PREFACE

Marketing is the nerve system of economic life in an agricultural based economy. It gives fundamental base to agricultural development. An efficient and reliable agricultural marketing system can increase the agricultural production and ensure a remunerative price to the farmers for their produce. But despite its crucial role in accelerating economic development in the country, its present state of affairs is far from being satisfactory.

The object of the present study is to analyse the problems of marketing of farm produce in Vidarbha region of Maharashtra State, with particular reference to Bhandara district. Vidarbha region is comprised of eight districts including Bhandara. Vidarbha is a predominantly agricultural region with the bulk of its population engaged in agriculture and allied activities. In the present population of the region, there is a preponderance of small and marginal farmers whose family incomes are derived mainly from the small surpluses which they are able to place in the market. The tragedy of the situation is that the growers do not get sufficient remunerative prices even for the
limited produce which they are able to put for sale. After the crops are harvested, the family circumstances of the growers compel them to sell their produce at a receding price. The middlemen take full advantage of the situation and indulge in various mal-practices, often to the detriment of the growers' interests. The present study is an attempt to study the problem in depth and suggests measures which would strengthen the bargaining capacity of the growers and procure for them reasonable remunerative prices.

The Bhandara district, which has been selected for a special intensive study is amongst the most backward in the region. Paddy is the principal agricultural crop of the district. The paddy growers of the district are amongst the weakest and the most exploited class. The study proposes to examine the problem in detail and suggest solutions to it. Why have marketing co-operatives failed to enthuse the farmers? Why do not districts paddy-growers form ample number of cooperative rice mills of their own on the pattern of the cooperative sugar mills successfully working in Western region of Maharashtra? Why do the farmers continue to prefer private trade channels to the
established regulated markets which are currently operating in the district? An attempt has been made in the present study to seek an answer to these questions.

The following hypothesis are proposed to be tested in the study - (i) The small and marginal farmers constitute the bulk of the present population in the district. Under the five year plans, a number of schemes to assist the small and marginal farmers have been implemented and a fair margin of success has been achieved in this direction. There has been significant increase in farm production in the district but the individual farmers still does not get a fair price for his produce mainly due to defective marketing practices. (ii) Between the producers and the consumers of the farm products there is a host of middlemen who charge high prices for the services they render to the producers and consumers. These middlemen are well organised and are in a dominant position in the market. Because of their better organisation they are in a position to exploit both the producers and the consumers and their aim is just to maximise their commissions. (iii) Marketing cooperatives have been introduced to curb the mal-practices of the middlemen and to secure remunerative
prices for the farmers for his products. Although the mal-practices of the middlemen have been reduced to some extent, the marketing cooperatives have generally failed to gain popularity among the farmers who still prefer to avoid the cooperatives in favour of private trade channels. (iv) Marketing cooperatives operating in the district are saddled with the responsibility of distribution of agricultural inputs such as fertilizers, seeds etc. procurement of paddy and rice at predetermined prices and recovery of cooperative loans. In addition to their main function of assisting the farmers in selling their produce at remunerative prices, this diversification in the activities of marketing cooperatives is perhaps responsible for their ineffective functioning. (v) There is a competition between the regulated markets and the private trade channels in the district. The farmers, still prefer the private channels inspite of the fact that in a regulated market such old malpractices as under - weighing, unauthorised deductions, under payments do not exist. (vi) Marketing of paddy is the main problem of Bhandara district. The solution to this problem seems to lie in two directions-(a) disengaging the existing marketing cooperatives from such diverse responsibilities such as distribution
of farm inputs, loan recoveries, procurement for the Government etc. and enabling them to concentrate on purely marketing functions such as assembling, warehousing, transportation etc., and (b) inducing the paddy growers to participate in the activities associated with the processing of paddy into rice. Facilities may be provided for establishing farmers co-operative rice mills in the district on the lines of sugar cooperative mills of Western Maharashtra.

The present study is an endeavour to examine whether regulated markets and marketing cooperative societies functioning in the district have accomplished the objectives for which they were set up. The main purpose of this investigation is to study the working of various marketing institutions and to analyse the marketing problems of paddy in the district. Attempts have also been made to identify the defects and deficiencies standing on the path of successful functioning of these institutions and suggest measures for remedying them. Efforts have been also made to assess and analyses the cultivation cost of paddy. The price policy of the Government has been also analysed in the light of the cost of cultivation. Attempts have been also made to identify the extent of marketable surplus in the district and to compare the results with the earlier studies.
The material for the study has been collected from primary and secondary sources. Considerable amount of field work has been done to collect first hand data with the help of a detailed analytical questionnaire. Field Surveys were conducted single-handedly on a sample basis. The selection of farmers-producers was made on the basis of stratified sampling so that cultivators of all the categories are covered in the study. They are categorised on the basis of the size of their holdings in the following three groups: (a) F-1 (Big farmers) having land 10 acres and above (b) F-2 (Medium farmers) having 5 to 10 acres of land, & (c) F-3 (Small farmers) having 0 to 5 acres of land. In order to maintain uniformity of size among the samples equal number of farmers have been taken from each group. The same farmers belonging to various villages of the district have been personally interviewed. Similarly the selection of traders and rice millers was also made on the basis of stratified sampling. Keeping in view the need for a complete and exhaustive study of the performance of regulated markets and marketing cooperatives, all functioning units of these institutions have been selected as samples. Presently, there are 9 units of regulated markets and 12 units of marketing cooperatives are functioning in the district.
Each sample unit was visited by the author and information was collected through interview method through a set of questionnaire. The information for the period of five years from 1978-79 to 1982-83 has been collected for the intensive study of the problem. The author has been fortunate in obtaining full cooperation from the interviewees consisting of farmers, rice millers and traders, middlemen and other market functionaries and officials of various cooperative marketing societies, regulated markets, banks and other Government department.

The study is organised in seven chapters. Chapter I, introduces the subject in a general way and outlines the economic and geographical profile of the Bhandara district as well as of the Vidarbha region and the State of Maharashtra. Detailed informations on the resource-endowment of Bhandara district, its economic potential and its limitations is given to facilitate a successful micro-study of the area. An attempt has been also made, in this chapter to build a broad theoretical framework for the study. Chapter II, dissuccess the marketing methods and practices of paddy and rice currently in vogue in the district in a general way. The chapter is mainly devoted to the discussion of the marketable surpluses and processing methods of paddy. Chapter III, describes the infrastructural frame work of the marketing
of paddy and rice in the district. The role of transportation, storage, warehousing, standardisation, grading weights and measures and finance have been studied in this chapter. Chapter IV, is devoted to the intensive study of the regulated markets which have been in operation in the district. This chapter takes note of the benefits which these markets have conferred on the paddy growers, and also points out the constraints and limitations under which they function at present. Chapter V, contains a broad discussion on cooperative marketing, in all its aspects. Chapter VI, examines the cost price relationship of paddy. Using first hand data and informations, an attempt is made in this chapter to ascertain whether the price offered to the farmers is sufficient to cover the cost of the paddy. In this context, the procurement price fixed by the State Government has been selected for special study. Chapter VII, contains a resumption of the study and gives the author's conclusion.