearing completion. The other APemacs should also follow the ISI plan for construction and further extention of their market yards.

It is quite interesting to point out here that in spite of various lacunaes the regulated markets have shown good financial results. Their income is continuously rising and all of them have shown surpluses mostly in all the years, except in 1982-83. However, it is also observed that they are not so serious about the proper utilisation of surpluses. They spend major share of their income on establishment expenses alone. They usually either deposit their surpluses in the bank or invest it in Government securities. Looking at their basic objectives, it is suggested that they should prepare a long term substantial plan for the development of marketing infrastructures and opening of sub-market yards in rural areas. They should divert their major portion of surpluses towards implementation in various marketing schemes. Similarly, with a view to maximising their surpluses they should also enlarge their earnings and curtail their administrative and other expenses upto an optimum level.

Some other working defects of the regulated markets, such as inclusion of various types of non-agricultural
produce within the purview of market regulation, inadequate arrangement of basic amenities for the farmers, defective recording procedure of transactions, influence of political groups in the management, irregularities in holding elections and inadequate representation to other marketing institutions have also been observed. With a view to making marketing regulations more useful, following measures are suggested for removing the above defects: (i) the APMCs should review their marketing regulation policy and limit it, as far as possible, upto the agricultural produce only. (ii) the APMCs should provide staying facilities, cart-parking facilities and other basic amenities for the farmers in the market yards; (iii) the item-wise records of each commodities should be maintained and double entry system of accounting should be strictly followed; (iv) the Secretary and other staff members of the APMCs should be appointed by duly constituted selection committees and vested interests of various political groups must not be considered in any case; (v) the district co-operative Registrar and the other authorities should be directed to hold the elections of the market committee as per a prescribed schedule without considering any arguments; (vi) proper representation should be given to cooperative rice mills, co-operative marketing societies and state warehousing corporation in the market committee of the regulated markets.
Absence of uniformity in the working procedure of the regulated markets is another defect, which have been witnessed during the survey. There is no Apex or Liaison agency in the district which coordinates and controls the regulated markets efficiently. As is done in other States such as Punjab, Haryana, Karnataka, Tamilnadu, Rajasthan and Bihar, the Maharashtra Government has not established the State Marketing Board, as an Apex institution of the regulated markets, in the State and its branches in the districts too. In the States, where marketing boards have been established, tremendous success have been witnessed in the field of market regulation because of valuable services which the boards have rendered in this sphere. (2) Looking at the vital role played by the marketing boards in controlling and co-ordinating the regulated markets, it is suggested that the State Government should establish a State Agricultural Marketing Board in the State and its branches in all the districts. It will certainly give a new dimension to the marketing regulation in the State.

It is to be pointed out that the marketing regulation in the district has not yet achieved its cherished goals. It may be evident from marketing scenario of the district where private traders and middlemen are still dominating and about 99% of the total marketable surplus is either disposed in the village markets or nearby
unregulated markets. The over-crowded market yards some times create misunderstanding that the farmers are very much attracted towards regulated markets. But it has a bright prospects in the district. Now the time has come that the planner should give more weight to the schemes of market regulation in the developmental plans. The future planning should made production-cum-marketing oriented. Production oriented plans alone will not serve the purpose.

PERFORMANCE OF MARKETING COOPERATIVES

The working and performance of marketing co-operatives in the district have been broadly examined in this study with t is hypothesis that the marketing co-operatives have failed to gain popularity among the farmers in securing remunerative prices for their product. Their engagement in diversified distributional activities has been, perhaps, responsible for their ineffective functioning.

The present study reveals that the marketing co-operatives have concentrated their activities to the distribution of agricultural inputs and consumers goods only. It gave them a resemblance of 'Fertilizer Society'. It kept them far away from the marketing activities relating to agricultural produce. The Dumwala committee has also pointed out, that their concentration of efforts on distributional activities not only eclipses their
main function of handling agricultural produce but also puts them at par with consumer co-operative stores. (3)

Their distributional operations have not presented any fruitful results so far. On the other hand, the entire co-operative marketing structure of the district has been put to a weak status. It is, therefore, suggested that in order to win the confidence of the cultivators, the marketing societies must not concentrate solely on distributional activities. They should give more importance to marketing operations of paddy. It would help them in changing their image of fertilizer society into paddy society.

After intensively analysing the performance of the preceding five years of the existing Primary Agricultural Marketing Societies (PAMS), it has been observed that they have failed to attract the common farmers, mostly small and marginal, in the district. The common farmers think that the marketing societies are the Government sponsored organisation. The PAMS have also not tried to identify themselves as paddy growers organisation. They usually act according to the plan and policy of the State Government. Except fertilizer distribution, the PAMS have not undertaken any significant work with a view to involving maximum number of farmers in the co-operative fold. Simultaneously the common members have also not tried to involve themselves in the activities of the PAMS.
It has also been observed that big farmers, some time local traders too, have acquired a commanding position over the management of the PAMS. They turn the activities of the PAMS to their own advantages, ignoring the interest of small and marginal farmers. Due to their insignificant position the small and marginal farmers generally do not participate in the meetings and other activities of the PAMS. It also creates dis-satisfaction among them. As the co-operatives are the organisation of poors, then why the strangers are dominating? This type of disheartening situation should be changed. The steps towards providing protection to the small and marginal farmers are needed to be undertaken on priority basis. With a view to giving them incentive they should be given commanding position in the management of the PAMS. It would be possible only when certain restrictions would be made on the entry of the big farmers and village traders. Simultaneously, the business policy of the PAMS is also required to be changed. It is, therefore, suggested that with a view to involve more and more small farmers, the PAMS should undertake various marketing activities of agricultural produce which directly benefit them.

Great reliance on Government contribution and borrowing from various financing agencies have also affected the working of the marketing co-operatives. The State Government contributes more than 84% in the
share capital of the PAMS. Similarly, financial assistance in the form of subsidies, loans etc. have been also granted by the State Government and other credit institutions from time to time for specific purposes. The Apex marketing federations also provide advances for procurement of paddy and supply of fertilizers. Inspite of bulky assistance, it has been noticed that many times the PAMS failed to pay even the purchase price of paddy to the cultivators. With a view to strengthen their financial position, it is suggested that they should undertake the marketing operations of paddy independently and develop their own resources by increasing earning and raising share capital. As the PAMS are already facing crucial financial problems, hence, present loans and other types of financial assistance should not be stopped. But certain checks may be imposed on its proper utilisation. Before granting financial assistance, the Government should strictly follow the norms. Only those PAMS should be further granted financial assistance which have shown good results and which are desirous to implement some definite and result-oriented programmes for the sound and rapid development of agricultural marketing in the district.

The question relating to inadequate storage and warehousing facilities is another crucial problem which the PAMS have to face in the district. They do not think even to provide warehousing facilities to their members
because of having inadequate storage. It has been observed that many PAMS have engaged various types of residential houses on hire for this purpose. Their need for storage is obvious. If they plan out to undertake other activities such as pledge advance and direct marketing operations of paddy, then they will again need more godowns for the proper custody of the paddy and other produce. Hence, acquisition of adequate storage appears essential for them. But they cannot fulfill their storage requirements with their limited resources. The loans and subsidy provided by the State Government and other agencies have been found inadequate. It would be possible only if the State Govt. consider sympathetically over their storage requirement particularly at village level and sanction adequate amount either as subsidy or as loan. After granting loans and subsidies for the construction of godowns, particularly in rural areas, the Government should carefully watch over the proper utilisation of the amount.

The study further indicates that the marketing co-operatives in the district have also ignored their important function of grading and standardisation. They have never paid any attention to this issue. It has been observed that due to lack of adequate funds they have neither appointed any trained grader as their staff nor purchased any grading equipments. It is, therefore, suggested that the PAMS should give an important place to grading in their marketing operations. With a view to
providing remunerative prices to the farmers the PAMS should arrange necessary grading facility at village level. In this way, they may be able to develop their better relations not only with the farmers but also with regulated markets and other marketing institutions.

So far as the pledge finance is concerned, it has been observed that the PAMS have never implemented this scheme as they do not have sufficient funds. With a view to attract maximum number of farmers towards co-operative marketing, it is necessary for all the PAMS to provide pledge finance facilities to their cultivator members, particularly small and marginal ones. The village trader generally attracts them by providing credit facilities mostly on their commitment, that, they will sell their paddy to him only immediately after harvesting. The PAMS can also provide such type of credit facilities by way of pledge finance. In this way PAMS may easily earn the confidence of the common farmers. It will also develop the holding capacity of the farmers and will further facilitate them to avail the benefits of price difference by selling their paddy through regulated markets. The credit facilities in the form of pledge loans would not only increase the holding power of the cultivators but also enable the societies to take advantage of the stocks in their custody to expand their marketing business. The PAMS would require huge amount for the successful implementation of this scheme. If the Government and other
credit institutions particularly co-operative credit societies provide adequate finance to them, then only, it would be possible to undertake this scheme. It may however, be pointed out that the size of institutional finance at farmers' level is admittedly too small in the district, which can be enlarged through this scheme.

The place of processing in the organisational structure of co-operative marketing in the district is almost negligible. Out of twelve, only one co-operative marketing society has established its own rice mill. Another noteworthy feature, which has to be pointed out, is that the milling and marketing are separated from each other in the co-operative field and there is no coordination between them. It has badly affected their business, particularly when they have participated in procurement operations. On the other hand, the private traders, engaged in the marketing operations have their own rice mills and they hold a commanding position in the entire trading operations of rice in the district. With a view to get overall success, it is therefore, suggested that while undertaking the marketing operations of paddy the PAMS should also undertake the milling operations as their own business. If any co-operative rice mill is already functioning in the operational area of the PAMS then it would prove better, if it is attached with PAMS.
It will certainly strengthen the marketing capacity of the PAMS and they may successfully compete with the private traders and rice millers. Marketing cooperatives will be able to compete successfully with private traders by integrating credit, processing and marketing with each other. (5) The PAMS would again require huge amount for undertaking processing operations, if they instal their own modern rice mills. The State Government should again provide loans and subsidies for this specific purpose on easy terms and conditions.

The primary Agricultural Marketing Societies and co-operative rice mills both have actively participated as an agent of the Apex Marketing Federation in the procurement operations of paddy under the Monopoly Procurement Scheme of the State Government. The study reveals that the scheme has not presented any fruitful results so far. The farmers and the marketing societies both have rejected this scheme because of its tedious and lengthy working procedure. The scheme has adversely affected the business operations and co-operative character of the marketing societies. The PAMS have continuously suffered with huge and continuous losses. The huge amount of accumulated losses ultimately convert them into a unsuccessful society. Low rate of commission, high rate of shortages, defective and time-consuming procedure of delivery, delay in payments and reimbursement of expenses, lack of storage facilities, delay in processing, improper grading, tedious and lengthy
official formalities are the important reasons responsible for their dissatisfaction. Presently, the PAMS have decided not to participate in procurement operations.

The Monopoly Procurement Scheme itself is not defective but the way in which it was implemented is responsible for its present state of criticism. With a view to make the scheme more useful, it is suggested that the State Government should review and rationalise the scheme and take necessary steps to remove those difficulties which the PAMS have faced during its operation. For smooth and successful implementation of the scheme, it is further suggested that the Government should arrange to take the delivery of paddy from the PAMS and should arrange its processing separately with the help of cooperative rice mills and other agencies. It may, however, be pointed out that most of the PAMS have suffered losses in processing operations only. If the PAMS have their own milling units, then only, they should be given the responsibility of processing and that too separately. The co-operative rice mills should not be engaged in purchasing operations, they should be given the responsibility of processing only. Simultaneously, the official formalities may also be curtailed and necessary arrangements towards immediate delivery with the facilities of scientific grading should be made at delivery centres. It has been observed that due to absence of specific norms, the grades specified by
the PAMS are usually not accepted by the concerning State authorities. It is, therefore, suggested that the Government should fix the scientific norms for the grading and appoint trained grader at delivery centres. The PAMS should also be properly informed and instructed towards the norms of grading. The PAMS should also arrange the grading before every purchase. Similarly, the Government should also consider the price differences. In order to have a successful operation of the scheme, the procurement prices should be fixed at par with the market price on logical grounds. This will provide incentives to the farmers to sell their paddy to PAMS.

The findings of the study indicate that there is a large scope for outright purchase scheme for paddy, if adopted by the PAMS in the form of their regular business operation. Through this scheme too, they may be able to bring maximum number of small farmers within the fold of co-operative marketing. If the scheme is implemented in a coordinated manner by all the cooperatives, they will undoubtedly achieve their goals and would be able to change the marketing structure of the district. The scheme is undoubtedly advantageous but it requires a strong infrastructural base. In spite of its obvious advantage, the practice of outright purchase is to be set with certain
constraints, like paucity of funds, absence of competent and trained personnel and high incidence of risk due to price fluctuations, storage, transport etc. (6) In this connection, the PAMS are advised to strengthen their operational capacity before implementing this scheme. They should first prepare themselves to reach to the doors of producers for collection of paddy, and to the doors of wholesalers too, for selling the same. Similarly, they should also maintain sound trade contracts with terminal markets. With a view to make it a success, the State Government should also provide financial and technical assistance to PAMS for this purpose.

Interlinking of marketing with credit co-operatives and regulated market is also necessary for the overall development of co-operative marketing in the district. In this connection, the Apex Federation may play an important role. But the past experiences indicate that the Federation has failed in maintaining proper co-ordination. There is need for a well organised coordinating agency which will develop liaison among all the cooperative institutions. This need may be fulfilled by setting up a District Marketing Board. As already suggested, the marketing board will not only co-ordinate the regulated markets but also work as a coordinator among all the cooperative marketing institutions viz. PAMS, co-operative rice mills,
Apex Marketing Federation. With a view to maintaining strong link with credit cooperatives, the working field of the Board may be expanded towards credit also. Similarly, mutual representations in the managing committee of each and every co-operative institutions of the particular area should also be made compulsory. This will certainly improve coordination among them.

The present organisational set up of the marketing co-operatives is also needed to be streamlined. The existing two-tier structure has not fulfilled the administrative purposes. There is a need for establishing one Apex Agency at district level. The existing district Agro Industrial Service Societies have not played any considerable role in this respect. Hence, it is suggested that the old three-tier pattern should be adopted again and District Agricultural Marketing Societies (DAMS) should be formed at district level. Similarly, with a view to expand the services of PAMS to the doors of farmers, atleast one PAMS must be established at each tahsil head quarters and their branches should be opened between the distance of 10 to 12 villages.

So far as their internal organisation and working is concerned, it has been observed that they do not have adequate qualified staff and planned working system. With a view to streamline their internal organisational set up,
they must appoint a competent secretary and other qualified staff and offer them reasonable salary and favourable service conditions. They should also adopt planned and systematic working policy and organise themselves on the pattern of successful marketing societies of Western Maharashtra. They should also fix their sector-wise annual business targets and try to achieve these goals through continuous efforts. They can compete with strong and powerful middlemen by applying well organised and realistic planned approach only.

Looking to the slow progress of the marketing cooperatives in the district, it is suggested that district planning authorities should also adopt a planned and systematic approach for the speedy development of co-operatives. While formulating the district plans they should give top priority to the development of co-operative marketing particularly at village level.

COOPERATIVES—THE ONLY WAY OF SUCCESS

The entire agricultural scenario of the district represents the backwardness of cooperative marketing institutions. The overall record of the achievements of the marketing cooperatives in the district is much below the expectations. The farmers, specially the small and marginal ones, because of their meagre resources, are the worst sufferers of defective marketing systems, Grippad
into the hands of various middlemen and traders, they are still not in a position to demand even reasonable prices for their quality produce. This shakes their confidence in co-operative institutions.

Agricultural history is full of evidences of the continuing battle of the poor farmers against the abuses either real or imaginary of the marketing middlemen. This battle can be won by the farmers only with the weapons of marketing co-operatives and regulated markets. The rice trading has a bright prospect in the district. If the marketing cooperatives follow the working procedure of the cooperative marketing societies of western Maharashtra and carefully handle their business like a successful trader, then there is no doubt about positive changes in the entire scenario of agricultural marketing in the district. This can be done only when the economic climate of the area is made favourable to the farmers and the several drawbacks as pointed out elsewhere in this study are overcome. The cooperative system should not be taken as a state programme, but it should be made applicable from below. This alone can develop people's participation otherwise quantitative achievements in establishing and maintaining a mushroom growth of several uneconomic units will not bring forth a clean bill of health. Proper perspective planning for a long term, and
above all profitable management of the existing co-operative organisations may change the destiny of the rural masses. There are several managerial decisions which should be taken on a profitable basis, particularly decisions in financing the uneconomic units. In order to make rational changes in the agricultural environment in the area it is suggested that a few model units should be adopted on ideal norms and they should be given all facilities to prosper on a wider canvas, and their entrepreneurial performance be examined at every level so that an integrated approach is followed and in case they do not show remarkable performance, such uneconomic units be liquidated and only viable units are permitted with essential inputs and infrastructure facilities in the area. The potentialities in the area exist upto an enormous extent, the only precaution needed to strengthen these societies relates with diversification with a genuine desire to explore new avenues of enterprise. There are immense possibilities of more research on a comprehensive and analytical basis so that the co-operatives may become the real panacea to integrate into the life and blood of agrarian contemporary economic issues.
REFERENCES


