CHAPTER VI
CONCLUSIONS

Indian economy is primarily an agricultural economy. The very existence of economic activities of the entire people is bound up with the state and health of this sector. In India, about 70 per cent of the people are engaged in agricultural pursuits and about 50 per cent of the national income originates from agriculture. Hence the level of efficiency and productivity in agriculture more or less determines the efficiency of Indian economy.

In India, people and their entire totality are so much bound up with the fortunes of agriculture that the pace of life and the pattern of activities do no more than mirror all that happens in this sector. Since agriculture is the contributor of the largest amount of goods and services to the development of the country, it becomes essential and responsible on the part of the Government to regulate and control the marketing system of Agricultural produce.

Agricultural marketing in India is beset with many defects. “The farmer, in general, sells his produce at an unfavourable place and at an unfavourable time, and usually gets very unfavourable terms.” So, in such circumstances, it is common to find that the agricultural producers as a class are being exploited by the purchasers.
The Government policy of procurement of food grains has the broad objectives of ensuring **Minimum Support Price (MSP)** to the farmers and also ensuring availability of food grains to the weaker sections at affordable prices. It also ensures effective market intervention thereby keeping the prices under check and also adding to the overall food security of the country.

The **Food Corporation of India (FCI)**, the nodal central agency of the Government of India, along with other State Agencies undertakes procurement of wheat, paddy and coarse grains under price support scheme and rice under statutory levy scheme.

In Tamil Nadu, the **Tamil Nadu Civil Supplies Corporation Ltd.** (TNCSC Ltd.,) has become the sole agency of procurement on behalf of Food Corporation of India. It made a beginning in the field of local procurement of paddy and rice from Samba 1973 through levy and direct purchases. There are two main seasons for procuring paddy in Tamil Nadu namely **Kuruvai** (from 1st October to 15th December) and **Samba** (from 16th December to 31st July).

The procurement operation which commenced from Samba 1973 continued thereafter under various systems like **Monopoly procurement, Parallel procurement, Levy system** and **Compulsory procurement** upto 30-09-2002 either individually or in combination depending upon the circumstances at various point of time.
From 01-10-2002 Government of Tamil Nadu has adopted **Decentralised System** of procurement as per the MSP and uniform specification fixed by the Government of India. The system of procurement in Tamil Nadu was made strictly by the **TNCSC Ltd.** from the farmers without involving any intermediaries by opening larger number of **Direct Purchase Centres (DPCs)** in various villages with the substantial quantity of procurement still used to come from the Cauvery delta area. The procurement in other potential districts is also being encouraged by the Corporation and the State Government.

Paddy, being the major food grain has to pass through too many middlemen such as commission agents, wholesalers, millers cum wholesalers, retailers in the chain of distribution. Such too many middlemen take lion share of profit and consequently the price goes up abnormally. Hence, as a measure to avoid profiteering by the middlemen, our Government is bound to evolve a sound food policy of keeping the price always under control and maintaining adequate stock position to meet the rice requirements of people under public distribution system. Also the Government is bound to effect a sound marketing system to enable the producers to get fair price for their produce by eliminating the inherent defects prevalent in agricultural marketing such as lack of organizations, forced sales, presence of superfluous middlemen, multiplicity of market charges, multiplicity of weights and measures and malpractices of markets. Thus, it becomes important to study about monopoly procurement system and its success in achieving its objectives.
The area of the study has been limited to the district of Tiruvarur only, which is the Granary of South India and the Rice bowl of Tamil Nadu. It is an important district in Cauvery delta of eastern Tamil Nadu.

The study is descriptive in nature. Survey method was adopted to carry out the objectives of the study. Both primary and secondary data were used in the study. The primary data were gathered from the thrust areas by conducting sample surveys using structured, pre-tested interview schedules, adopting stratified random sampling models.

Two different structured interview schedules were administered in this study- one to elicit information from the sample farmers and the other to solicit information from the Bill clerks of the DPCs.

The population of the study constitutes the total number of farmers in the district and the total number of representatives of the procurement agency namely the Bill clerks working in DPCs engaged in the procurement of paddy in the study area. A sample of 400 farmers was selected by following stratified sampling technique. Among the bill clerks, 80 were selected giving due representation to all the five taluks.

The results of the study are presented in this chapter and suitable suggestions are also offered to make the monopoly procurement system of paddy in the study area more effective and efficient.
Findings of the Study

The researcher observed the following results in his attempt to understand the deficiencies of the monopoly procurement system in Tiruvarur District.

Findings as to the Problems of the Paddy Producers

The findings perceived from the opinion survey conducted on the sample farmers in the study area as to their problems in marketing paddy are enlisted in the following pages.

Educational Background of Paddy Producers: Out of the total 400 samples, post graduates and under graduates are 6 per cent each. 10 per cent are illiterates, 38 per cent are with qualification upto VIII standard and 40 per cent are S.S.L.C. or H.S.C. qualified respondents. As much as 90 per cent of the respondents are literates. The literary ratio of the sample farmers is little bit higher than that of the study area namely Tiruvarur District which is 85 per cent according to 2011 censes.

Knowledge about Monopoly Procurement System: 39 per cent of the farmers did not know anything about Monopoly Procurement System and MSP. Marginal farmers and small farmers were totally unaware of these facts. As much as 88 medium farmers and 90 big farmers knew about Monopoly Procurement System and MSP. Big and medium farmers know much about the Monopoly Procurement System and also about the MSP compared to small and marginal farmers.
**Marketable Surplus:** The Big farmers offer 72 per cent of marketable surplus and medium farmers offer 80 per cent. Small farmers offer 81 per cent and Marginal farmers 89 per cent. The marketable surplus is higher (80 per cent and more) in the case of medium, small and Marginal farmers. The overall percentage of marketable surplus is 80.5 per cent.

**Distance to DPC:** Only 80 farmers were able to dispose their paddy within the ambit of 2 kms distance. As much as 35 per cent of the farmers travelled more than 4 kms to sell their paddy and only 30 per cent were able sell in their own villages itself.

**Mode of Transport:** 42 per cent of the farmers use bullock carts to carry the marketable surplus of paddy to the purchasing centres. Only 8 per cent took away their paddy as head loads and as much as 43 per cent of the farmers use motor vehicles. The DPCs are in the vicinity only for 8 per cent of the respondents.

**Transport Charges:** Out of 400 farmers, only 124 farmers (31 per cent) paid Rs.5 or less than Rs. 5 per bag towards transport charges. 23 per cent pay between Rs.5 to Rs.10 and another 14 per cent pay between Rs.10 to Rs.15. As much as 32 per cent of the farmers spent more than Rs.15 per bag. This rate is very high for small and medium farmers since they sell only small quantities compared to medium and big farmers.
Waiting Time at DPC: Only 74 out 400 respondents were able to sell their paddy on the same day on which they brought their paddy to the DPCs itself. It is just 18.5 percent of the total farming community. As much as 58 per cent of the farmers were able to sell only after a delay of 2 days or more. There were 94 farmers in the total sample of 400, waited for one day. The waiting time is a common feature in respect of all the categories of farmers covered in the study.

Reasons for Waiting at DPC: The waiting was due to over crowd at DPCs for 205 farmers. The marginal farmers, small farmers and medium farmers were worst affected by storage problems than big farmers. Labour and transport problems were the reasons for waiting for the big farmers. Waiting causes unnecessary expenses to the farmers.

Price of Paddy: All the farmers in the study area are selling their paddy not for MSP but only after unofficial deductions. In DPCs, the MSP is subject to both official and unofficial cuts. Official cut in the MSP is determined by the bill clerks according to the formula fixed by the Government for excess refraction contents in the paddy. To bribe the higher officials and to meet out the local expenses unofficial cuts are done by the bill clerks in the DPCs.

Unofficial Price Cut per Quintal: As much as 72 per cent of farmers lose up to Rs.50 per quintal by way of unofficial deductions from the MSP. For another 19 per cent it was between Rs.50 to Rs.75. The remaining 14 per cent suffer a loss of Rs.75 to Rs.100 per quintal. No\ one farmer in the study area gets full MSP without unofficial deduction.
Deduction for Moisture Cut: The amount deducted from the Minimum Support Price for moisture content level by the DPCs is abnormal for 79 per cent of farmers and only 21 per cent of the farmers were opined it as normal.

Delay in Payment: 36 per cent farmers wait at least two days to get the price (money) for their paddy sold to the DPCs. Only 38 per cent get the price on delivery i.e. on the same day. The remaining 25 per cent gets it by one day time lag. The delay in the payment of price in DPCs is evident in all the DPCs during harvest seasons.

Weight of Paddy: Out of 400 farmers, no one is selling his paddy to the DPC at correct weight. As much as 68 per cent of the farmers were of the opinion that one kg. excess paddy has been taken away at the DPC with every bag. Another 32 per cent of the farmers were of the opinion that 2 kg. was taken from them in excess of 41 kg. Correct weight is not ensured even in DPCs.

Spillage per Quintal: The quantity of spillage taken from the farmers is around 2 kg for 50 per cent of the farmers and it is 3 kg. or for the remaining 50 per cent of them. The marginal and small farmers lose 1 to 2 kg as spillage whereas medium and big farmers lose 3 kg or more by way spillage. The quantity of paddy collected by way of spillage at the DPC is unnecessarily more and so, it is a loss to the farmers.
Storage Facilities: As much as 76 per cent of the farmers were of the opinion that there were no adequate storage facilities at the DPCs and only 24 per cent of them opined that storage facilities were available adequately at their DPCs. Thus, storage facilities are not adequately available in all the DPCs in the study area.

Behaviour of the Bill Clerks: As much as 66 per cent of the farmers were satisfied with the behavior of the bill clerks in the DPCs and only 38 per cent of them were not satisfied with it.

Behaviour of the Loadmen: 45 per cent of the farmers were satisfied with the behavior of the load men and as much as 55 per cent of them were dissatisfied with it. The behavior of the load men in the DPCs is not satisfactory as they are indulging in malpractices in the DPCs.

Procurement Agencies – Preference of the Farmers: Out of 400 paddy producers, 328 producers (82 per cent) prefer DPCs of the TNCSC Ltd. Only 11 per cent of the producers prefer private agencies and 7 per cent were of the opinion that both TNCSC Ltd. and private agencies should be the procurement agencies. It is clear that the majority of producers prefer TNCSC Ltd for selling their paddy.

Agencies Through which Actually Paddy Sold: 75 per cent of respondents have sold their paddy to TNCSC Ltd. and 20 per cent of respondents have sold to both TNCSC Ltd. and private agency. Only 5 per cent of respondents sold to
private agencies. Majority of respondents have sold to the TNCSC Ltd. The existence middlemen still continue even under monopoly procurement system. As much as 328 farmers preferred TNCSC Ltd. but only 299 sold to it. So, in practice, the farmers was against their preference had sold their paddy to private agencies for a price which was much lesser than MSP. The middle men in turn have sold the same to DPCs for MSP and gained the difference.

**Reasons for preferring TNCSC Ltd. to Private Agencies:** Out of the reasons for preferring TNCSC Ltd. to sold their paddy, ready cash ranks first, correct weighting ranks second, better price, vicinity and fair treatment rank third, fourth and fifth respectively. The farmers in the study were preferred TNCSC Ltd. not for better price but for ready cash. So, it can be understood that better price was not ensured even in DPCs of the TNCSC Ltd.

**Reasons for Preferring Private Agency:** Among various reasons for selling their paddy to private agencies, 80 respondents ranked first the reason, correct weight in the order of preference. Ready cash, fair treatment, vicinity, better price stand in the rank order of second, third, fourth and fifth respectively. The paddy producers attribute that the private dealers give advance to them at times of need, pay due respect and honour, make spot procurement and provide gunny bags to their need.
Preference to Procurement Systems: Out of 400 paddy producers, 71 per cent feel that the monopoly procurement system is more preferable to other systems in many aspects of its services. 11 per cent prefer Traders’ Levy System, 10 percent the Free Trade, 6 per cent both the monopoly and Traders’ levy system and only 2 per cent prefer both the Traders’ levy and Free trade. Majority of the paddy producers prefer the monopoly procurement system only.

Mobile Procurement System: As much as 81 per cent of the total medium and big farmers were not satisfied with the functioning of MDPCs in the study area. Only 19 per cent of them were satisfied with it. The TNCSC Ltd. offers this facility not to all farmers who approached them but only to a few leading farmers in the study area. The mobile purchase system is not effectively operated in the district. Had it been operated effectively, there would be no problem of overcrowding in the DPCs, in addition to transportation, storage and other related problems.

Production Incentive: Only the remaining 94 producers (24 per cent) feel that it is fair. Majority of the paddy producers (76 per cent) were of the opinion that the production incentive is less, as it is much insufficient to cover the transport and labour charges incurred by them to bring the paddy to the DPCs.

Expected Rate of Production Incentive: Majority of respondents expects that the amount of incentive or bonus above Rs.200 per quintal. They expect that the incentive should be sufficient atleast to cover the selling expenses like transport charges, labour charges, storage losses etc.
**Form of Production Incentive:** 73 per cent of producers prefer cash incentive to incentive in kind; only 27 per cent prefer incentive in the form fertilizer and pesticides. At present cash incentive is in practice. Some time back, fertilizers and pesticides were given as incentives in order to instigate the farmers to use them at required level and to improve their productivity.

**Issue of Gunny Bags in Advance:** 86 per cent of respondents were of the opinion that the TNCSC Ltd. should issue gunny bags to them for bringing their paddy to the purchase centre where mobile procurement is not possible and 14 per cent expressed their negative opinion on this issue. This is an important issue, which requires the immediate attention of the TNCSC Ltd.,

**Constitution of Grievance Cell:** 91 per cent express their positive opinion for constituting Extra Grievance Cell and only 9 per cent feel that there is no need for it. Constitution of extra grievance cell is urgently needed as the present vigilance system is not a substitute for it. The grievance cell should be an empowered forum not only for giving remedies to the problems of the farmers but also to punish the erring officials.

**Problems of the Farmers:** The malpractices including price cut is the first and foremost major problem of all the paddy producers irrespective of their size of land holdings in the study area. For marginal and small farmers, existence of middlemen, lack of information about the functioning of the system, undue waiting time at the DPCs for selling their paddy, storage, transport to bring their
paddy to the DPCs from the harvest place, delay in payment of price and unfair
treatment of the bill clerks and load men were the problems accounted for and
ranked accordingly by them.

Except the problem lack of information, with all other problems the big
and medium farmers were the worst affected group as the number of these
farmers is always higher than that of the marginal and small farmers. Existence
of middlemen is the only problem, which affects both the groups equally. So, it
is true that each and every farmer is posed with some problems in marketing
their paddy in the DPCs. These problems have defeated the very purpose of the
monopoly procurement system of the Government as it has miserably failed in
its attempt of ensuring fair and remunerative price to the farmers.

Payment of Price Through Bank: As much as 63 per cent of the total farmers
have given consent to the system of payment through bank. Only 37 per cent of
them were not accepted it. The ‘not accepted’ group argues that issuing cheques
instead of ready cash will result in further delay and additional expense to them
as they have to go to the bank, which are far away from their reach for
encashment. They also argue that price cuts cannot be eradicated by issuing
cheque as there are chances for bill clerks to resort into other unfair modes such
as asking the farmers to pay the amount equal to unofficial cut in advance before
issuing cheques.
Integration of Co-operative Credit with Marketing: integration of co-operative credit with marketing is acceptable to 56 per cent of the total farmers whereas it is not acceptable for the remaining 44 per cent. Among those accepted the big and medium farmers were more in number compare to small and marginal farmers.

To revamp Cooperative Sector: It also recommends that the co-operative sector should be revamped and streamlined by making it the sole agency of supplying agricultural inputs and marketing the output instead of insisting cooperatives to supply inputs and entrusting the procurement activities to TNCSC Ltd., This will help the cooperatives to recover their credit easily from the farmers from their sale proceeds. Otherwise both co-operatives and TNCSC Ltd., may joined together to carry out these activities.

Expectation of the Farmers: All the 400 respondents expect increase in the MSP in conformity with increase in the cost of inputs. Inputs like fertilizers have witnessed multi fold increase whereas MSP of paddy has not been increased in the same rate. During the last 10 years, the maximum increase in the MSP was only 27 per cent during the year 2008-09 over the previous year. The overall increase in the MSP of paddy was only 86 per cent during last 10 years between 2001-02 and 2011-12. Therefore, the farmers with huge cry expect that the paddy pricing should be made cost effective.
In the case of marginal and small farmers, their expectations were ranked as follows: 1. No deduction from MSP, 2. No delay in procurement, 3. No delay in payment, 4. Supply of gunny bags, 5. Payment by cheque, 6. No spillage and 7. Mobile purchase.

The medium and big farmers give different priority to these expectations by ranking them in the following order: 1. Payment by cheque, 2. No deduction from MSP, 3. Mobile purchase, 4. Supply of gunny bags, 5. No delay in payment, 6. No delay in procurement, and 7. No spillage.

**Government Policy on Paddy Procurement:** All the 400 farmers were not satisfied with the existing policy of the Government regarding procurement of paddy. Hence, they were of the opinion that it should have been the responsibility of the Government to take steps to procure paddy without any difficulty to farmers and ensure MSP to them.

Private indebtedness, Existence of intermediaries, unauthorized price deductions, undue waiting at the DPCs, malpractices in weights, poor storage facilities, poor transport facilities were the major problems identified by the researcher in his survey on paddy producers in the study area.

It was found that the farmers in the study area were not in a comfortable and convincing position to get the MSP for their paddy even under monopoly procurement system. It is also found that the lack of knowledge is also a hurdle in marketing their paddy.
Findings as regards to Problems in DPCS

The findings perceived from the opinion survey conducted on the sample bill clerks of the DPCs as to their problems in paddy procurement are enlisted in the following pages.

Agewise Classification of Bill Clerks: As much as 40 per cent of the bill clerks were in the age group of 40–50 and another 20 per cent were in the age group of 50 and above. The remaining 40 per cent were in the age group of less than 40. As the average age of these people is 41.5 years, they might have enriched their knowledge about the job and well versed with the dealings in the procurement of paddy.

Educational Qualification of Bill Clerks: All the bill clerks were highly educated people. Degree in science is the minimum educational qualification required for the post. However, 27.50 per cent of the respondents were highly qualified with Post Graduate Degree. As far as bill clerks were concerned, they were under employed as their job was not in commensurate with their qualifications.

Experience of Bill Clerks: As much as 85 per cent of the respondents were experienced people with a minimum experience of 5 years. Among them, 65 per cent were experienced persons with a minimum of 10 years experience. Even 35 per cent of them were well experienced with a minimum of 15 years experience.
So, the majority of the bill clerks were well experienced people in their field as their average experience is 11.5 years.

**Marital Status of the Bill Clerks:** As much as 74 per cent of the bill clerks were married and remaining 26 per cent were waiting for marriage. The married respondents were comparatively more responsible person as they have to take care of the families and the DPCs.

**Nature of Post:** All the bill clerks were appointed on temporary basis. Only the services of senior persons with a minimum of 15 years experience and with good service record will be regularized and promoted as Assistant Quality Inspectors and till that time the bill clerks are not entitled for any service rights and benefits of both monetary and non-monetary nature.

**Salary:** All the respondents were paid only Rs.3300/- as monthly salary. The work is seasonal in nature and for six months only. So, all the sample bill clerks were not satisfied with their salary as it was not in accordance with their qualification and experience. The TNCSC Ltd. is following the traditional approach in fixing the salary of the bill clerks. The present salary of the bill clerks is not linked with productivity and job requirements. It is nothing but exploitation of labour taking advantage of underemployment problem.

**Work Time:** All the respondents work for more than 8 hours a day. Since the work is seasonal in nature, they cannot restrict their work for 8 hours a day. They have to work even during nights. The bill clerk is the only person
responsible for the entire functioning of the Direct Purchase Centre. There is no scheduled work time for the bill clerks. They have to start their procurement work from morning 10’o clock and have to complete only after the procurement target for the day is over.

**Training:** All the respondents were trained people. Training is given to them before joining duty in DPCs. Training is given as how to deal with machines and materials. Training is necessary as to find out the moisture content, quality and variety of paddy and also to operate the machines. Training is also given for maintaining the records but no training is given as to how deal with people especially rural farmers and to maintain the buyer – seller relationship.

**Work Environment:** Majority of the respondents were of the opinion that the work environment is not conducive. They stated that the safety, health and welfare measures provided to them were poor. Only 35 per cent of the respondents were satisfied with safety measures provided, 38 per cent were satisfied with health measures and only 25 per cent were satisfied with the provision of welfare measures in the DPCs. The work environment of the DPCs in which the bill clerks work is not conducive and is poor and not even fulfilling the minimum legal requirements.
**Safety Measures:** As much as 80 per cent of the respondents are not satisfied with safety measures provided in the DPCs. Only 20 per cent of them were satisfied with it. The overall condition over provision of safety measures is not satisfactory.

**Health Measures:** All the respondents were dissatisfied with pollution control measures. Nothing is provided in the DPCs to control pollution even though paddy procurement is very much subject to dust pollution. Similarly majority of the respondents were not satisfied with other health measures like Toilet facilities, ventilation, furniture, lighting and drinking water. There were no drinking water and toilet facilities in many of the DPCs. Majority of the respondents were dissatisfied with DPCs as there were no provisions of health measures as required by Law.

**Welfare Measures:** All the respondents were dissatisfied with insurance and medical facilities offered to them. Among them, 80 per cent were satisfied with Bonus given to them. Similarly 75 per cent of them were satisfied with incentives given to them. But, insurance and medical facilities are not provided satisfactorily in the DPCs.

**Attitudes of Load men:** As much as 45 per cent of the bill clerks were satisfied with the attitudes of the load men. Another 35 per cent appreciates their attitude. Only 20 per cent of them were dissatisfied with it. The behavior of the load men in the DPCs is satisfactory to the bill clerks.
**Attitudes of Farmers:** Majority of the respondents i.e. 60 per cent were satisfied with the attitudes of the farmers. Only 40 per cent were not satisfied with it. The behavior of the farmers is not a problem for the bill clerks in the procurement process.

**Attitudes of the Higher Officials:** As much as 90 per cent of the respondents were satisfied with the attitudes of their higher officials. Only 10 per cent were not satisfied with it. The behavior of the farmers is not a problem for the bill clerks in the procurement process.

**Payment of Minimum Support Price (MSP) to Farmers:** All the respondents have accepted the fact that they are not paying the MSP fixed by the Government to the farmers. They pay only after deducting some amount from it. This unofficial deduction ranges between Rs.50 to Rs.100 per quintal as stated by the bill clerks. Thus, the very objective of the monopoly procurement system of ensuring MSP to farmers is defeated.

**Reason for Not Paying Minimum Support Price to Farmers:** All the respondents were of the opinion that they deduct money from MSP to pay their higher officials, to pay for local expenses like to give donations, to offer tea to visiting officials etc., and to pay maamool to lorry drivers. They were of the opinion that they were permitted by their higher officials to deduct money from MSP. Deduction for moisture is permitted one. Only 70 per cent of them deduct for moisture conditions of the paddy that too during rainy seasons only.
Transportation Problems: As much as 75 per cent of the respondents were of the opinion that the transportation extended to DPCs were not adequate and so they are suffering a lot with storage problems and also with discontinuity in the procurement process of paddy in the DPCs. Often the bill clerks were forced to give money as ‘maamool’ to the transporting agencies or drivers of the transport vehicles to ensure regular transportation of paddy. The deficiency in transportation is the base for cultivation of malpractices in the DPCs.

Recovery for Loss of Weight: As much as 85 per cent of the respondents were dissatisfied with the recovery for loss of weight of paddy. The bill clerks were of the opinion that the recovery is calculated not on the basis of admissible norms.

Supply of Materials to DPCs: Only 85 per cent of the respondents were adequately given with gunny bags; 80 per cent of them were adequately given with jute threads; 75 per cent were given with tarpaulin adequately and 70 per cent were given with other materials adequately. Inadequate supply of gunny bags hampers the continuous flow of procurement operations.

Issuing Gunny Bags to Farmers: As much as 82 per cent of the bill clerks were of the opinion that they were not in favour of issuing gunny bags to the farmers in advance and permit them to take the same outside premises of the DPCs. The bill clerks refuse so, mainly due to the reason that there were no persons in the DPCs to maintain gunny bags account and to take charge of the issue work. If farmers were permitted to take gunny bags outside premises of the DPCs then
chances for missing cannot be ruled out. If there is any missing, then it will be the responsibility of the bill clerk to compensate the same. Even if the gunny bags are issued against advance money received from farmers it will be an extra burden to the bill clerk to maintain account for such advance money. So, bill clerks are not at all in favour of farmers in the matter of issue of gunny bags to them in advance.

**Quality of Packing and Storage Materials:** As much as 55 per cent of the respondents were satisfied with quality of packing and storage materials supplied to them by the TNCSC Ltd. Among the materials, the quality of tarpaulins, gunny bags and jute threads were often not in conformity with the prescribed standard. These materials become unusable and scrap in the season itself in which they were supplied.

**Supply of Machines and Tools:** The processing machines are not adequately supplied to the DPCs by the TNCSC Ltd. without which paddy cannot be processed effectively by separating foreign materials such as dust, straw pieces and rice less paddy from quality paddy. The DPCs to which the processing machine was not supplied were forced to hire the same. The hire charges are collected from the farmers by way of unofficial deduction from the price of paddy.

**Working Condition of Machines:** As much as 89 per cent of the respondents were satisfied with the working conditions of the machines supplied to them. The two important machines - moisture meter and electronic weighing machine
are often struck to work and disturb the procurement process as there were no spare machines in the DPCs. The bill clerks have to wait some time for replacement. Often it becomes the responsibility of the bill clerks to replace the not working machine at their own cost.

**Opinion about Job Satisfaction:** only 35 per cent of the respondents were satisfied with their job whereas the remaining 65 per cent of the respondents were dissatisfied with their job. With problems like seasonal temporary employment, poor salary, unlimited work time, the bill clerks cannot be expected to the satisfied with their job. Even then one-third of the sample respondents were satisfied with their job because of the reason that they believe their services would be regularized in the near future. It can rightly be said that the bill clerks were exploited by the TNCSC Ltd. taking advantage over unemployment problems.

**Educational Qualification wise opinion about Job satisfaction:** Among the respondents educated upto UG Degree level, as much as 40 were dissatisfied and only 18 were satisfied with their bill clerk job. Similarly among the PG Degree holders of the respondents only 10 were satisfied and remaining 12 were dissatisfied with their jobs.

It is also perceived that the rate of dissatisfaction is more among respondents educated upto UG Degree level (69 per cent ) compared to only 55 per cent in the case of respondents educated above UG level. Generally inverse
relationship exists between educational qualification and job satisfaction but it is contrary in the case of bill clerks where increase in the level of education goes along with increase in job satisfaction.

**Experience wise opinion about Job satisfaction:** Among the respondents with less than 10 years experience, as much as 57 per cent were dissatisfied and only 43 per cent were satisfied with their bill clerk job. Similarly among the respondents with more than 10 years experience, only 31 per cent were satisfied and remaining 69 were dissatisfied with their jobs. It is perceived that the rate of satisfaction is less among respondents with more than 10 years experience (31 per cent) compared to 43 per cent in the case of respondents with an experience of less than 10 years. Inverse relationship exists between experience and job satisfaction in the case of bill clerks.

**Marital Status wise opinion about Job satisfaction:** Out of the total of 59 married respondents, only 18 were satisfied with their job leaving the rest to dissatisfy with it. Similarly among the 21 unmarried respondents, only 10 were satisfied with their job. The dissatisfaction ratio is more (69 per cent) among married compared to 52 per cent among unmarried. As usual inverse relationship exists between marital status and job satisfaction of the bill clerks.

**Problems Faced by the Bill Clerks:** All the 80 sample bill clerks were posed with some problems. No one is exception to these problems. Their employment is only seasonal in nature, hardly for six months a year. The remuneration paid to them is also poor. Bribe to higher officials, no permanent job, more work les
pay and loss of weight due to seasoning were the worst affecting problems for all the respondents and following next are holding huge amount of cash, poor storage facility and poor transportation, which affect around 80 per cent of the respondents. Load man problem was the least affecting one among the problems faced by the bill clerks.

**Expectation of the Bill Clerks:** All the respondents expect and give high priority to immediate regularization of their job, as regularization will entitle them higher pay than the present consolidated pay with all other benefits. The next ranked expectation is relief from recovery problem. As loss of weight of paddy under normal circumstances cannot be ruled out, recovery in no case is permitted from the bill clerks as they were paid with poor salary. Transportation is one of the major problems for the bill clerks. Unless and until the purchased paddy were transported immediately to the storage points then there would be no storage place for further purchase and security of the existing stock cannot be ensured. So, bill clerks placed this problem at third position of the rank list.

The expectations, fixed working time, permanent building for DPC and provision of health, safety and welfare measures rank fourth, fifth and sixth respectively. The bill clerks expect immediate provision of health, safety and welfare measures at the DPCs but they gave only low priority to this expectation. There is no much expectation among the respondents about their problems of bribe to higher officials as only 35 per cent mentioned for its eradication. The expectations of the bill clerks are genuine in nature.
Findings from Hypotheses Testing

Several hypotheses were framed and tested in the study. The results obtained from the hypotheses testing are enumerated in the following pages.

There is significant difference between the opinion of small and big farmers about monopoly procurement system. So, it is proved that big and medium farmers know much about the monopoly procurement system of paddy compared to marginal and small farmers.

There is significant difference in the opinions of marginal, small, medium and big farmers about transport charges. So, it is proved that marginal and small farmers spent more on transport expenses compared to medium and big farmers of the study area.

There is no significant difference between the opinions of marginal, small, medium and big farmers about waiting at DPCs. So, it is proved that waiting at DPCs is a common feature for all categories of farmers.

There is significant difference between the opinions of marginal, small, medium and big farmers. So, it is proved that overcrowding is the main reason for waiting at DPCs.

There is significant difference in the opinion of the small and big farmers. So, it is proved that the small farmers get storage facilities easily at DPCs compared to big farmers.
There is difference in the opinion of the small and big farmers. So, it is proved that the small farmers were more satisfied with behavior of bill clerks compared to big farmers.

There is no difference in the opinions of the small and big farmers. So, it is proved that the mobile procurement system is not effectively operated in the district.

There is no difference in the opinions of the small and big farmers. So, it is proved that gunny bags must be issued to them in advance to enable them to bring their paddy from the harvest point to the DPCs.

A correlation between the problems and expectations of the farmers reveals that there is positive relationship between these two variables as they were related to each other by 67 per cent. The relationship between these variables is also a significant one.

There is no significant difference in the opinion of the bill clerks with different educational qualification. So, it is proved that the bill clerks in the study area were dissatisfied with their job.

There is no significant difference in the opinion of the bill clerks with different years of experience. So, it is proved that the bill clerks in the study area were dissatisfied with their job.
There is no significant difference in the opinion of the married and unmarried bill clerks. So, it is proved that the bill clerks in the study area were dissatisfied with their job.

Suggestions

It is found that the monopoly procurement system was not effective and efficient as it has failed to achieve its basic objective of ensuring MSP to paddy producers. The researcher suggests the following recommendations for fine tuning the existing procurement system and to make it really a farmer-friendly one.

To Improve the Educational Background of the Farmers: In spite of its growing importance, the attitude of the people towards agriculture remains backward. For many people in our country, industry stands for progress and agriculture for stagnation. They think that industry is a paragon of science and technology, while agriculture is the repository of primitive life. The sons of educated rarely choose agricultural occupations. Agriculture as a career is neglected by educated youths, as they imagine lower cultural status by taking up agriculture rather than engineering or medicine. Educated unemployed do not want to go to villages, taking up rural occupations. Officers of the Indian Administrative Service rarely prefer agricultural department. Even the Ministry of Agriculture tends to rank lower than Ministries of Finance, Public Works, etc. This mental attitude towards agriculture should change. The Governments both
at the Centre and at the States should come forward to encourage educated youths to take up agriculture as their occupation by supporting them in all possible ways. The educated unemployed youths should also be ready to take up agriculture as their occupations. This will improve the educational background of the paddy producers.

**To Improve the Knowledge of Farmers:** Wide publicity should be given among farmers about the functioning of monopoly procurement system. Hoardings shall be placed in each and every DPC describing rules and regulations of the system and the instructions to be followed in the purchasing process. Farmers meeting be organized at regular interval to make the farmers understand the system and also to hear their grievances.

**To save Cost and Time:** There are two options to save the farmers from waiting at DPCs and from incurring unnecessary transport and labour expenses. One is opening DPCs at each and every revenue village and the other is fine tuning the mobile direct purchase teams to be active, efficient and effective. This will avoid unnecessary transport cost, travelling and waiting time at the DPCs.

**To Extend Mobile Direct Procurement System:** Its performance should be improved further to function actively and the present number of units, which is two per Revenue Division may be increased. Its function should be extended to small and marginal farmers also, in a village where Direct Purchase Centres are not opened. On previous intimation to the farmers of the arrival of mobile DPCs to the village, paddy procurement can be considerably made, stationing at a
centrally reachable place from all the small farmers and marginal farmers. This will be great boon to them as the transport charges are saved.

To Increase the Price of Paddy: The principal demand of the paddy producers was “higher or better prices for their paddy”. They content that the prices fixed by the CACP was rather unrealistic and also unreasonable. Their demand was that the prices of farm products should be fixed on the basis of the cost of living which is mounting up day by day and not on cost of production only. While in all other sectors, the cost of input namely labour, management, risk taking etc. were worked out on the basis of cost of living, in the agricultural sector, the prices of farm product were determined on the basis of cost of production. This was considered as unrealistic and also unjust. In order to improve the agricultural production, it is necessary on the part of the Government to consider this genuine demand of the farmers by changing the pricing models of the paddy and by increasing the MSP reasonably and in conformity with cost of living.

To Ensure MSP: The first and foremost objective of monopoly procurement system is ensuring MSP to farmers but no one farmer in the study area gets the full MSP for their paddy. There were legal and illegal deductions in the MSP even in the monopoly procurement system it must be avoided at any cost. So, no cash transactions are allowed and no deductions be permitted while procuring paddy as it will resort to malpractices including unofficial deductions in the MSP. Each and every purchase transaction shall be carried out only through bank so that fair price can be ensured to the paddy producers.
To Ensure Immediate Payment: The farmers in the study area prefer DPCs not for better price but for ready cash payment. In practice, there is delay in payment of price. This can be avoided by issuing cheques in lieu of making payment in cash. It will also avoid malpractices and other unnecessary expenditures at the DPCs.

To Ensure Correct Weight: The higher authorities of the TNCSC Ltd. should pay surprise visit to the DPCs and check the accuracy of weighing and moisture cuts what they have made in the procured quantity just before their visit. The stock of paddy should also be checked to control malpractices in weight. If any wrong found, rigorous action should be taken against the officials concerned.

To Control Spillage: Steps to be taken by the TNCSC Ltd. to avoid the practice of taking more quantity for sample and the unnecessary spillage caused by loadmen in the procurement centres.

To Extent Storage Facilities: Steps should be taken by the TNCSC Ltd. for establishing permanent Direct Purchase Centres with bucca buildings attached with a small godown, throughout the District to restrict storage problems at the DPCs.

To Change the Attitudes of the Bill Clerks: There must be seller-buyer relation between farmers and bill clerks of the DPCs and it is very important that the bill clerks should not think themselves as the officers of the DPCs. The bill clerks should be instructed to behave obediently and gently with the farmers. Counseling should be given to the bill clerks in this regard.
To Change the Attitudes of the Loadmen: The loadmen should be strictly instructed not to indulge in any malpractices and misbehave with the farmers, who are valuable citizens of the nation. The TNCSC Ltd. should arrange sufficient loadmen at procurement centre so that there would not be any delay in the procurement process.

To Increase the Incentives: To have a better types of distribution and to stronghold over open market prices of essential item like rice, it may be suggested that the quantum of price and other incentive offered by the Government may be increased at attract more procurement especially during better harvest. This may help even for creation of buffer stock. The amount of incentives given to the farmers should atleast be equal to cover all incidental expenses like transport, labour etc. This will create a sense of loyalty in the minds of the farmers towards TNCSC Ltd. The incentive should be paid in cash only.

To Issue Gunny Bags in Advance: The TNCSC Ltd. should take steps to supply gunny bags to needy farmers, for enabling them to bring their produce to the Direct Purchase Centres. This may be done by getting cash security from the farmers over and above the cost of gunny bags supplied to them. A person may separately be appointed for maintaining gunny bags in the DPCs without adding burden to the bill clerks.

To Fulfill the Expectations of the Farmers: The expectations of the farmers are reasonable, genuine and simple to be adhered to. They expect nothing new nor even modification in the existing system but exact implementation of the
system intact. So, the Government should take immediate steps to fulfill the expectations of the farmers.

To amend the policy of the Government: The farmers in the study area were not in a comfortable and convincing position to get the MSP for their paddy even under monopoly procurement system. It is also found that the lack of knowledge is also a hurdle in marketing their paddy. The Government should take necessary steps to amend the existing procurement policy as it has its own loopholes in certain aspects. If these loopholes are plugged with proper approach then the activities of the procurement system may be rejuvenated with fresh and balanced look. In addition, the procurement policy of the Government may be uniform in all the years. Monopoly Procurement Policy should be adopted every year in busy harvest seasons and only after the achievement of its target, Traders’ levy should be announced, that too, for a short period of below two months.

To constitute Grievance cell: In addition to the vigilance cell functioning in the TNCSC Ltd., Tiruvarur, an Extra Grievance Cell should be constituted exclusively to hear and redress the grievances of farmers connected with procurement. Steps should be taken by the TNCSC Ltd. to keep in the forefront of the DPC the complaint box enabling the farmers to lodge complaint if any, over the functioning of DPC.
To set up Farmers’ committee: Farmers’ Committee may be set up by the Government comprising members from all categories of farmers to inspect the working of DPC and make complaints to the higher authorities for irregularities found if any.

To integrate Co-operative Credit with Marketing of Paddy: Finance and unfair trade practices in agricultural marketing are the basic problems for farmers’ dissatisfaction and low agricultural production. These two basic problems can be eradicated by integrating co-operative credit with agricultural marketing. Co-operative credit ensures easy finance at minimum rate of interest and co-operative marketing assures fair price to the farmers and free them from malpractices. It also ensures prompt co-operative credit repayment by the farmers. For the purpose of integrating co-operative credit with agricultural marketing, there is need for the Government to entrust the paddy procurement work to the co-operatives by relieving TNCSC Ltd. from the same. But TNCSC Ltd. has adequate man power and rich experience in this field. So, both TNCSC Ltd. and Co-operatives may collectively be engaged in the procurement work.

To increase the Salary of DPC staff: The salary of the bill clerks, helpers and the watchmen of the DPC are very poor and not in accordance with their qualification, experience and job requirements. It is of course nothing but exploitation of the labour taking advantage of the unemployment problem. Poor salary is the basic reason for malpractices in the DPCs. So, to eradicate malpractices, it is very essential to fix a reasonable salary to these staff.
To Regulate the Work Time of the DPCs: There is no scheduled work time for the DPCs. So, the TNCSC Ltd. should take steps to regulate the working hours of the DPCs and place it on the notice board of the DPCs. The work time should not exceed 8 hours a day at any cost. Overcrowding in the DPCs is the basic reason for overtime work. This may be control by opening more number of DPCs during harvest seasons.

To improve the Work Environment: The TNCSC Ltd. should take steps to ensure the minimum legal requirements of safety, health and welfare measures in the DPCs without fail. Drinking water, toilet facility, pollution control measures and lighting are the basic amenities required immediately in the DPCs.

To change the Attitude of the Higher Officials: The higher officials of the TNCSC Ltd. should motivate the bill clerks to work sincerely and should not instigate them to indulge in malpractices. For this purpose payment by cheque system be introduced which will restrict malpractices at the DPCs.

To improve transportation: The deficiency in transportation cultivates malpractices in the DPCs. So, the TNCSC Ltd. should take steps to clear the stocks on daily basis without allowing to accumulate the same. The transportation schedule should be diversified in such a way to clear the stock in all the DPCs on daily basis. The contractors should be strictly instructed to go to a particular DPC as per the schedule and not according to their convenient. The TNCSC should also take steps to wipe out the practice of mammool to lorry drivers.
To avoid recovery for loss of weight: The bill clerks are working on temporary basis for a low salary. So, it is not possible for them to pay the recovery without resorting to malpractices in the procurement process. The practice of recovery for loss of weight of paddy indirectly induces the bill clerks to go for unfair trade practices. Hence, the TNCSC Ltd. should take steps to avoid recovery from the bill clerks for loss of weight of paddy under normal circumstance.

To supply quality materials to DPCs: The TNCSC Ltd. should see that machines and materials required for the DPCs are adequately supplied as and when required. TNCSC Ltd. should also take steps to ensure good quality machines and materials to the DPCs. More particularly good quality gunny bags should be supplied to the DPCs adequately.

To regularize the services of the DPCs Staffs: The DPCs staff expect regularization of their services immediately as regularization will entitle them higher pay with all other benefits. The services of these staff are very much required for the TNCSC Ltd. so, steps may be taken to regularize them immediately.

To achieve high procurement: Steps should be taken by the TNCSC Ltd. to start the DPCs in time, in coincidence of harvest operations. In the areas where cultivation is made earlier by borewell irrigation, the DPCs may be started earlier in those areas.
The pilferage and mismanagement in Direct Purchase Centre may cause low procurement even during good harvest seasons. This can be radically checked by appointing Flying Extra-Cautious Vigilant Squad.

The tendency among the farmers to hand over their marketable surplus to this centres might be encouraged by seeing that proper weighment of the goods bought, prompt and immediate payment against the goods sold, avoidance of corruption among official etc.,

It may also be suggested that the role of the Government in the field of procurement may be toned up further by arresting the illegal movement of paddy and other essential commodities from the surplus to deficit districts and states especially during good harvest seasons.

**Scope for Further Study**

The area of study is restricted to Tiruvarur District only. Further studies may be conducted on the same line in other Cauvery delta districts like Trichy, Thanjavur and Nagapattinam or even in other districts of Tamil Nadu or India where agriculture is primary occupation of the people.

There is wide scope to conduct similar studies on each of the other agricultural produces like wheat, maize, oil seeds etc., at micro level. Since each input is unique in its character it is worth studying each input in detail.