CHAPTER VI

FINDINGS AND SUGGESTIONS
Marketing is considered as a part of production programme and as a corollary marketing assumes paramount importance in agricultural development programme. Considering the problems involved, to increase the farmers marketing efficiency and income, efforts are being made to bring the marketing of agricultural produce under the orbit of market regulation. The importance of Regulated Markets in agricultural development has been rightly recognised. Regulated Markets were established in Anantapur district during 1976. Nearly eight years have passed since then. The present study is an attempt to examine the role of Regulated Markets with reference to groundnut.

In Anantapur district groundnut is a major commercial crop, occupying nearly 30 per cent of the total cropped area mainly as a rainfed crop. The production of groundnut crop involves many problems and so as its marketing. Hence marketing of it needs to be studied thoroughly. This study is an attempt to examine the role of Regulated Markets in groundnut marketing in Anantapur district in Rayalaseema region of Andhra Pradesh.

The main objectives of the study are:
1. To examine the role of Regulated Markets in Anantapur district in facilitating the farming community in securing fair price.

2. To examine the hindrances in the effective functioning of Regulated Markets and to identify the factors accounting for farmers preference for unregulated markets.

3. To find out the farmers problems in agricultural marketing with special reference to groundnut marketing.

4. To suggest measures for improving the working of Regulated Markets with special reference to marketing of groundnut.

To meet the above objectives, growth and working of Regulated Markets in Andhra Pradesh in general and in Anantapur district in particular are examined. Further, an empirical study was undertaken to find out the problems faced by farmers and reasons for preferring unorganised markets.
PROBLEMS IN AGRICULTURAL MARKETING

It is observed that the farmer is at a disadvantageous position in marketing of his produce because of various problems. Indebtedness, illiteracy, pressing cash needs etc., account for getting low income. It is further seen that the intervention of too many middlemen in marketing activity is lowering farmers income. So the farmer is deprived of remunerative price. The study indicated that the farmer is cheated by the unorganised markets in several ways such as false weighment, manipulation of weights and measures etc. The study also revealed that the village traders (unregulated markets) are adopting malpractices like deductions from the farmers produce in the form of sample, dharma and so on. It is also worth noting that the farmers are unable to store their produce effectively. As the farmer lacks adequate storage facilities at his disposal he is not in a position to wait for remunerative price. In view of the transport bottlenecks, the farmer could not choose a better market for his produce. Another important problem of the farmer in marketing his produce is absence of grading. As the farmer sells his produce without grading, he is denied of the good price, depending upon its quality. Another important problem that
hampers the farmers income is nonavailability of accurate and timely market information. It is also noticed that the farmers are not having dependable organisation to fight against the exploitation.

REGULATED MARKETS IN ANDHRA PRADESH

The study of various aspects of Regulated Markets in Andhra Pradesh as a whole reveals that emphasis was found in undertaking different developmental activities. For this purpose, grants-in-aid to the poor Agricultural Marketing Committees and loans to the committees which are not getting sufficient income, are provided by State and Central Governments. Notifying the new markets, monetary aid to Agricultural Market Committees in providing infrastructure for the establishment of Regulated Market yards, acquisition of sites for Agricultural Market Committees and similar steps were also taken. Central assistance was also received for the development of various Regulated Markets. Research and comprehensive surveys are also being undertaken.

This study reveals that most of the Agricultural Market Committees in the State have not yet established Regulated Markets yards. Even the established one also are
not functioning effectively, either due to lack of facilities or due to indifference of farmers towards Regulated Markets. The arrivals into the Regulated Markets are also far low compared to the marketable surplus.

REGULATED MARKETS AND GROUNDNUT MARKETING IN ANANTAPUR DISTRICT

The arrivals of groundnut into five Regulated Markets are worked out for five years (1978-79 to 1982-83). The Regulated Markets taken for study are Anantapur, Hindupur, Kadiri, Rayadurg and Tadpatri. However, in comparing the actual transactions in the yard to that of deemed transactions two Regulated Markets Kadiri and Hindupur were purposively selected. The study substantiated that the actual transactions in the yard are far low to the total deemed transactions and to total production in the area.

REASONS FOR FARMERS PREFERENCE FOR UNORGANISED MARKETS

To test the reliability of some of the observations regarding working of Regulated Market yards, an empirical study was conducted. The issues enquired were mainly on aspects like channels of groundnut marketing and reasons for not selling in the market yards. Among others,
Indebtedness, prior agreements with local traders by the farmers are important reasons for farmers preference to unorganised markets.

Present Regulated Markets are confined to taluk headquarters and are not accessible to all the farmers belonging to different parts of the taluk. It is noticed that sub-market yards are not yet functioning. So even where Regulated Markets are functioning, each market has to serve entire taluk which proved to be non-conducive to all the farmers residing in various parts of the taluk. This problem is much more severe to small and marginal farmers whose produce is low. Further, it is observed that the location of the Regulated Markets was also having an important bearing on the farmers groundnut marketing. Regulated Markets are located adjunct to the groundnut mills. Whenever the farmer wish to go to the market yard to sell his groundnut produce, he has to bypass the groundnut mills, which is a different task for the farmer, because of many prior links between owners of groundnut mills and farmers.

The farmer who wants to market his produce through Regulated Markets should bring a certificate from Village Officer or Assistant in order to get exemption from
the sales tax or market fee, which is a difficult task. It is observed that the village officers or assistants availability and their access is also a problem for the farmer in getting the required certificates.

It is observed that the market yards will be closed down on public holidays including Sundays. Even on working days, the business is confined only to few hours. Hence a farmer coming from far off places may find it difficult in reaching the market yard in time. As most of the farmers are ignorant and illiterates, it is difficult for them to find out the exact dates and days and hours of transactions.

While taking the produce to the market yard the farmer has to pay tax levied by Municipality or Panchayat, which is a burden on the farmer. Farmer need not pay these taxes, if marketed in unorganised markets.

There is growing necessity of individual godowns to the farmers. In the market yard, sometimes, the farmer may feel to postpone his sales. The farmer feels insecure either to keep his produce on the platform or in the 'group godown' of the market yard.
Our survey reveals that farmers are of the opinion that they get competitive price only when the traders came from outside i.e., from other taluks or States. It is also noticed that the price bid by the agencies, such as MARKFED is higher than the local traders. It is quite evident that sometimes the traders are quoting low price when arrivals to Regulated Markets are more. It is also noticed that the traders sometimes may purchase a limited portion of the arrivals subject to their needs. This leads to problems to farmers whose produce was not preferred or purchased by the traders. There are many incidents, even when groundnut produce comes to the yard, traders are not coming to the yard to participate in the purchase of groundnut. Sometimes very few traders will come to the yard and quote low price. Eventhough, the farmer is free to sell or not to sell at the price quoted by the trader it is difficult to the farmer when the price quoted is unremunerative. In these circumstances, farmer has to incur heavy expenditure in filling bags, loading and unloading the carts. Farmer also faces the problem when he stays in the yard for a better price in very near future. In these situations, farmers are not only wasting their valuable time and money but has to forego other agricultural operations particularly in the agriculturally busy season. Even if stays farmer is not assured of remunerative or expected price.
The respondents were of the opinion that sometimes traders with their understandings were quoting low price. The traders are often creating disputes on the quality of the produce so as to get a reduction on the price already quoted. Farmers feel that there may be a private agreement between traders and Agricultural Market Committee officials. It is sometimes said there officials are favourable to the trading community. It is also viewed that in Regulated Markets while conducting auction, the Agricultural Market officials do not follow set rules. It is stated that sometimes officials conduct auctions of the product first for the influenced farmers. The respondents also remarked that the farmers whose lots are auctioned first will get good price and the price gradually decreased to the succeeding lots.

The farmers also expressed that the Agricultural Market Committee officials will look after the transactions in the yard till they get market fee for the produce. The farmers expressed that as soon as the tenders are opened the highest bidder is declared eligible to purchase the produce subject to the farmers option. Even if farmers agree to sell at the quoted price, the officials are not looking after the prompt payment by the traders. It is also noticed that there is much delay in payment to farmers.
It is noticed that the trader will ask the producer who sold his produce in the Regulated Markets to come to the traders' groundnut mill, where the miller once again performs the marketing process such as weighing, deductions for impurities, refraction, dhana, dhama and the price will be fixed in the mill again, rather than the price bid in the market yard.

Marketing officials did not seem to be much interested in the transaction, except in collecting market fee. Market fee is collected only to claim or record that the transactions are being held in the market yard. Further, the interview with the farmers in Regulated Markets revealed that some of the farmers are not coming voluntarily to the market yard, but the marketing officials are forcibly getting them while entering into the groundnut mills to claim as the groundnut trade had taken place in the yard.

The big farmers were found to be interested in moving their produce either to the neighbouring State or to the groundnut mill. On the other hand small farmers mostly sell groundnut produce either to the village trader or money lender.

It is also evident from the study that the miller always tries to transact groundnut business outside the yard.
which will be more profitable to him. It is noticed that the trader has to pay nearly 15 to 17 per cent in the name of various taxes, if purchased in the Regulated Market.

The commission agents continue to flourish without whose help the farmer cannot market the products in Regulated Markets. For the services of the commission agents, farmer has to pay commission charges as per the bylaws of the Agricultural Market Committees. This cost will reduce the farmers' returns considerably. Sometimes, these commission agents also act as purchasers of the groundnut produce indirectly. So, the Agricultural Market Committees could not avoid them easily. The farmers also expressed that the weighman are not honest in their dealings.

Eventhough, there is provision of loan on the pledge of the produce to be kept in the godowns, in many cases, no farmer is coming forward to take the loan, even when the groundnut rate is far below to their expectations. This is due to involvement of too much procedural matters to apply for the loan against the pledge of produce.
SUGGESTIONS

Considering the importance of Regulated Markets and their inability to extend the benefits in a big way to farming community in marketing groundnut produce, certain steps are necessary. Some suggestions made in the next few pages may be of some help to make regulated markets a success in extending their help to farmers in general and groundnut growers in particular.

MARKET YARD LOCATION

It is necessary to open more Regulated Markets and sub-market yards, atleast for every 5 to 6 Gram Panchayats or a yard for every 10 kms. This will be helpful for widely spread groundnut growers.

INFRASTRUCTURE CREATION

It is the need of the hour to accelerate the developmental works by Agricultural Market Committees in the district so as to provide necessary amenities where the market yards are not established so far and also increasing the facilities in the yards which are already functioning. For this purpose, the economically weak Agricultural Market
Committees in the district should be given exemption in paying 10 per cent of its annual income to the Central Market Fund. This step will help in bringing the markets under regulation in near future.

PROPAGATION

The Agricultural Market Committee officials should make wide spread propagation about Regulated Markets and their usefulness to the farmer. The Agricultural Market Committees should remove any doubts or suspicious attitude of farmers towards Regulated Markets and to attract the farmer with positive thinking about Regulated Markets. This will not only help the farmer, but also Agricultural Market Committees in getting more income.

MARKET COMMITTEE CONSTITUTION

Elections for Agricultural Market Committees should be conducted on democratic lines i.e., there should not be any nominated members. The elections should be held as soon as the term expires. A sub-committee may be constituted exclusively for groundnut growers which will encourage groundnut growers in bringing their produce to the yards.
ABOLITION OF COMMISSION AGENTS

The Agricultural Market Committees in the district should gradually abolish commission agents who unnecessarily take away share in the farmers income.

_TRANSACTIONS WITHIN THE YARD_

The Agricultural Market Committees should see that the groundnut market transactions take place only in the yard.

_SUPERVISION AND VIGILENCE_

The officials of the Market Committees should look after each of the transactions within Regulated Markets. This step will encourage the farmers in getting their groundnut produce to the yards and also the farmers may have faith and confidence on the functioning of Regulated Markets. In order to reduce the village sales of groundnut produce the village traders should be brought under the orbit of Market legislation.

_SUPPLY OF GUNNY BAGS_

As the farmers could not transport the groundnut produce to the yard without gunny bags, the Agricultural
Market Committees should provide gunny bags to those farmers.

**DISSEMINATION OF MARKET INFORMATION**

The Regulated Markets should announce not only the previous day prices but also the price trend in other places with a view to helping the farmer in seeking better market for his produce. The Agricultural Market Committee should send daily price reports to all important villages under its jurisdiction.

**CREATION OF KEEN COMPETITION AMONG THE TRADING COMMUNITY**

The Agricultural Market Committees should attract buyers from outside States who will bid more price to the groundnut. For this purpose, the Agricultural Market Committees should give concessions to those traders who come from outside the State. The Agricultural Market Committees should see that the public sector agencies such as MARKFED, Oil Corporation of India participate in the groundnut transactions. There is need for creation of more of co-operative marketing societies.
SPOT PAYMENT

In order to assure prompt payment in Regulated Markets, the Agricultural Market Committees, should insist the licenced traders who transact the business in the yard, to deposit a fixed amount in the committee and this amount may be utilised for quick payment to the farmers in case of failure for prompt payment.

STANDARIDISED AUCTION SYSTEM

Generally, farmers feel that the lots which have been auctioned first are getting good price than the succeeding lots. The farmers are of the opinion that Agricultural Market Committee officials are making efforts to auction first those lots of those in whom they are interested. In order to remove the doubts and defects, a standardised sequence system may be followed.

QUICK TRANSACTIONS

In order to avoid delay in transaction, the Agricultural Market Committee authorities must take steps for quick transactions. The Agricultural Market Committees should see to that the traders take away the produce purchased by them in the yard without delay. This will avoid
delay in day to day transactions caused due to congested yard platforms.

**POPULARIZATION OF WAREHOUSE RECEIPTS**

The Agricultural Committees should popularize warehouse receipts in getting pledge loans from the banking institutions. This will help the farmer in obtaining credit from institutions and will enable the farmer in waiting for remunerative price.

**INCENTIVES TO THE FARMER**

The Agricultural Market Committees have to provide agricultural inputs such as High Yield Variety seeds, fertilizers, pesticides on subsidised rates to those farmers who market their groundnut produce through Regulated Markets. This will induce the farmers to market their groundnut produce through Regulated Markets.

**CONCESSIONAL MARKET CHARGES**

At present, there is no discriminations in collecting the market charges from various categories of farmers. Lower market charges should be levied for small and marginal farmers whose groundnut produce constitutes a
major portion of the total. This will encourage the farmers in bringing their produce to the Regulated Markets.

**CONTROL OVER GROUNDNUT MILLS**

The Agricultural Market Committee should supervise and inspect the records of groundnut mill, with a view to discouraging purchase from other than the market yards.

**PASS BOOKS AS AUTHORISED CERTIFICATE**

The groundnut growers face hardship in bringing a certificate from village officers to move produce to the Regulated Markets. The pass books issued by Revenue Department should be considered as a certificate while transporting the produce from the village to yard in order to get exemption from payment of taxes.

**OPENING OF CHECK POSTS**

During the groundnut harvesting season the Agricultural Market Committees should open more check posts to enable the Committee in getting the income in the form of Market fee and also controlling the unauthorised movements of groundnut produce.
GRADING

The Agricultural Market Committee must encourage the grading both at farm and yard level which is an important step in the direction of improved marketing of groundnut produce.

AMENDING MARKET ACT

The Government must amend the marketing act from time to time keeping in view the various problems faced by farmers. Further, the Agricultural Market Committees should be firm against the traders who violate the market transaction rules and regulations and if necessary amendments to the existing rules should be made to pluck the loopholes arise thereon.

CONSTRUCTION OF MARKET YARDS

The market yards should be built as per the layout laid by the Indian Standard Institute and also the platforms meant for weighing, exhibiting the produce should be constructed according to the type of commodities arriving at the market yard.
WORKING TIME AND PERIOD OF TRANSACTIONS

Groundnut production of kariff season constitutes a major portion of the total groundnut production of the district. To avoid delay in transactions certain steps are necessary. The Regulated Markets should function throughout every day in this harvesting season irrespective of holidays and thus provide the groundnut growers an opportunity of availing the Regulated marketing facilities fully well.

Even though functioning of the Regulated Markets in groundnut marketing seems to be tardy, there are ample possibilities of developing the same by adopting appropriate measures as listed already. The Agricultural Market Committees should also adopt appropriate measures in mobilising the groundnut growers to sell the produce through Regulated Markets. The Government has to necessarily play a crucial role in integrating credit with marketing and help the farming community to sell the produce to an agency offering remunerative price.