Chapter 2
Chapter 2

DESIGN AND EXECUTION OF THE STUDY

Introduction

Marketing is means to an end in the process of utility creation beginning from the producer to the ultimate consumer. It provides communication, manifestation and enhancement of an elevated standard of living to the society. This has been facilitated through market mechanism by allocation and utilization of resources. It is not an isolated process of selling and distribution, but a complex and consciously planned business strategy designed to ensure better living to producers as well as consumers through optimum utilization of resources. Marketing contemplates the involvement of various activities that are associated with the process of flow of goods and services from the point of production to the point of consumption. Berry, B.J.L. (1967) identifies concentration, equalization and dispersion as the three major marketing functions. However, based on the end results of each function Usami Y, (1988) characterizes it as buying and selling, which comprise of auxiliary marketing functions such as financing, assembling, grading, standardization, risk bearing, market intelligence etc. Those are primary marketing functions leading to exchange of goods and services in the optimum manner facilitating exchange and physical movement of goods and services from place to place, time to time and person to person, with the ancillary support of transportation, storage, warehousing etc. (Harriss, Barbara 1985)

Apart from the actual buyers and sellers, a number of functionaries, including institutions are involved in the marketing process. They facilitate the functions of exchange as well as physical supply of goods and services. Therefore, it is vital to understand the significance of each participant involved in
marketing of different goods and services (Mamoria, C.B. 1979). Generally, the sellers and buyers are considered as primary marketing participants, while individuals and institutions involved in the flow process of goods and services are regarded as secondary marketing functionaries. Marketing functionaries who do not take-up title deed and ownership of the goods and services but facilitate the execution of marketing decisions are indirect marketing functionaries, while direct marketing functionaries are mostly wholesalers, retailers, industrial processors and the like. The success of any agricultural development programme rests ultimately upon the efficiency of the marketing system. Agricultural marketing therefore, is a simple system involving a vast multitude of economic and commercial phenomena having temporal, spatial and economic aspects subject to constant changes emanating out of techno-economic environments (Borsdorf R. and Heid G. 1978). The conventional concepts of market and marketing have given way to well-planned strategies of the modern electronic age. The distorted barter system has been changed into e-commerce or e-trading, where the physical presence of the producer and consumer is not wanted. Marketing thus has been elevated to the status of an art in the electronic age, where only the genius could triumph. A consensus on the concept of free trade based on the comparative benefit, as envisaged by Adam Smith in his “Theory of Comparative Advantage” has to be acknowledged in the present day of globalization to reap the best results (Quoted by Audhya. 2002, Ramamujam K.N., 2003, Francis Gnanasekar, 2003).

**Agriculture marketing:** Agricultural marketing is a process, which starts from the decision making for the production of saleable farm commodities. This mechanism involves all the aspects of pre and post-harvest operations like assembling, grading, storage, transportation and distribution, with the ultimate objective of augmentation of income by value addition (Kulkarni 1951). The
development of agricultural marketing is closely associated with the growth of agriculture. The concept gained popularity when production exceeded the local requirements, especially the impetus of the Green Revolution and the resultant surplus transshipped to places where they fetched demand (Yasin G, 1976, Amod Sharma 2001). However, the agricultural marketing system in our country is imbued with several bottlenecks and defects. Right from 1925, several Committees and Commissions appointed by the Government, freelance researchers, and economists have pointed out defects of the agricultural marketing system. Kulkarni, G.S. (1951), Kahlon and Grewal, (1962), Krishna Raj (1965), Dwivedi and Deonath. (1970), F.A.O. (1973) and Agarwal (1976) found that improved agricultural marketing system is a pre-requisite for generating marketable surplus. The present agricultural marketing system in our country is not in tune with the changed environments. Neither producers nor the consumers got benefit out of the existing marketing system (hraili, D., kraeli, D.N., Meissner F. 1976). The markets are imbued with un-numbered imperfections like the problems of farmers, the traders, the defects in the organisational set up and infrastructural bottlenecks. They are discussed in brief:

**Imperfections of agricultural marketing:** The very concept of agricultural marketing aims at ensuring better and remunerative price for the farmers for rewarding their hard inputs. The produces have to pass through a number of channels to reach the ultimate consumers and the beginning step starts from the farmer. The accomplishment of such an endeavour depends largely on the organised sectors, such as the cooperatives and the regulated markets (Kaliaperumal P.N. 1981). However, it remains a fact that the prevailing agricultural marketing system in our country is infested with a number of problems and defects (Narasimha Murthy, Krishna Rao and V.R. Sharma 1984).
Distress sale: Seetharaman and Mithileswar Jhas (1984) found that the farmers are in dire need of liquid cash for their urgent requirements, which leads them to distress sale and compel them to approach to money-lenders, commission agents or traders, popularly called the Arthiyas, who advance loans to the farmers on the strength of the pledge of farm produces, which leads them into the trap of distress sale. Therefore, the retaining power as well as the bargaining power of the farmers is affected adversely (Kulkami, G.S., 1951, Neikkiran S. 2000).

Lack of adequate credit facilities: The credit facilities extended by the institutional agencies are found unreachable or negligible, which has been highlighted by various studies. The Gardgil Committee (1944), Saraiya Committee (1946), Kahlon and Grewal (1962), Mehta Committee (1960), Sivaraman Committee (1976), Narashimman Committee (1991) etc. strongly argued for revamping the agricultural credit structure and suggested that pre-harvest and post harvest credit facilities be made available to the farmers. Ramaswamy, (1968) observes that the organised financial institutions are reluctant to advance loans and advances to the farmers. They are more interested in giving industrial loans rather than agricultural loans, which have been found more profitable and secure. The deplorable situation of agricultural marketing in Tamil Nadu and the need for strengthening it by liberal credit and other facilities have been highlighted in various reports such as the Committee on Cooperation (1956), Policy Note on Cooperation and Agriculture Departments (2000-2001) etc. Further, the need for rural credit facilities by commercial banks has been strongly advocated by Wadhwa S.C. (1999).

The situation is found further worsened in the case of marketing of coconut (Subburaj 2000). Coconut being a perennial crop and cultivated generally as a mono crop, the income from the farm is much delayed because it yields only
after a long gestation period. This warrants initial long-term investment; but adequate medium and long-term credit facilities are not extended by the existing system. Markose and Thomas (1998) found that the cooperatives, which have been formed to advance credit facilities, supply of inputs to serve the agricultural sector, have shifted to lucrative business activities like consumer loans, gold loans, chitty etc.

Malpractices of middlemen: The middlemen play a crucial role in the agricultural marketing in the country. Most often a traders’ guild or coterie exist and they control the entire marketing realm (Anonymous. 1979, Ashok Gulati. 2000). Purposive creation of gluts in the markets and hikes the prices to tempt the farmers to off-load the produces and suddenly withdrawing from the scene by traders create artificial disequilibria in the demand, supply and the price slash. The traders take full advantage of the situation and buy the produces at throwaway prices. There is no efficient mechanism to overcome this defect (Yasin G, 1976).

Such a situation also prevails in the coconut marketing (Subburaj 2000). Although more than 50 per cent of the total production of the coconut is contributed by the four southern states, the price of coconut and its products are determined by the up country traders based on the assumptive prices of copra and coconut oil. It has been found that milling copra and coconut oil are brought from the southern parts of the country and further value added by micro filtration, perfuming or adding additives etc, packing in sleek containers with attractive packing and marketed at a very high price. Ultimately the farmer is deprived of the reasonable price and the big traders, who are very few in numbers, reap the entire advantage. Organisation of self-help groups for collective bargaining as well as value addition can only solve the problem (Subburaj, 2003).
Erratic fluctuations in prices: Tewari S.C. and George M.V. (1994) noticed that the prices of farm produces are subject to seasonal variations. During the peak season the price expresses bullish trend a sluggish trend during the lean season. As most of the agricultural produces are perishable in nature, the farmers dispose it immediately after harvesting. Therefore, arrangements are required to procure the produces during peak arrivals in order to regulate supply during the lean season. The erratic fluctuations in supply and price warrant interference of organised sector to ensure a remunerative price to the farmers. The price support scheme of the government should meet the above requirement. The prevailing market price may be remunerative to the farmers, attractive to the consumers and reasonably profitable to the traders (Gopalan M and Eswaran, 1979, Gopalan M and Ramadev 1985). Various studies undertaken on the price behaviour of coconut and its products reveal that the price of coconuts and coconut oil are highly erratic and unstable both temporally and spatially (Haridoss and Chandran, 1997). The efforts of the government to include copra also in the price support scheme have not yielded desired results.

Inadequate and unreliable market information: It has been pointed out that the Indian farming community is deprived of the real price for their produces mainly due to their ignorance of the prevailing market rates. Generally the traders control the prices of agricultural produces. The information conveyed to the lower channels of marketing is found to be misleading. Creation of artificial hike and crash in prices of agricultural products is one of the major defects. State intervention to collect, compile and publish reliable data on a regular basis is the viable solution. The efforts of the government machinery in this regard are also found ineffective. However, in the modern electronic age it may not be a difficult task to disseminate market information quickly to reach the producers. However,
in the attempts of the Coconut Development Board to widen its activities in the collection of market intelligence through e-mail and disseminate through media and web sites are expected to reap fruits.

**Absence of weighing and grading standards:** Agricultural produces are heterogeneous in appearance, size, quality, quantity etc. Proper grading could avoid the problems arising out of heterogeneity of products. However, no standardization of grading exists in our country. Weighing is also done using the age-old rope and stone balances leading to exorbitant losses to the farmer. In the case of produces that are disposed of by counting or measurement the problem / defects continue. Standardization of coconut is a tedious task as no two coconuts are uniform in any respect. Usually, traders purchase it on count. However, only big nuts are counted first and small nuts are grouped into three or four and counted equivalent to one nut. Additional free nut(s) for each one hundred nut etc. are very common as revealed by Markose and Thomas (1998) and Subburaj (2000) in their studies.

**Inadequacy of storage and processing facilities:** It has been observed that the basic reason for distress sale resorted to by farmers is the lack of adequate storage facilities (Manjappan 1978). Immediately after the harvest farmers are forced to part with the produces for fear of pilferage, damage, deterioration in quality etc. The storage arrangements are required temporarily till the whole process of harvest is completed and secondly to keep the produce safely till the market is favourable and to avoid a glut in the off-loading. Devarajan (1962) opined that lack of proper warehousing facilities is the major constraint in building a strong base for agricultural marketing in rural area. The loss incurred for want of storage is estimated to be around one to five percent of the total produce and the price loss around 25 - 50 per cent (Eswaran, K. 1985).
Coconut is a highly perishable product. Milling copra is the major commercial product made out of it. Once the process of copra making starts, it has to be continued and completed without any interruption. The drying period may range from 48 hours to 5 days depending on the method adopted. However, the copra production is rarely undertaken at the farmers’ level and most of the farmers dispose of the raw coconuts. It has further been noticed that crude and conventional methods are still applied for the production of copra resulting in the inferior quality of the product. Although, modern copra dryers are available, very few resort to such methods. Studies by Subburaj (2003) indicate that the financial assistance extended to farmers have prompted them to resort to the improved method of copra production. However, the huge amount given to the cooperative institutions for the development of infrastructure facilities such as storage shed, drying yard etc., have not brought about the desired improvements.

**Multiplicity of regulations:** State intervention in agricultural marketing is an ancient phenomenon in India. During the medieval period, public distribution systems including agricultural markets were regulated. However, they had been aimed at the vested interests of royal chiefs, zamindars and traders who used to procure food grains and other agricultural products from producers. The traditional trade-oriented marketing system for agricultural products suffered from a number of malpractices, such as unauthorized deductions, high marketing costs, deferred payments and defective weight. As a matter of fact, the markets in those days were buyers oriented where in sellers had practically no control. Agricultural marketing is a key component of Indian economy where agriculture forms a resource base (Agarwal, A.N. 1976, Harriss, Barbara, 1983, 1985). To improve marketing conditions and the bargaining power of producer-sellers (farmers) as well as to check the exploitation of farmers and to make the
marketing system more effective and efficient the intervention of state was found necessary (Dantwala 1966). There are a number of rules and regulations related to the agricultural marketing in India. However, they are often contradictory, overlapping or confusing. A close look at the following regulations may reveal the above fact.

- Agricultural Produce (Grading and Marking) Acts of the various states
- Cotton (Control) Order, 1986
- Drugs and Cosmetics Act 1940.
- Excise Laws of the states
- Forest Act of central and state governments.
- Labour Laws of central and state governments
- Meat Food Products Order, 1973
- Milk and Milk Products Order, 1992
- Narcotic Drugs and Psychotropic Substances Act, 1985
- Pulses, Edible Oilseeds and Edible Oils (storage control) Order, 1977
- Solvent Extracted Oil, De-oiled Meal and Edible Oil (control) Order, 1967
- Standards of Weights and Measures Act, 1976
- The Emblems and Names (Prevention of Improper use) Act 1950.
- The Essential Commodities Act, 1955
- The Export (Quality Control & Inspection) Act 1963.
The Municipalities Acts.

The Packaged Commodities Order 1975.

The Sugar Control Order 1956.


The Trade and Merchandise Markets Acts.

Vegetable Oil Products (Control) Order, 1947.

Vegetable Oil Products (Standards of Quality) Order, 1975.

Ravi (1975) found that complying with the stipulations of the multifarious regulation by the farmers as well as traders and other market functionaries are highly complicated, which has also been endorsed by Ganesan (1979, 1982). The activities of departments like agriculture, rural development, planning, statistics, public works, public relation, excise, forest etc., should be coordinated in formulating development plans for agricultural marketing and its proper implementation by avoiding undue delay and harassment of the marketing functionaries (Misra, 2002).

Cooperative marketing

The history of cooperative movement flagged off in the year 1904 and the cooperative agricultural marketing system begins with the enactment of the Cooperative Societies Act of 1912 (Digby Margaret, 1960, Banerjee 1961, John Winfred and Kulandaiswamy, 1987). The erstwhile Madras State is the pioneer in the field of cooperative agricultural marketing in the country when the Kumbakonam Agricultural Supply Society was formed in the year 1913 (Study Team, 1965), which arranged for the supply of seeds, manures, implements and sale of the farm produces of members. This was followed by the organization of more such cooperatives in Hubli, Gadag, and South Canara in the year 1915, 1917 and 1918 respectively. With the increasing trend of establishment of
organised marketing institutions, the state control was felt necessary (Bauer, P.T. 1976). Various legislations like the Deccan Agriculturist’s Relief Act (1879), the Land Improvement Loans Act (1883), the Agriculturists’ Loans Act (1884), the contributions of Sir Fredrick Nicholson (1899), Sir Edward Law (1901), The Famine Committee Report (1901), Credit Societies Act (1904 and 1912), Maclagan Committee (1915), Reforms Act (1919) etc., gained confidence of the people in cooperatives. However, the report of the Royal Commission on Agriculture (1929) gave fillip to agricultural cooperative marketing movement. This was followed by the contributions of the Indian Central Banking Enquiry Committee (1931), the Eleventh Conference of the Registrars of Cooperative Societies (1934), establishment of Reserve Bank of India (1935), the Constitution of the Directorate of Marketing and Inspection (1935), the 14th Conference of the Registrar of Cooperative Societies (1944), the Cooperative Planning Committee (1945), All India Rural Credit Survey Committee (1954), establishment of the National Agriculture Cooperative Marketing Federation (NAFED) in 1958, National Cooperative Development Corporation (NCDC) in 1963, Food Corporation of India (FCI) in 1965, constitution of Dantwala Committee on Cooperative Marketing (1966), establishment of the National Bank for Agriculture and Rural Development (NABARD) (1982), findings of Food and Agriculture Organisation (FAO) (1988), report of the Agriculture Credit Review Committee (ARC) (1989), setting up of the Directorate of Marketing and Inspection (DMI) and National institute of Agricultural Marketing (NIAM) (1998 (Chaturvedi and Svardstrom, 1954, Ghosh Arabinda, 1963, F.A.O. 1975, Martin, K. 1981, Abbott, J.C. 1986). Moreover, establishment of specific commodity Boards such as the Coir Board, Coconut Development Board, Spices Board, Tea Board etc., have accelerated the pace of marketing in their respective fields. The 20th century may be characterized as the
century for development, expansion and multiplication of cooperatives because of a wide variety of developmental efforts, assistance and support provided by the Government for the promotion and development of cooperative movement in the country (Sajoy Saha, 2000).

The main functions of the Cooperative Marketing Societies are outright purchases, supply of inputs, open market and support price procurement warehousing, pledge finance, pooling, grading, processing, agency sales, outright and open sales, distribution of essential commodities and linking of credit with marketing. There are about 8800 Primary Marketing Cooperative Societies (PMCS) in the country, out of which 3216 are general purpose PMCS, 461 District/Central Marketing Societies, federated into 29 state level federations and the apex in the national level being the National Agricultural Cooperative Marketing Federation (Nafed). Their marketing turnover is estimated to be around $ 3,500 million. The mere presence of marketing cooperatives influences market behaviour and ensures remunerative return to the producer (Mishra 2002). However, Partho Pratim Roy (2002) is of the view that although cooperatives have spread their tentacles to almost every nook and corner, they are deficient in certain basic characteristics, such as lack of education among members, lack of cooperative spirit, lack of efficient work culture, lack of proper supervision, lack of honesty, low level of income, regional imbalances etc. An efficient system of cooperative marketing ensures the elimination of middlemen and malpractices and reduces the price spread and ensuring better returns to the farmers. Member education, leisurely withdrawal of subsidies, renovation of sick units, ensuring financial independence, democratic governance etc., would solve most of the problems. (Nakkriran 2000). Katar Singh (2002) finds fault with the cooperatives, as they are grossly mismanaged or not managed at all. Most of
the cooperatives suffer from a variety of internal and external problems and face several challenges. The defects and problems enumerated above are equally applicable to the cooperative agricultural marketing in our country also.

Agricultural marketing reforms: The Indian agricultural marketing system has undergone revolutionary changes during the last few decades. Agriculture contributes around 27 per cent to the gross domestic product (GDP) at current prices and 40 per cent to the national income, 20 per cent of the exports and affords nearly two-thirds of the work force (Mishra, 2002). The traditional concept of food production for home is shifted to production for the market and enthuse farmers for enhanced marketable surplus by the adoption of modern technologies. Enactment of several legislative measures lead to the establishment of cooperative marketing institutions, regulated markets besides pilot projects and schemes to enable better marketing of agricultural produces in the country.

Prior to enactment of Agricultural Produce Marketing Act, the Government has initiated schemes and programmes for agricultural marketing reforms. For instance, a novel idea of setting up of ‘collection centres’ for transportation of agricultural produces from farms to the market yard has been introduced during harvest season as successfully experimented in Rajasthan. Adequate storage facility to take care of the farm produces till it fetches a remunerative price is a stumbling block in the development of agricultural marketing in India (Tarit Kumar Datta, 1983). A number of steps have been taken by the government to overcome this drawback. The National Cooperative Development Corporation (NCDC) implements viable schemes for the construction of godowns. Another programme called ‘National Grid of Rural Godowns’ is also implemented for the establishment of rural godowns. The Ware Housing Corporation of India, The
Food Corporation of India Ltd., the Fertilizer Corporation of India, Indian Farmers Fertilizer Cooperative Ltd., etc. also extend liberal assistance for setting up storage facilities for food grains. Regulations to abolish market malpractices like sale under cover/cloth (Hatha system/Satta system), levy of excessive market charges, standardization of rates and fee for various services, issue of authentic sales slips showing the quantity and price of produces transacted, introduction of standard weights and measures, provision of storage facilities etc., to ensure better and remunerative price to the farmers for their produces, development of quicker means of transport, dissemination of market information through electronic media, provision of credit on pledge of produces etc., have reduced the habitual distress farm sale or village sale or sale through itinerant traders. Availing Minimum Support Price farmers are also benefited for selected 24 major agricultural crops including copra, as they could off-load their surpluses to the nodal agency implementing the open market operations (Mishra, 2002). The central government has also announced a scheme for “Farm Income Insurance (FIIS) to be implemented in selected districts of the country where food grains are the prominent crops. If the farm income falls below a guaranteed level, the farmer will be compensated to the extent of difference in the farm price and market price (The Hindu, Dec. 11, 2003).

In spite of several measures undertaken during the last few decades to improve the efficiency of agricultural marketing system in India, there is still a long way to go (Srivastva, 2002). It has been generally believed that lack of consensus is one among the causes for derailment of the reform processes in the agricultural marketing system. Moreover, as these schemes were sporadic experiments, desired level of impact of the schemes and programmes could not derived. There are numerous agencies set up for the benefit of agriculture; but a
few of them are either defunct or dormant. Ashok Gulati (2000) observed that the various committees that have examined the issues highlighted the urgent need for reforming the existing agricultural marketing system to attune them to the changed economic environments. The Kabra Committee appointed by the Government of India in 1993 recommended to introduce futures trading in 17 major agricultural commodities and also to include more and more commodities to facilitate integration of domestic market with international market. The major commodities are jaggery, black pepper, turmeric, cotton, kapas, sugar, raw lute and jute goods, all major oilseeds and their oils and cakes including copra. Coconut oil, rice brand oil and coffee. The Guru Committee (2003) outlined measures to bring the marketing of Indian farm goods competitive in the global market, which involved an overwhelming investment of Rs. 2,68,742 crore for implementation. This has been followed by setting up of an inter-ministerial task force headed by R.C.A.Jain (2003), which endorsed the recommendations of the Guru Committee. It also recommended the repealing of or amendments to the obsolete legislations governing agricultural marketing like Essential Commodities Act (1955), Agricultural Produce and Marketing Acts of various states, and the Forward Contracts (Regulation) Act (1952). Besides, creation of necessary infrastructure such as warehouses, cold storages, market yards etc., are required in the light of globalization and the WTO, as success in achieving sustained growth depends critically on expanding access to the opportunities of globalisation (Anil Sharma 2001, Manoj Pant 2001, Ashok B. Sheirma 2002, Raman 2002, Kofi A. Annan, 2002). The Indian agricultural economy demands opening up of the farm marketing to international markets and cooperatives can also play a vital role to achieve this goal (Audhya U.K. 2002). Government of India appointed an Expert Committee in December 2002, to review the present system of agricultural marketing in the country in order to recommend measures for
creating effective, efficient and competitive marketing system for farm products. It has put forwarded various legislative reforms and reorientation of policies and programmes to revitalise the agricultural marketing of the country. The task force constituted in July 2003, categorical emphasized the need for strengthening the agricultural marketing system including the regulated markets.

Salient features of the recommendations are removal of unnecessary constraints and restrictions to establish a sound network of agricultural marketing by amending the relevant legislations, especially the state Agricultural Produce Marketing Acts and the Essential Commodities Act. The role of the government are to be limited to that of a facilitator and to encourage promoting agencies including private investment, to lawfully develop infrastructure in the regulated markets; establishment of forward and backward linkages within the purview of the Agricultural Produce Marketing Act; liberal allocation of land for the establishment of regulated markets, farmers’ associations and collection centres along with provision for priority connection for electricity, telephone, water, sewage, extension of long-term soft loan facilities, exemption or moratorium from payment of income tax etc.

To encourage direct marketing as an innovative channel like Apani Mandi (one’s own market), where the farmers and the ultimate consumers directly contact; Hadaspar Vegetable Market, which is a model for direct marketing of vegetables in Pune city in Maharashtra; Rythu Bazars of Andhra Pradesh for marketing of fruits and vegetables with a direct link between the farmers and the consumers have been set up. It has been reported that the producer’s share in consumer’s rupee is more by 15 to 40 per cent and the fresh produces cost the consumers at 25 to 30 per cent less prices than that of the prevailing market rate (Misra, 2002). Uzhavar Santhaigal (Farmers’ markets) established in Tamil Nadu in selected areas are functioning more or less on the above lines.
Legalization of contract farming with forward and backward linkages and facilities for bank finance; Rationalization of market fee and other charges levied by the regulated markets; Removal of restrictions on the inter-state movement of selected agricultural produces; Liberal facilities for pledge loans ranging from Rs. 1 lakh to Rs. 5 lakh for a period of six to twelve months; Establishment of market information system and provision of facilities for e-commerce or electronic trading; Strict adherence to phyto-sanitary requirements as per international and WTO standards from the production to the ultimate consumption (Ashok Gulati and Anil Sharma 1997): and marketing expansion, training and research in the relevant areas by strengthening the institutions like the Directorate of Marketing and Inspection (DMI), State level Directorates of Economics and Statistics, State Agricultural Marketing Boards, Indian Council of Agricultural Research (ICAR), National Institute of Agricultural Marketing (NIAM) etc. are other vital issues for strengthening the agricultural marketing system of our country.

Review of literature

markets. Riley and others (1979) in their working paper, probed into the role of marketing geographies in developing countries by giving much emphasis on periodic and daily markets in urban area. Analogous studies by Berry (1967), Smith, V.A. (1975), Mulvihill (1976), Gamier and Delobez (1979) and Srivastava (1988) provided the basic concepts of agricultural marketing activities. Daman Prakash (1995) stressed the need for organised marketing system viz., the cooperatives in streaming all economic activity in general and agricultural marketing in particulars. However, Kulkarni (1951), Arabinda Ghosh (1963), Srivastava, D.K. and Radha Singh (1978), Rangarajan C, (1997) and Srivastava (1981) have given a detailed analysis on all economic aspects of agricultural marketing in India including the market structure and described the rural development programmes collaborating with regulated and periodic markets. However, most of these studies have been done by geographers and therefore, a holistic view on the agricultural marketing could not be traced. Moreover, most of the literatures (Parashwem P K, 1991, Parmar G.P., Khunt K.A., Desai B.B 1995, Paranjothi T 2002) highlight one or the other aspect of agricultural marketing and the holistic assessment of either the marketing cooperatives or the regulated markets are not found. However, some such literatures are reviewed for the study and presented below.

Krishna Raj (1965) Chathopadya, Manabendu and Ispita Sen (1998), while studying the constraints and prospects of agricultural marketing found that improved agricultural marketing system has helped generating marketable surplus. Patil et.al. (1985), appreciated the effectiveness of the marketing channel for marketing of mango in our country. However, Chaturvedi and Svardstrom (1954) and Svardstrom K, (1969) noticed disproportionate slash in prices of agricultural commodities immediately following the harvest and advocated for a "purposive exchange' of produces through institutional channels especially
marketing cooperatives. The Committee on Cooperative Processing (1954) advocated value addition to agricultural produces by cooperatives. Shah (1963) observed that the weakness in the functioning of marketing cooperatives could be overcome to a large extent by linking credit with marketing, although, Kahlon and Grewal (1962) analysed the drawbacks of the linking the credit with marketing. Devarajan (1962) probed into the intricacies of agricultural marketing and opined that effective coordination between marketing societies and regulated markets is required to build-up a strong base for agricultural marketing in the country especially in strengthening the warehousing facilities. Marketing societies and regulated markets have to work in close coordination with each other. The regulated markets should ensure fair trade practices while the marketing societies provide for healthy competition with the private traders by participating in the transaction (Kapde M. V. 1979).

As for imperfections in agricultural marketing system, Dwivedi (1970) in his study on the agricultural practices of farmers in the Murzapur district of Uttar Pradesh noticed that majority of the farmers are tied up with the local money lenders and they have been inclined to sell their produces at the nearest markets or village itself than transacting with the cooperatives (Venkatachcda Naidu V., 1984). They resort to distress sale of their agricultural produces in massive volume through unorganized markets fetching throwaway prices. He also finds that malpractices prevalent in the market yard, viz., under-weight, departing from settled rates, hidden sales outside open auction, belated payment, free samples, unreasonable charges, undue favour to wholesalers, cutthroat interest charges as reasons for distress sale of farm produce. Agarwal (1976) identified inadequate facilities of credit, institutional marketing, warehousing, transport, mal-practices in transactions, fake grading and standardization, lack of reliable market information etc., as some of the major
problems in agricultural marketing in India. Palaniswamy (1978), while analyzing the adoption behavior of the flower growers opined that the role of transport in the rural marketing of agricultural products is vital and generally bus and cycle are the only means of transport and therefore, majority of the farmers have been disposing their produces locally to the wholesale merchants on weight basis on pre-contract with them. Sakthivel (1979), in a similar study found bullock carts and buses as extensive means of transport and majority of the farmers sell their produce locally to the commission agents on credit as well as cash down payments. Mamoria (1979) noted that lack of collective and organised bargaining, distress sale due to indebtedness, unscrupulous middlemen, multiplicity of market charges, prejudice towards purchasers, adulteration of and food crops etc., are barriers in approaching regulated markets by the farmers. Ravi (1975) pointed out that lack of credit facilities, non availability of packing materials, inadequacy of transport facilities, delayed payment, inconvenient location of regulated markets, insufficient and higher cost of storage facilities, lack of competition among buyers, cumbersome procedures etc., are some of the problems perceived by cotton growers in the utilization of regulated markets. Acharya (1983) commented that the British policy of agricultural marketing was one of 'laissez faire' mainly because of low market orientation for most of the crops except in the case of cash crops and public intervention in the agricultural commodity markets was minimal. Tarit Kumar Datta (1983) found that inadequate communication system coupled with high cost of transport decelerate the pace of efficient marketing in remote villages. Mundinamani and Hiremath (1985) noticed that the marketing costs incurred by producer as well as seller have been found exorbitant and it reduces the profit margin. Navin Chandra Joshi (1987) revealed that the farmers are subject to severe exploitation by middlemen for want of proper canalization. Wadhwa, S.C (1999) observed that transparency in the
banking operations and establishment of viability of the banks are essential for flow of rural credit. The project-team, which visited Tamil Nadu in the year 2000 observed that the role of middlemen in the supply chain is huge. They deny value to both farmers and consumers and farmers have no direct relationship with retailers (Paranjothi T 2002). The inadequate linkages also lead to loss of large quantities of horticultural produces. Wadkar (1970) put-forth serious irregularities with regard to the working of regulated markets, such as fictitious open auction, doll-type representation of farmers and ineffective management etc., in the market committee. The Reserve Bank of India, in its study (1969) observed that lack of effective integration, poor management, malpractices and favoritism, non-cooperation from credit societies as well as regulated markets etc. are the reasons for the poor performance of the marketing cooperatives. Chaku (1983) indicated that effective planning is a powerful instrument to strengthen the functioning and viability of marketing cooperatives. Nafed (1984) in a survey report in Tamil Nadu observed that the marketing cooperatives and the regulated markets lacked the basic infrastructure facilities and they deal only in the lucrative crops like groundnut, cashew, chillies, gingili, cotton and pulses. The weak share capital base, inconvenient location and inefficient and corrupt management are some of the reasons pointed by Parmar G.P., Khunt K.A., Desai B.B., (1995) for the weakness of marketing cooperative.

As for the impact of organised marketing bodies viz., the regulated markets and cooperatives, Dantwala (1966) and Ajjan, N. (1986) opined that even for the successful regulation of the market, the presence of a strong marketing cooperative in the area of operation of each regulated market becomes an absolute necessity and marketing society can very well function in a regulated market to arrest the malpractices of the traders to a great extent. Rangarajan C, (1997) urged the need for purposive marketing of the produces through the
cooperatives to minimize erratic fluctuation in the prices of agricultural products. The National Commission on Agriculture (1976) advocated a network of marketing facilities through the cooperative marketing societies to play a crucial role in the input and output marketing operations. Birari and Kesar (1985) observed that the producers’ share in consumers’ rupee was slightly higher in the case of cooperative fruit sale societies than other agencies. Gopalan and Mathan Gopalan (1991) in their study on the Nilgiris Cooperative Marketing Cooperative found that the overall marketing efficiency was satisfactory. Balan Chandra and others (1989) found that the market share of the cooperatives in the marketing of arecanut was increasing. Bilonilear and others (1988) conducted a similar study in Maharashtra state and found that the cooperative marketing societies in the state helped the farmers in minimizing the marketing costs. Bahehi and Saxena (1991) in their study observed that a credit-based marketing system is prevailing in Uttar Pradesh, where the traders advance loans to the farmers during off-season and in return they are forced to sell the produces to the latter. They advocated the services of the cooperatives to overcome this problem. Jaya Anitha and others (1998) in their study on the performance analysis of the Tamil Nadu Cooperative Marketing Federation (Tanfed) found that the cooperative marketing structures have served the farming community to the desired level. Mani (1980) observed that in spite of inadequate working capital and owned fund, lack of cooperation among members and other cooperatives, the cooperatives serves the farmers in a better way. Sudha and Subramanian (1996) found that the financial position of the marketing cooperatives in Andhra Pradesh was not satisfactory and recommended ways and means to overcome the same. Boothalingam (1990) in his study on the cooperative marketing of potatoes in Nilgiris found that although the farmers are satisfied with the supply of the fertilizers by the cooperatives, the Indian Farmers Fertilizer Cooperative
Organization (1FFCO) exerts undue pressure for compulsory sale of their brand, which the farmers do not tolerate. In an opinion survey conducted by Tewari and George (1994), it is noticed that the cooperatives societies seldom follow the useful marketing practices experimented and found good by the traders and majority of the respondents preferred the sale of the produces through traders rather than the cooperatives due to the better services rendered by the former. Ravi and others (1995) in Karnataka found the performance of the marketing societies in the state is not up to the mark.

As for the impact of regulated markets, Moore (1973) states that farmers determine the market prices of agricultural produces through letters from Market Committee. Mishra (2002) estimated that the farmers in regulated markets sell around 70 per cent of their marketed surplus in the country. Mishra et al. (1987) revealed that farmers have been found content with the transaction through regulated market as the share of producers in consumer rupee has been higher in the case of farmers who sell their produce through regulated markets compared to those who sell in other markets. The market cost incurred also has been found less in the former case. Prasad (1980) opined that regulated markets could eliminate malpractices and ensure correct weight, fair dealings, better price and prompt payment to the farmers and motivate them to avail its advantages especially as forum to facilitate the exchange of ideas. Amod Sharma (2001), observed that when the product is marketed at the village site, cultivators generally receive prices that are much lower than those assured in a regulated market”. Manimanthiri (1981) in his study in south and north Arcot districts of Tamilnadu found that majority of farmers market their marketed surplus of groundnut through the regulated markets. Siva Prasad (1977) studied the role of regulated markets on the export front of chillies and found that price of graded
chillies in regulated market is lower for export. Ganesan, M., (1979, 1982) in his studies on the marketing of cotton in Theni found that the farmers who sell through regulated markets are really benefited in the form of higher prices and lesser marketing costs and also suggested remedies to overcome the gap that exists in the present marketing system of raw cotton. Mirchandani and Hirandani (1965) studied the impact of regulated markets on the market structure and efficiency. They revealed that on the whole, the regulated markets exercised a very wholesome influence on the market structure and generally improved the marketing efficiency at the primary level. Ravi P.C. (1975) studied the problems of regulated markets in Tiputur and Arasikeere regulated markets in Karnataka and opined that the services extended by the above regulated market are well enjoyed by the farmers. Nair., G.K., (1997) found that coconut production in Tamil Nadu is likely to overtake Kerala in the near future and therefore, viable strategies for its proper marketing are to be envisaged well in time.

Yet, Anonymous (1979) identified that lack of timely credit, inconvenient market yard, and inadequate transport coupled with poor motivation as barriers for selling the produces through regulated markets. Gopalan and Mathan Gopalan, (1991) found that regulated markets are inaccessible to the farmers in rural area as its operations are restricted within the taluk head quarters. He suggests that the private traders have to be excluded from the purview of regulated markets and the farmers be assured a reasonable price, which may be at least the price offered by the commission agents. Shankar Murthy (1989) noticed in his study in Karnataka that the market share of the volume of pesticides and fertilizers transacted by the State level marketing federation was low. Mundinamani and Hiremath (1985) noticed that the marketing costs incurred by producer as well as seller have been found exorbitant and it reduces the profit
margin. Sankaraiah and Munidoraswamy Naidu (1983), in their comparative analysis of advantages of regulated markets and the marketing cooperatives noticed that small framers are getting lesser benefits than the large farmers from cooperatives and they are more contented with the services of regulated markets. Menon (1980), in his study on the regulated markets of Madurai District observed that despite the existence of regulated markets, very insignificant proportion of produces are sold through institutional sources, due to the pre-contract with wholesalers and moneylenders. Mallick (1976) reveals that farmers have been transacting sale through private traders and only a few transacted through institutional sources. The contribution of the regulated markets in improving markets and controlling the price level has been found deplorable.

Naidu (1976) in his study of regulated markets in Raipur district of Madhya Pradesh found that only 6.4 per cent of the total agricultural produces have been transacted through regulated markets, that too by the medium and big farmers. Small farmers are either unwilling or incapable of transacting through organised sector as they are tied up with the moneylenders. Thanulingam and Venkateshwaran (1987) noticed availing of services of regulated markets by big farmers and no farmer availed benefits of regulated markets to large extent. Kattiyar (1959) in his comparative study on the performance of cooperatives and regulated markets found that the marketing problems could be solved only when the organised marketing institutions devote more attention to the problems of the farmers by extending timely credit, storage facilities etc. Mani, K.C. and John Knight (1981) reported that lack of credit, severe grading, inadequate transport facilities, high cost of transporting and loading, lack of cattle shed and drinking water, inadequate storage space, non supply of agricultural inputs and cumbersome marketing procedures were some of the stumbling blocks in
availing the services of regulated markets. Reddy (1971), Eswaren (1985) and Reddy, M. and Sudharsan (1977) revealed that majority of farmers preferred sale through commission agents due to the tie-up arrangements and easy loan facilities, better storage etc., while regulated markets were prepared for their correct weighing, absence of commission, better price etc. However, a study conducted by Kapde M.V. (1979) examined the extent to which cooperative marketing societies have succeeded in relation to other marketing channels. The study finds that cooperative marketing societies have succeeded in offering better prices than that by other channel institutions.

A few studies find defects of the regulated markets and cooperative marketing institutions also. Rajaram (1973) observed that the regulated markets in Tiruchirappalli district lacked the basic infrastructure facilities and they deal only on lucrative crops like groundnut, cashew, chillies, gingili, cotton and pulses. Ajjan (1986), in his studies on the operational aspects of regulated markets noticed that the real problems of regulated markets are their operational bottlenecks and not the structural defects. Mortgage of products, lack of adequate communication, inadequate transport facilities, insufficient storage facilities, poor infrastructure and seasonal gluts are the major problems faced by the farmers in marketing their produce through regulated markets (Tushar Kant Misra 1987). Haridoss and Chandran (1996, 1997) identified seven problems that are closely associated with the coconut marketing, out of which, lack of finance ranked first and lack of knowledge about regulated markets ranked fifth. Moreover, growers are reluctant to market their produce through regulated markets due to lack of transportation facilities (Manjappan 1978). In his study Ganesan M (1979,1982) observes mal-use of services such as, the facilities of regulated markets like market yards developed for the benefits of the farmers are
being largely utilized by the village traders. Gopalan and Athimoolam (1970) report existence of mal-practices of middlemen prevailing in regulated markets and the failure of cooperatives in overcoming them. Efficient management, improved quality of services, cordial public relation etc. are advocated for better performance.

A few literatures have also elaborated the pattern of beneficiaries of regulated markets. Venkiduswamy (1977) states that there is no significant difference among small farmers in respect of their socio economic characteristics like age, education, urban contact, and mass media exposure and market perception. However, Vijayaraghavan (1977) found existence of significant difference between small and medium farmers in respect of farm size, socio-economic status, market perception and economic motivation. Muthuraj (1979) in his study among user and non-user farmers of regulated markets, found that small farmers differed significantly in their economic motivation and no significant differences have been noticed with regard to age, education, farm size, social participation, socio-economic status and market perception. However, significant differences have been reported among the marginal farmers in respect of their education, economic motivation and market perception and similarity in age, farm size, social participation and socio-economic status.

Mani (1980) also finds significant differences in the socio-economic status, social participation, market perception and economic motivation and little significant difference in the age, education, farm-size, farming experience, mass media exposure, urban contact, level of aspiration and overall modernity between user and non-user farmers of regulated markets.
Manoj Pant, (2001) identified the impact of regulated markets on the socio-economic characteristics of farmers. Middle-aged farmers have high level farming experience, economic motivation, urban contact, risk orientation and market perception. Mani (1980) finds significant differences in five characteristics viz., age, social participation, socio-economic status, urban contact and market perception. He finds that majority of farmers who possess high mass media exposure have favourable attitude towards regulated market. Similarly, Mani and Knight (1981) reported that the users of regulated markets had high socio economic status, greater market perception and higher economic motivation than the non-users. Daman Prakash (2001) finds gender differences retarding participation in regulated markets.

A few studies have disclosed the attitude of farmers on regulated markets. Manjappan (1978) states that majority of farmers are found to be satisfied with the services of regulated markets and maintain positive attitude. Ravindran (1981) noticed that majority of the big farmers preferred selling their produces through regulated markets, while only 20 percent of small and medium farmers, who possess less than 0.20 hectares, resorted to the above channel. Mohanadasan (1979) indicated that the market perception of big farmers were positive and significant whereas it was non-significant with regard to small farmers. Somu (1982) discriminates the attitude of farmers who avail the services of regulated markets. Non-users are inclined to market their produce through the regulated markets. Only three-fifths of the users of regulated markets have favourable attitude towards regulated market. Reddy and Reddy (1977) reported that awareness on the advantages of regulated markets and frequent contacts with the urban circles by the farmers facilitated them to disseminate information on regulated markets, which enthuse them to transact with the organised markets.
The literature review confirms that a comprehensive study of the performance of regulated markets in general and marketing of coconut and copra in particular has not been undertaken. Moreover, such a study assessing the impact of regulated markets on the socio-economic and coconut-farming indicators of users of regulated markets has not been done so far. Thus, the literature shows the research gap and warrants the need and relevance of the present study.

Statement of the problem

Marketing is as important as production. It creates time, place and possession utilities for products. Hence, production is meaningful only when marketing is perfect. Realization of the true value to the product as also rewards in terms of remunerative price to producers can be had only through marketing. Therefore, creating a marketing system, which could satisfy both the ends viz., the producer and the consumer is a *sine-qua-non*. The producers need to be served with reasonable and remunerative prices so that they can take up continued production of goods and services. Similarly, the consumers are to be provided with maximum satisfaction for the goods and services they consume so that goods and services can have stable value. This warrants, i) elimination of the imperfections in the marketing system on the one hand and ii) production of goods and services in tune to the needs and wants of consumers on the other. Although, the former could be attempted through state interventions, the latter demands the participation of producers. As for agricultural goods, the government has initiated innumerable measures for correcting the imperfections of the marketing system, while the agencies / institutions associated with agricultural marketing are directed to enlist farmers’ participation in the production of market oriented agricultural produces. Cooperative marketing
institutions and the regulated markets are highly appreciated for their effective performance in accomplishing the above tasks. However, as for coconut marketing in the state, regulated markets play a crucial role in promoting effective marketing system for coconut and coconut products to a greater extent than the cooperatives. Further, it is presumed that the regulated markets have brought far-reaching implications in the marketing system as also in the socio-economic conditions of farmers. In this context, query has been made to address a few issues on the role of regulated markets in marketing of coconut and coconut products in the state. Whether the regulated markets have regulated and controlled the marketing system particularly the buyers / traders operating in the market or not? What do the regulated markets do in this regard? What is the trend in the procurement and sale of coconut and coconut products in regulated markets? Have the regulated markets influenced the price of coconut and coconut products and retain hold over the price structure? Have they facilitated for the increased adoption of value addition activities on coconuts by farmers? Do the farmers realize the significance of the regulated markets as an agency in bringing up their socio-economic conditions? Addressing these and other such issues require an empirical investigation. Hence, the study.

**Title of the study**

*A study of the marketing of coconut and coconut products through Regulated Markets in Erode district in Tamil Nadu.*

**Objectives of the study**

The specific objectives of the study are:

> To assess the production and marketable surplus of coconuts, and the mode of disposal of coconuts by farmers.

> To assess the performance of regulated markets with reference to procurement and sale of coconut and coconut products.
> To analyse the contributions of regulated markets in bettering the marketing system and income augmentation among farmers.

> To identify problems of farmers in the effective marketing of coconut and coconut products through the regulated markets and, offer suggestions.

Hypotheses

The study has the following hypotheses to enable for deeper analysis of the study objectives. They are:

☐ There are differences in the production and marketable surplus of coconuts among farmers.

☐ Regulated markets are the prominent mode of disposal of coconut and coconut products of small farmers.

☐ Regulated markets in the region deal with coconut and coconut products predominantly than other notified agricultural commodities of the region.

Farmers have high perception of the contributions of regulated markets in bettering the agricultural marketing system.

☐ Regulated markets facilitate farmers for increased copra production.

Conceptualization

**Regulated markets:** Regulated Markets refer statutory market mechanism established under the Agricultural Produces Marketing Act of the respective states, to facilitate marketing of agricultural produces by eliminating unhealthy market practices, reduce market charges, and thereby ensure better returns to the farmers. It includes various sub-markets and Market Committees formed under the above legislation.
Coconut farmers: Refers to farmers who undertake coconut cultivation as main or subsidiary occupation, irrespective of the size of holdings, number of trees possessed, ownership of land. They also include copra producing farmers and copra non-producing farmers as well as users and non-users of the services of regulated markets.

Coconut products: As for the study, coconut products refer to dehusked coconuts and milling copra.

Copra production: Refers to the primary processing of matured coconut into milling copra, which is the raw material for extraction of coconut oil.

 Marketable surplus: Marketable surplus is computed after estimating domestic consumption including the consumption of tender coconuts, quantity used for seedlings and other miscellaneous items like gifts to free climbers, neighbours, servants including religious and obligatory offerings. In simple terms it is the net availability of coconuts at the disposal of the farmers for commercial purposes.

Methodology

The study is an empirical analysis. Field survey method and personal interview techniques were adopted. Multi-stage sampling for selection of area, the sampling units viz., the regulated markets and farmer respondents was employed.

Sampling procedures

Selection of area: Erode district was selected purposively due to the reason that out of 272 regulated markets in Tamil Nadu, 27 were dealing with coconut and coconut products. Among them, 15 were operating in Erode district
and more over they have been dealing with coconuts over one decade. The regulated markets located in other districts that are dealing with coconuts have entered into coconut trading very recently (Erode District profile is given in Appendix-2).

Selection of regulated markets: For empirical enquiry, all the 15 regulated markets dealing with coconuts including all the six regulated markets dealing with both coconut and copra were selected.

Selection of farmer respondents: Since coconut farmers including copra producing farmers, and user and non-user farmers of the regulated markets are necessarily to be interviewed, two stage sampling procedure was followed. As a first stage, all the six regulated markets dealing with both coconut and copra were selected purposively. in the second stage, not less than 25 coconut farmers who participated in the business of the regulated markets were identified in the premises of each regulated market, accounting for 170 user-coconut farmer respondents on convenient basis. Similarly, not less than 10 non-user coconut farmer respondents were identified in the nearby villages of the regulated market through the user-coconut farmers of the regulated market on snowball sampling basis, accounting for 80 non-user coconut farmer respondents. Thus, 250 coconut farmer respondents were selected for interview.

Tools and techniques for date collection

Field survey method and personal interview techniques were used. Data for the study were elicited through administering structured interview schedule among farmer respondents and data sheet among regulated markets.
Period of the study

Data pertaining to arrivals and sale of coconut and copra, price structure, number of farmers and traders participating in the business of the regulated markets and such other particulars over a period of ten years from 1993-94 to 2002-2003 were obtained from the sample regulated markets. Personal interview with farmer respondents was carried out during January - March 2003.

Data analysis

Data obtained from farmers and regulated markets were analysed with the help of Statistical Package for Social Science (SPSS). The survey statements were statistically tested by employing appropriate statistical tools such as test of significance, correlation, chi-square, ‘f’ test and linear multiple regression models. Moreover, percentages and averages were used. Pie chart and bar diagram were used. The findings of survey statements, and the results of statistical analysis were considered for analysis, interpretation and comprehension of the data in the study.

Scope of the study

Focus of the study is on assessing the contributions of regulated markets in eliminating / reducing the imperfections of the marketing system and promotion of value addition to coconuts as off-farm activity among coconut farmers. In this broad context, the study analyses the production and marketable surplus of coconuts of farmers as also the mode of disposal strategy adopted by farmers for disposal of their coconut and its products. Extent of disposal of coconut and its products through the regulated markets and reasons for the preference of regulated markets are identified. The role of regulated markets in bettering the
marketing system is analysed through the perception of user and non-user farmers of regulated markets, while the role of regulated markets in promoting copra making as value addition activity among farmers is assessed through the perception of copra producing - user farmers and copra producing - non-user farmers of regulated markets. The reasons for not utilizing the services of the regulated markets by non-user farmers, problems in availing the services of regulated markets farmers and the suggestions of farmers for efficient functioning of regulated markets are also obtained.

Limitations of the study

The study has certain limitations also. They are:

The study is primarily socio-economic in nature. Hence the limitations emerge due to differences in the demographic and geographic factors are bound to influence the inference. The primary data collected from on various issues related with coconut marketing and their perception towards the regulated markets etc. are not based on any recorded figures, but emerged out of their memories and therefore, the accuracy of the reasoning is limited. The secondary data were also found irregularly collected, unsystematically complied and contradictory, resulting in reducing the accuracy of derivations. Further, the traders who are also closely associated with regulated marketing system were not included for the study as they have been primarily vested and the information gathered could be biased.
Chapterization

The report comprises six chapters. They are:

*Chapter 1* presents an overview of the coconut industry in general and Tamilnadu in particular. The production / productivity and marketing problems of producers of coconut are also discussed.

*The present chapter* outlines the design of the study and literature review.

*Chapter 3* analyses production, marketable surplus and mode of disposal of coconuts by farmers.

*Chapter 4* assesses the functional performance of the regulated markets with reference to procurement and sale of coconuts and copra, price structure, business participation of buyers and sellers in the regulated markets.

*Chapter 5* discloses the contributions of the regulated markets for bettering the marketing system of coconuts and copra, and promotion of copra production as off-farm value addition activity.

*Chapter 6* in the process of drawing conclusion, presents the major summary of major findings of the survey, the problems in the utilization of services of the regulated markets as perceived by farmers and the suggestions of farmers for effective marketing of coconut and coconut products through the regulated markets.
References:


Kapde M.V. ,1979, Economics of Marketing Cooperatives, *Cooperative Perspective*, April.


Study Team, 1965. *Study on the workers of the Primary Cooperative Marketing Societies,* Thanjavur District, Tamil Nadu.


