Chapter-8

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Regulated Cocoon markets are basic economic activity on which the transformation of social, economic and human values of sericultural farmers entity depends. The Cocoon markets are the reaers first contact point in the marketing channel. The regulated cocoon markets have been developed from to the by the Government of A.P., keeping in view, to safeguard and provoke the economic interests of cocoon producers as well as reelers. However, the measures are not so conducive for the welfare to whom the regulated marketing is means. The reasons are varies, among them, lack of infrastructure facilities, inadequate information, transportation and ineffective management.

The study covered the regulated cocoon markets in the Rayalaseema region during the period of 1994 to 2004. It focused mainly on Physical and Socio-economic Profile of Rayalaseema, Organization structure of Rayalaseema Cocoon Markets, Administrative structure of Rayalaseema Cocoon Markets, Working of Cocoon Markets System in Rayalaseema. It also covers the percepts of 320 participants on the cocoon markets to have cross section analysis so that better finds can be deducted suggesting better measures to improve and strengthen the regulated cocoon markets in the Rayalaseema region. The study, thus, is an empirical one.
Findings

1. Physical profile of Rayalaseema region

The Rayalaseema region lies mainly at an attitude of about 300 to 700 meters above the mean sea level. The climate is well suited for silkworm growth. The region has no coast line and is accessible only by land. The region, as a whole, as a smaller average, low population and less density than that of other regions of A.P., literacy level is also low when compared to other region of A.P. The sex ratio is 957.

A. Soils

Red soils predominate the region although black soils found in the parts of Kurnool district. Mulberry grows luxuriantly in these soils. When compared to the crops like Groundnut, Jowar and Bajra Sriculture is most sustainable crop. Land utilisation is accounted for 39.59 percent of 165.51 lakh acres of geographical area. On an average eight persons get employment on per acre used for mulberry crop. The concentration of land holdings is below 12.50 acres. The Rayalaseema region forms the major part of the chromic famine area, an account of rocky and unyielding soils and scarcity rainfall.

3. Socio-Economic Profile

In the cropping pattern, there is a substantial decline of area under food crops in the entire region as well as all the four districts. Occupational pattern of Rayalaseema region indicates that a large number of workers engaged either as cultivators or agricultural labourers. On the whole sericulture industry is well suited under these physiographic and socioeconomic conditions.

4. Organization structure of A.P.

Organisation structure will always have an important bearing on the functioning of in the system. Same is the case with cocoon markets in A.P. in general in Rayalaseema in particular. The organisation structure of Sericulture Department in A.P. is headed by on Commissioner of Sericulture who is a Chief Executive Officer. He is chiefly responsible for policy execution. The Sericulture structure is the state is organized into Zonal Officers, Districts Officers and Divisional Officers. The Divisional Office is headed by the Asst. Director of Sericulture who looks after Marketing, Reeling, Grainge, Farm maintainance and Extension activities. The
cocoon market have various marketing services like Assembly, Grading and Standardization, Processing, Storage, Packaging, Financing, Risk bearing, Distributing, and Market intelligence.

5. Administrative Structure of Andhra Pradesh

The Administrative structure of Sericulture Department starts with the Ministry for Agriculture headed by a Cabinet Rank Minister known as Minister for Agriculture. Major policy decisions are made by the Minister who is internally responsible to the state legislature. The Minister is assisted by a Secretariat wing headed by Principal Secretary. Department of Sericulture which looks after cocoon marketing is responsible for planning, implementation, monitoring, and evaluation of the marketing services at the state level. There is a state level committee to which the commissioner of Sericulture A.P. Hyderabad acts as its Chairman. This committee performs various functions like leadership and guidance, interdepartmental coordination, and so on relating to cocoon marketing.

6. Working of Cocoon Market

The available infrastructure facilities at the cocoon markets are adequate shows the progress of the market management towards cocoon market development and welfare of participants. Towards the performance of the cocoon markets, in terms of cocoon arrivals and income, all the five cocoon markets have good performance in 1994–1995 compared to the remaining years. However, pertaining to income viability, the Hindupur, Dharmavaram, and Madanapalli have better progress, the latter still has better when compared to the former. The reason is being the adverse climatic conditions and socio-economic problems leading to mulberry crop removal.

7. Rearer Responses on Marketing Transactions

Rearers have an idea about the criteria of grading of cocoons, but they are not adhered to the scientific method of grading. It is found that the method of conducting auction is creating some doubts in rearers to eliminate the complexity and to create confidence in rearers, there is a necessity to follow an acceptable method of sequence system by all rearers. With the introduction of the electronic weighing machine, most of the defects of weighing in non-regulated cocoon markets were eliminated.
Majority of the rearers felt that commission collected by the cocoon market is reasonable.

In general it can be concluded that regulated cocoon markets in Rayalaseema is providing competitive environment in the transactions when compared to the private sales earstwhile, non-regulated cocoon markets. Almost all rearers indicated that losing some amount of cocoons either in small or greater amounts. The major concern of the rearers is the delay at various stages in the cocoon market transactions, ultimately it results in the undesirable expenditure to the rearers.

The rearers familiarity with the marketing authorities is not adequate. Since the marketing authorities play a key role between the rearer and reeler, it is the need of the hour to develop mutual understandings among the rearers, reelers and marketing authorities. This can be achieved only if there is a proper marketing committee.

Many of the rearers prefer to distant markets to fetch higher price. Because of the immediate payments some of the rearers are interested to sell the cocoons in the distant markets. The reason behind the offering better price is due to presence of large reelers in bigger markets. Further it is known that some financiers are arranging the immediate payment by deducting some commission, which is invisible to the rearers total price. Hence it is essential to educate the rearers about the hidden dealings in the bigger markets.