SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

9.1 Recapitulation

9.2 Findings of the study

9.3 Suggestions

9.4 Areas for further research

9.5 Conclusion
9.1 RECAPITULATION

Regulated markets have the unique distinction of having been in existence from as early a period as 1929. In Virudhunagar district they came into being in 1963. The chief architects of the programme of introducing regulated market in India, had in their mind, the lofty aim of extracting the agricultural markets from the clutches of the middlemen and their notorious practices as a prelude to ushering in an era of plenty and prosperity to the farmers. Regulated markets, a result of Governments’ action based on the recommendation of the Royal Commission, have sought to improve marketing practices in agriculture. In the present study, an attempt is made to study the working of the regulated market in Virudhunagar district.

The Virudhunagar Market Committee has established seven regulated market in the important places of the Virudhunagar district. The district has shown a sizeable marketable surplus as many special schemes like Small Farmers’ Development Agency are operating in these districts. Seven regulated markets functioning in Virudhunagar district have been taken for the study.

The present study is related to seven regulated markets namely Virudhunagar, Rajapalayam, Sattur, Aruppukottai, Watrap, Srivilliputtur and Vembakottai.

Primary data collection was done during the year 2009-10 by personal interview method with a pre-tested comprehensive interview schedule.
Comprehensive reviews of various related literatures available on the subject have been made in Chapter II. Chapter III describes the location, physical features, infrastructural facilities and background of the study area. An overview of Regulated market is presented in Chapter IV. Production and market arrivals of crops have been discussed in Chapter V. Marketing of paddy, cotton and chilli through regulated markets in Virudhunagar District and its impact on farmers are analysed in Chapter VI. Analysis of variations in prices of selected agricultural produce has been discussed in Chapter VII. The response of the traders towards regulated markets is presented in Chapter VIII.

Results of the analysis, discussion undertaken, suggestions for improvement and conclusion arrived at are summarized below, in addition to the indication for the scope to pursue further research.

9.2 FINDINGS OF THE STUDY

Analysis of the structure of regulated market has shown that there are seven regulated markets under the control of the Virudhunagar Market Committee which is located in Virudhunagar. The three notified selected crops namely Paddy, chilli and cotton are considered for the study.
Salaries to staff accounted for more than eighty per cent of the total expenditure and the balance went as share to Tamil Nadu Agricultural Marketing Board and also towards miscellaneous expenditure. The coefficient of variation indicates that expenditure has shown more fluctuations than receipts during the study period.

Trend, growth rate and relative stability with regard to area, production and yield of three notified crops from 2000-01 to 2009-10 were estimated based on the time series data. Linear trend equation $Y = a + bt$ was used. Relative stability was found on the basis of coefficient of variation. It was observed that almost all the three notified crops have shown a negative trend in area during the period under study. Growth rate of output has shown a positive trend in the case of paddy and cotton and a negative trend in the case of chilli. Regarding yield, except chilli, other two crops namely paddy and cotton have shown a positive trend.

Regarding stability in area, output and yield, relative stability was found to be higher in the case of paddy than other two crops. Chilli has shown more fluctuations in area, production and yield during the study period.

Regarding the change in behaviour of market arrivals and prices, the homogeneity tests of Analysis of Variance showed that there was no evidence of variation in prices among the markets. It shows that the markets are spatially
integrated. Further, it was found that there existed significant differences in prices over the time. Hence, change in behaviour of market arrivals and prices over the period of three notified commodities namely paddy, cotton and chilli was analyzed by using time-series model.

Arrivals to the regulated market in the case of three notified crops are regulated by seasonal, irregular, cyclical and trend components. Of these, seasonal component exerts greater influence. The coefficient of variation is the highest in the case of seasonal component, followed by irregular component. Higher fluctuations in respect of prices were also found due to seasonal component, followed by irregular component for all the three commodities. In the case of chilli, the arrival was the highest in May and September. Further higher arrivals could be observed for cotton during the months of May and June and for paddy, it was January and February. The analysis of average regulated market prices as percentages to wholesale prices of three notified commodities indicated that sale of the commodities like paddy through the regulated market were advantageous to farmers, whereas in the case of cotton and chilli were not much advantageous. It supports the fact that cotton and chilli have shown negative trend in arrivals during the period under study.

Regarding the production of the selected notified crops namely paddy, chilli and cotton, cost of labour constituted a major component of the total cost. The yield per acre was 24.61 quintal of paddy, 30.50 quintals of chilly and 15.87 quintals of cotton. In monetary terms, gross income from paddy, chilly and cotton was Rs.16861.21,
Rs.27878.14 and Rs.20631.86 respectively. The net returns are Rs.4862.16, Rs.5267.42 and Rs.4868.34 for paddy, chilli and cotton respectively.

In order to identify the determinants of market arrival, the multiple linear regression models was used and it was statistically significant for all the three crops at one per cent level. Excepting for paddy and chilli, area under the crops and the marketable surplus has been identified as significant factors influencing market arrivals. In the case of paddy, production had influenced the arrival to regulated market.

Regarding the price advantage to farmers, prices in the regulated market are more favourable to the farmers than in private mandies, establishing the advantage of trading through the regulated market. Reasonable prices offered by regulated market are the major attractive force and the sample markets have performed well in this aspect.

Regarding the reduction in the cost of marketing, cost advantage at the regulated market has benefited both traders and farmers. Higher marketing cost in the open market is likely to be transferred either to consumers or producers or both through prices, whereas in the regulated market, the chance of such transfer of cost is only to the consumers and farmers stand protected.

The perceptions of farmers towards regulated market are summarized as follows:
Large farmers were ignorant of the existence of regulated market and were susceptible to marketing manipulations.

Small size of the holdings necessitates the need for providing services of regulated market to ensure better price for their produce.

In the sample markets it is observed that cotton and chilli show a higher percentage of marketable surplus compared to paddy.

A noteworthy feature regarding cotton was that marketable surplus was cent per cent. On the whole, paddy shows lower percentage of marketable surplus compared to other notified crops. It may be due to the reason that 10 to 22 per cent goes to the domestic consumption and wages from 10 to 11 per cent of the total produce.

It is found from the analysis that significant portion of the marketable surplus is sold through village merchants, commission *mandies* and mills and a very low percentage of the produce is sold through the regulated market. Hence the role of regulated Market is poor necessitating a break-through.

Farmers who visited the Regulated market three to five times a year constituted more than 60 per cent. 38 per cent visited only once. In the seven regulated markets,
more than 50 per cent of the sample farmers used the bullock cart as a mode of transport. In the study area, more than 70 per cent of the farmers faced the problem of non availability of transportation.

It is found that 99 per cent of the sample farmers preferred open auction sale and one per cent favoured a closed tender system.

Regarding the factors encouraging the farmers to sell their produce through the regulated market, remunerative price tops the score which shows a definite price advantage to the farmers. It is followed in the descending order, by the factors correct weight, absence of middlemen and spot payment.

Regarding the problems faced by the farmers, delay in transactions and payment rank first and second positions respectively. Trade ring also created problems to the farmers for getting a better price for their produce in most of the sample regulated market.

Lack of warehousing and processing facilities near the market yards and lack of facility to get loans and advances against the produce discourage the farmers from selling the produce in the regulated market.

The findings of traders’ response towards regulated market are listed below:
It is found that in general traders are not attracted by the regulated markets, not with standing the fact that regulated markets provide the advantages of fair price, good quality, standard weights and minimum transport cost.

It has been observed from the study that 91 per cent of traders preferred sales by open auction. Advances from customers constitute a major source of fund i.e. 43 per cent and 28 per cent of traders use their own funds.

Regarding the problems faced by the traders, immediate payments to the farmers for the procurement is found to be inconvenient. Strict enforcement of rules and regulations, too short period to judge the quality of the produce and high price due to competition are the other problems faced by the traders.

9.3 SUGGESTIONS

In the light of these findings a few suggestions to improve the effective functioning of the Regulated market are presented below:

It is suggested that the growers may be educated regarding the benefits of using the godowns provided by the Market Committee. Further, the storage accommodation owned by the Regulated market is also not adequate in relation to
the requirements of grower-sellers. Hence the Agricultural Marketing Department may take necessary steps to increase the storage capacity in order to reduce the problems of the growers in this context.

Regarding the mode of sales, the Market Committee should take necessary steps to make the farmers aware of the merits of the closed tender system.

It is also suggested that the Market Committee may take necessary action for improving the functional efficiency of the regulated market so as to minimise delay in transactions and payments and collusive auctions of (trade ring) traders.

Farmers feel the disadvantage in the location of market yards, far away from their places of residence. Poor transport facilities between villages and regulated market, and the lack of processing facilities for cotton near the market yards add to the problem of taking their produce to the regulated market. It is suggested that the Market Committee and the Government may take steps to minimise such problems and provide amenities that can boost the image and functioning of the regulated market.

The present methods of dissemination of information should also be further improved, with the assistance from the Director of Agricultural Marketing through the effective communication media, All India Radio and the T.V. Phone facilities in all the
regulated markets in addition to display of day-to-day prices of notified agricultural commodities in the regulated market, should be provided.

In order to provide banking facilities to the farmers and traders, the Government should instruct the nationalised banks to open extension counters in the market premises.

The surplus funds of the Market Committee should be utilised for providing loans and advances against the produce of the farmers/traders by which their participation in the regulated market can be improved.

On the basis of the above findings and suggestions, the following policy measures have been recommended:

1. The Government should appoint a Review Committee to study the marketing problems of regulated market periodically.

2. Incentives should be given to the farmers, traders and also to the Market Committee officials based on the quantity, already prescribed.

3. In order to improve the arrivals and provide employment for the educated unemployed youth, the Government should give proper direction to the
Market Committee to appoint qualified persons as procurement agents to collect the produce from the farmers.

4. The Market Committee, superceded now by a Special Officer, should again be represented by farmers, traders, consumers and officials in the organisational set up to make it more democratic.

5. Steps should be taken to increase the number of notified crops. On no grounds, the denotification of notified crops should be permitted.

9.4 AREAS FOR FURTHER RESEARCH

The multiplying problems of farmers could not be gauged by just one study of this kind. Only two facets of agriculture namely, production and marketing have been covered in this work. There is wide scope for further research in the areas such as provision of finance to farmers, especially in pre-harvest period. Research could be undertaken in the areas like- Bio-technologically modified produce, impact of bio-engineering on farmers, traders and consumers.

In an informal interaction with a group of Respondent Farmers, the researcher could understand the problems of farmers in buying fertilizers whose prices are escalating probably due to short supply. This could also be probed in the forthcoming researches.

9.5 CONCLUSION
It is always said and is true also that the farmer gets a little, whereas the middlemen make a huge profit without even physically handling the produce. Regulated markets are expected to provide succour to the farmers particularly to those who are sinking in debts. Effective steps should be suitably taken to keep the farmers satisfied, by ensuring a fair price through regulated markets for the agricultural produce.

Farmers are always fund starved. Taking undue advantage of this weakness, private players provide loans and advances with a tag to farmers as and when required even for non productive purposes, that too even before harvest and procurement of produce. Consequently the poor peasants experience the plight of distress sale.

Ultimately the problem centers around want of finance for farmers. Farmers are badly in need of both pre harvest and post harvest financial accommodation. Financial incentives to government officials may be thought of to lure them to visit fields during harvest and organize on the spot direct procurement as it is practiced by private traders.

**BIBLIOGRAPHY**

**Books:**


**Journals:**


**Reports and Papers:**


Conclusions of the *Seminar on Regulated Markets*, Mysore, 1959.


Government of India, Planning Commission, the Third Five-Year Plan, New Delhi, 1961.


*Regulated Markets in Tamil Nadu*, Discussion Paper presented by Assistant Secretary, State Agricultural Marketing Board on 11.2.1977, Programme for the XXII Batch of Training Course conducted by the State Agricultural Marketing Board, Madras.


Theses:

