Chapter VII

Summary, Findings, Suggestions and Conclusion
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SUMMARY, FINDINGS, SUGGESTIONS AND CONCLUSIONS

7.1 INTRODUCTION

Agricultural sector in India stretches from the highly organized sector compromising of large and medium and some modern cultivations to some unorganized sector consisting of traditional growth of crops. While the performance traditional segment of village cultivation has been unsatisfactory in terms of production and productivity. Its modern segment is gaining importance because it serves as the training ground for new farmers.

Emphasis on the development of agriculture marketing in India has emanated from the belief that the farmers serve a multiplicity of objectives such as decentralization of agriculture, generation of employment, mobilization of resources, distribution of economic power and rural development. The role of agricultural marketing as an effective instrument for creating employment opportunities within limited range of capital requirement. It has been realized in all the developed and developing countries that the agriculture marketing directly helps the needy and poor to develop their economic back ground.

7.2 FINDINGS

7.2.1 ROLE OF AGRICULTURAL MARKETING THROUGH RMS

Findings Pertaining to Objective - 1

01. The value of production at current prices by the agriculturists also increased by 11.6 per cent In particular it is increased from to Rs.348059 crore from Rs.311993 crore during 2007-08 and accounted for about 40 per cent of the gross value of the output in the production.
In the span of 10 years the agriculturists increased their production capacity and contributed significantly to Indian economy.

02. Export growth of agriculture sector is increased from 31.5% to 34.4% from 1997-2008. The contribution of agriculture production to export performance is highly significant in the years from 1997-2008.

03. Employment generation in the agriculture marketing sector by the terminal year of the Tenth Five Year Plan was 185 lakh persons in 2001-02, giving an additional of 25 lakh persons from the base year i.e. 2001-02. The estimates of additional employment generated in the agriculture sector during Ninth Plan were that of about 32 lakh persons. This is much higher than the target of additional employment fixed for the Ninth Five Year Plan. It is observed that the increase ranges from 3.4% to 4.9%. Employment is estimated to have increased to 273.97 lakh persons in 2007-08 from 261.38 lakh persons in the year 2007-2008.

04. The growth of agriculture marketing in India is increasing significantly in every year except the decline in the year 2000-01. In the span of 10 years from 1998-2008 the growth rate increased from 10% to 12.45%. The contribution to GDP was 5.68% and it is increased significantly to 6.75% significantly in the year 2008.

05. Tamil Nadu has recorded an annual growth rate of 10.69% in number of registered farmers in Regulated markets. 13.10% in investment deployed, 16.34% in output and 9.38% in employment. The State accounts for 12.6% of registered farmers in the country, 12.1% of output and 15.7% of employment during 2006-07.

06. The investment made in the sector increased from Rs.12569.34 crores in 2006-07 to 13291.50 crores in 2007-08 resulting in a growth of 5.7%. Consequently the output from farmers has also increased from
Rs.89781 crores in 2006-07 to Rs.94939.80 crores in 2007-08 registering a growth of 5.75%.

07. The production of agricultural units in Tamil Nadu is increased by 76.44% in ten years. In the year 2003-04 a maximum increase of 16.69% in production was noticed. Tamil Nadu contributed to export of commodities in appreciable scale. During 1998-2008 the export performance of agriculture produces shows an increase of 55.95%, especially the export was increased from Rs. 149872 lakhs in 1999-00 to Rs. 256487 lakhs in 2007-08.

08. The agriculture sector in Tamil Nadu is highly successful in export performance. The maximum of 12.22% increase in the export performance was noticed in the year 2001-02 and a minimum of 1.07% was observed in the year 2000-01.

7.2.2 PERFORMANCE OF REGULATED MARKETS IN VELLORE DISTRICT

Findings Pertaining to Objective - 2 and 3

09. Total arrivals and sales of turmeric is low for six years 1999, 2001, 2004 to 2005 and 2007 to 2008. In six years Regulated market total arrivals through considerable volume of sales, but in the year 2003 the sales of Regulated market are not significant to generate considerable income.

10. In the years 2003 to 2006 Regulated market did not reduce arrivals, but in the last years and subsequent three years from 2003 to 2006, Regulated market retrenched its expenditure as a measure of contingentous. They employed various strategies to keep the paddy base on their total arrivals.
11. The Regulated market diverted its income to purchase best cotton to produce better quality products. But in the years 2000 and 2001 Regulated market did not concentrate more on cotton arrivals.

12. It is meticulously observed that the total arrivals to coconut is low continuously for seven years from 1999 to 2005. But this is significantly high in the last two years from 2007 to 2008. The Regulated market in the first seven years spent more of its total arrivals to coconut. But in the last two years, the measure of consistency made the Regulated market to be careful enough to deal with the coconut.

13. Regulated market obtained the maximum profits in the first four years and last two years from 2006 to 2007 through Gingelly seeds. But, it has obtained a jolt in the year 2005 and 2008 in the form of profit.

14. In the span of seven years Regulated market was careful in retrenching arrivals of ground nuts in the market. But in the last two years due to expansion of market they are forced to increase their arrivals of ground nuts.

15. Total arrivals to Jaggery is low in the subsequent five years from 1999 to 2003 and 2006 to 2007. In the continuous two years 2004 and 2005, the ratio values are found to be very high. Various governmental rules and regulations hindered the total arrivals of jaggery in the last two years 2006 and 2007.

16. Regulated market run a scintillating business with good Ragi due to wide turnover. But in the year 2008 the Total expenditure and Ragi are very close together due to heavy competition faced by Regulated market.

17. Regulated market strategically employed the techniques to comment its total expenditure in the form of liabilities to increase its profitability.
The more variation in total expenditure and green grams implies the commented approach of Regulated market due competition from private players.

18. Regulated market is facing problems concerned to tamarind in the four years from 2001 to 2004. Regulated market is able to manage this problem from the direct purchases. The developmental activities and strategies of Regulated market lifted its burden to tamarind purchases in the last three years from 2005 to 2008.

19. In the last two years the maize in Regulated market is increasing rapidly but for a continuous period from 2001 to 2005 fees collection and maize are tending towards the same trend.

7.2.3 PROBLEMS AND PROSPECTS OF REGULATED MARKETS

Findings Pertaining to Objective - 4

20. It is inferred that the RMIs in Vellore are aimed at acquiring maximum benefit through price determination on their services to the farmers with in the short span of time. The farmers also find that these markets are one of the lucrative channels for their economic advancement. The distribution of arrivals has achieved successfully according to the policies of government to meet green revolution. The cultivation development is also noticed in these districts through the developmental activities of RMIs and also providing appreciable scope to solve unemployment problems of farmers.

21. The regulated market farmers in Vellore district are continuously affected by the heavy interest rates for the loan amounts. They are supplying to their markets in time, but the purchasers procrastinate their payments. This leads to serious financial crisis for the farmers. The farmers are not able to get the loans in time from the government
sources and private sources. There is a popular feeling prevails among the sources of loans of farmers that their repaying capacity is very low.

22. It is found that the regulated market farmers in Vellore district are facing enormous amount of Raw material problem. They are not able to get the raw materials in time, both government and private suppliers are delaying in their supply. This attitude of the suppliers, affect the continuous flow of production of agricultural produces.

23. The regulated market farmers have not got proper price and storage of the produces is also less. In fact they are not able compete with the high cost of transportation and infrastructure for storage. They are forced to sell their products to a specified buyers with fixed profit based on proper calculation of prices. Their scopes for different marketing avenues are totally obscured by the sorts of buyers. So far government has taken strenuous efforts to curb the marketing problems of farmers.

24. The farmers of RM’s possess poor planning and insincere workers due to financial and other prominent constraints. The financial constraints cease the farmers’ development in the form of rent and other important expenses. The modern technology is identified as a one of the serious problems faced by the RM’s in present situation. They are not in the position to modernize their cultivation process with small capital.

25. Farmers and RM’s in Vellore district are not facing the REMO, PPW, MOD and QD significantly, 24.87% of farmers are effectively generating the income for rent and other expenses. They have modern technology in their premises to produce the high quality produces. But they face so many other problems like loans, raw material and power problems.
26. It is found that 33.09% of farmers and RMs in Vellore district face severe financial problems, raw material problems, power problems and marketing problems. The farmers and RMs in second cluster are very much confident about their production. It is identified that 42.04% of farmers face serious financial problems and they are not able to meet all the expenses of their cultivation.

27. The farmers and RMs in Vellore district are facing raw material, power, marketing, and other general problems with severity ranging from moderate to high. The first cluster farmers with 23.87% of frequency are not accessible to rent, planning, workers, modern technology and quality. It is also found that the quality of produces of farmers in Vellore districts is good and welcome by the Traders.

28. The Regulated markets have taken only the moderate efforts for issuing the quick loans for less interest, subsidies, raw materials, sales out lets and policies for over all developments of agriculture. In the domain of priority sector agriculture is considered as most important for development. In fact the central government has directed the state government to issue loans for farmers for agricultural development and to solve rural unemployment problems.

29. It is found 23.87% of farmers and RMs in Vellore district are producing Cotton, Millet, Red gram, Onion and others and they do not face the financial, technology and quality problems. It is also found that 33.09% of farmers are producing Turmeric, Sun flower, Thattal Payir, Coconut, Maize, Caster seeds, and Sorgam and facing the problems of finance, raw material, power and marketing problems. It is revealed that 44.04% of farmers are producing paddy, Jaggery, Groundnut and Gingelly oil, Chilly and Ragi. They do not face the problems of technology and quality.
30. There is no association between factors of problems and prospects with bank loans and their repayment period. The Regulated markets are more popular among the farmers in Vellore district and arrivals are tending towards increasing Manner.

7.2.4 FARMERS’ OPINION

Findings Pertaining to Objective - 5

31. The Price determination subsystems of farmers’ policies, land potential and land development helped the Large level farmers to achieve the individual profit. The Price determination at the large farmers increased the efficiency of the agriculture.

32. It is concluded that in Vellore district the Price determination of large level farmers paved the way to increase the productivity which is a very important goal of the agriculture.

33. Large level farmers believe that the agricultural growth is built up by the impact of Price determination in the agriculture. Price determination at the large farmers made enormous changes in the environment which is considered effective to achieve the ultimate goals of farmers.

34. The large farmers feel that individual profit and economic efficiency are indispensable for good Price determination aspect. Other relationships are not significant.

35. The Price determination subsystems of middle level farmers aimed at increasing economic efficiency. The environmental change is obtained fruitfully through the Price determination of middle level farmers.

36. Technology to Tiny level farmers helps them to attain individual profit and it also increased the efficiency of the agriculture significantly and
change in the environment. The Price determination element of Tiny level farmers is absolutely indispensable to create a productive Price determination aspect.

37. The large farmers feel that the middle level farmers and Tiny level farmers are equally enthusiastic in practicing Price determination. There is no significant difference between these two groups of farmers in cooperating for effective agriculture elements.

38. It is concluded that the Large level farmers are more enthusiastic in practicing price determination than Tiny level farmers. In the view of Tiny level farmers the Large level farmers are more enthusiastic in practicing Price determination for the land development.

7.3 SUGGESTIONS AND RECOMMENDATIONS

Objective 6 to Suggest the Suitable Measures

Success of an agriculture venture irrespective of the scale of operation depends mainly upon the competitive nature of its produces, managerial efficiency and process technology. For the adoption of improved technology the governmental Regulated markets and financial institutions need to play a dynamic role by providing technical guidance and timely credit to farmers considering limited resources of the farmers.

Although certain level of protection is necessary for the healthy growth of the agricultural sector and their marketing through regulated markets, the protection beyond some reasonable limit like pricing and marketing of the produces would do more harm than good to the overall efficiency and productivity of the agricultural sector.

Infrastructure development is vital for the development of the Regulated markets. As the RM is has made remarkable growth in the regions having adequate infrastructural facilities rather than cash subsidies will prove more productive.
The technological innovations are generally labour saving which pose a real danger by depriving employment to a large number of persons. Economic wisdom demands employment opportunities in the absence of which man cannot survive and the wisdom lies in the agriculture sector because of its labour intensive characteristics.

The technological progress should have trickledown effect by creating additional job opportunities in the related activities in all the regulated markets. However, the irony is that much of the success in technological progress has not benefited the humanity even in the developed countries, which are now facing the problem of increasing unemployment as they have failed to manage the technological progress.

The proposed National equity fund for the upgradation of technology and improvement of skills in the agriculture must be effectively utilized. The farmers avail various benefits provided by the regulated markets and other agricultural departments for the promotion of cultivation in rural areas should be asked to provide information periodically to the respective directors to identify the pattern of their growth.

7.4 CONCLUSIONS

Agricultural regulated markets play a crucial role in the process of economic development. Yet, by virtue of the spatial dispersion of producers and consumer, the temporal lags between input application and harvest, the variable perishability and storability of commodities, and the political sensitivity of basis food staples, Regulated markets are prone to high transaction costs, significant risks and frequent government interference. The relative power of developing country governments and private domestic or multinational firms in agricultural markets has varied over time. But the fundamental functions of input and output distribution, post-harvest processing and storage, as well as the persistent challenges of liquidity
constraints, contract enforcement and imperfect information; have characterized agricultural markets in developing countries under all forms of organization.

Regulated Markets are supposed to create favourable climate of price determination and environment to facilitate the farmers to get their due share for their producers. They do exercise better regulations and control over the organs to ensure efficiency. The ultimate goal of Regulated Markets should be the creation of economic, cultural and social milieu which will enable the farmers to feel satisfied". Regulated Markets have a positive and exciting role to play in this millennium. Policy makers are beginning to feel that need for more information on the dynamics of regulated markets

7.5 SCOPE FOR FURTHER RESEARCH

This study concentrates on problems and prospects of Regulated markets in Vellore district. It also identified the contribution of agriculture and its marketing in Vellore district in Tamil Nadu in terms of growth and performance.

A wide innovative study can be undertaken by the energetic researchers to study the growth of agriculture and simultaneous impact on the growth of regulated markets microscopically by covering all the districts.

This study do not cover the governmental ideas for the development of RMs so a separate study can be initiated in this direction to obtain a torrent of useful results for the development of agricultural marketing in India and Tamil Nadu.

Most of the products produced by the farmers are subject to export and domestic use. An empirical and economic analysis would be helpful to identify the contribution of agriculture marketing in India to the globalized and liberalized economy.