

CHAPTER V

PROBLEMS OF GROUNDNUT FARMERS IN KADIRI AREA

Marketing of agricultural produce is the most important problem of Indian agriculture. It is directly related to the prosperity of rural population. There can be no justice than to deprive the agriculturist of his legitimate price for his produce. The Central and State Governments have taken various steps to mitigate the problems of agricultural marketing. Yet, many farmers confront with the problems that arise not alone in the field of marketing but also in the production of agricultural commodities.

Illiteracy:

Most of the farmers in Kadiri Mandal are illiterate. Educational background of the farmers of Kadiri Mandal is shown in the following table:

Table 5.1

EDUCATIONAL BACKGROUND OF SAMPLE FARMERS

S.No.	Level of Education	No. of farmers	Percentage to total
1.	Illiterate	46	57.5
2.	Primary Education	18	22.5
3.	Secondary Education	6	7.5
4.	Matriculation and above	10	12.5
5.	Graduation and above	Nil	Nil
Total		80	100.0

SOURCE: Primary Data.

It can be seen from the Table 5.1 that the percentage of illiteracy is 57.8. Farmers with primary and secondary education are 22.5 per cent and 7.5 per cent respectively. 12.5 per cent of the farmers have acquired matriculation and Intermediate qualification. Graduated farmers are nil. Lack of sufficient education among the groundnut farmers is detrimental to the effective implementation of the measures initiated by the government for the improvement of their economic conditions. For instance, State Government supplies seeds and fertilizers free of cost to small and marginal farmers in rural areas and seeds and fertilizers are also supplied at subsidised rates. Yet, many of the small and marginal farmers who are illiterate do not receive the benefit of free supply or supply at subsidised rates. By making use of Benami names the big and influential farmers are enjoying the said facility, which is intended for the upliftment of the poor farmers.

Small Size of Holdings:

In case of manufacturing industry, we have optimum size of the unit, a size which in existing conditions of technique and organising ability has the lowest average cost of production per unit. Similarly in agriculture too, we have a size, which under given conditions would yield the best results to the farmer. Small size of holdings has its economic and social implications. On economic side, small size of holding has

come as a major hurdle in the way of introducing new and improved agricultural techniques. Smallness of the holding on the one hand does not allow the use of new varieties of seeds, chemical fertilizers and other modern inputs due to the lack of purchasing power in the hands of small farmer. It is perhaps due to this main reason that Indian agriculture could not make much headway in introducing new agricultural strategy and still continues to be in the most backward state. The new agricultural technology is well accepted and adopted by the owners of large holdings, leading to increase in their incomes many times. On the other hand, small and tiny farmers have continued with their subsistence type farming. This has created a wide gulf between the income levels of large farmers and small farmers giving rise to a serious social implication. Very small or tiny holdings have also been responsible for increasing the army of agricultural or industrial labourers. Those small holders of land who could not eke out their subsistence from their respective farm holdings either sell or lease out their holdings to others and join either the army of farm labourers or migrate to urban areas in search of some work.¹

1. Sadhu & Singh, Fundamentals of Agricultural Economics, Himalaya Publishing House, Bombay, 1985, pp.165-186.

Many farmers in Kadiri hold small pieces of land and continue with their subsistence type of farming. Particulars of land of sample farmers are shown in the undermentioned Table:

Table 5.2

LAND PARTICULARS OF SAMPLE FARMERS

S.No.	Size of holdings (Acres)	No. of farmers	Percent- age
1.	0 - 5	32	40.00
2.	5 - 10	32	40.00
3.	10-15	10	12.50
4.	15-20	2	2.50
5.	20-25	3	3.75 .
6.	25 and above	1	1.25
	Total	80	100.00

SOURCE: Primary Data.

The above table reveals that 40 per cent of the farmers possess ownership of land, below 5 acres. Another 40 per cent of the farmers hold less than 10 acres. Farmers with a land holding of below 15 acres are 12.50 per cent; 2.50 per cent farmers possess the land which is less than 20 acres and 3.75 per cent have the land holdings of below 25 acres. It is only 1.25 per cent farmers own the land above 25 acres. Thus, it is

evident that many farmers have uneconomical holdings which stand as a barrier to introduce new and improved agricultural techniques.

Weak Financial Position:

Farmers, with their small farm holdings, earn income which is just enough to maintain their subsistence and thus are unable to use new varieties of seeds, chemical fertilizers and other modern inputs to increase their agricultural output. The following table gives the particulars of annual income of the farmers.

Table 5.3

ANNUAL INCOME OF SAMPLE FARMERS

S.No.	Income Rs.	No. of farmers	Percentage
1.	Below 10,000	36	45.00
2.	10,000 - 20,000	32	40.00
3.	20,000 - 30,000	5	6.25
4.	30,000 - 40,000	3	3.75
5.	40,000 - 50,000	2	2.50
6.	50,000 - 60,000	-	-
7.	60,000 - 70,000	1	1.25
8.	70,000 - 80,000	-	-
9.	80,000 - 90,000	1	1.25
Total		80	100.00

SOURCE: Primary Data.

Farmers, with an income which is less than Rs.10,000 constitute 45 per cent while farmers with Rs.20,000 income account for 40 per cent. 6.25 per cent farmers have an annual income of Rs.30,000 and 3.75 per cent have an income upto Rs.40,000. Only 5 per cent farmers get an income which ranges between Rs.40,000 and Rs.90,000 per annum.

Table 5.4

DISTRIBUTION OF FARMERS BASED ON DIFFERENT SOURCES OF INCOME

S.No.	Source of Income	No. of farmers	Percentage
1.	Agriculture	53	66.25
2.	Agriculture & Avocations	24	30.00
3.	Agriculture & Business	3	3.75
Total		80	100.00

SOURCE: Field Survey.

The main source of income for 66.25 per cent farmers is from agriculture. 30 per cent of farmers get their income from agriculture and also from other avocations such as manual labour, cart-driving, wood-cutting, washing clothes etc., 3.75 per cent, get their income from business besides agriculture.

Level of expenditure of the sample farmers is shown in a table given below:

Table 5.5

EXPENDITURE OF SAMPLE FARMERS

S.No.	Expenditure Rs.	No. of farmers	Percentage
1.	2,000 - 5,000	10	12.50
2.	5,000 - 10,000	28	35.00
3.	10,000 - 15,000	20	25.00
4.	15,000 - 20,000	10	12.50
5.	20,000 - 25,000	4	5.00
6.	25,000 - 30,000	1	1.25
7.	30,000 - 35,000	2	2.50
8.	35,000 - 40,000	1	1.25
9.	40,000 - above	4	5.00
	Total	80	100.00

SOURCE: Primary Data.

Indebtedness:

The role of finance is very important in agriculture. Right from ploughing of the land to the disposal of crop a farmer requires money at different stages. His financial needs consist of both agricultural and domestic. Owing to weak financial position, the farmers are compelled to incur debts.

Table 5.6

PARTICULARS OF INDEBTEDNESS AMONG SAMPLE FARMERS

S.No.	Indebted	No. of farmers	Percent- age
1.	Yes	43	53.75
2.	No	37	46.25
	Total	80	100.00

SOURCE: Field Survey.

It is clear from the above table that in as much as 53.75 per cent farmers are indebted while 46.25 per cent farmers are free from debts.

Purpose of debt incurred by the farmers is given in the undermentioned table:

Table 5.7

PURPOSE FOR WHICH DEBT INCURRED BY SAMPLE FARMERS

S.No.	Purpose	No. of farmers	Percent- age
1.	Purchase of seeds and fertilizers	9	12.00
2.	Purchase of agricultural implements	10	13.33
3.	Purchase of additional land	1	1.33
4.	Repayment of old debts	16	21.34
5.	Marriage	4	5.33
6.	Education	1	1.33
7.	Medical	3	4.00
8.	Others (Domestic consumption etc.)	31	41.34
	Total	75	100.00

SOURCE: Field Survey.

NOTE: Number of indebted farmers exceeded 43 on account of debt incurred for more than one purpose

The Table 5.7 indicates that 41.34 per cent of farmers became indebted on account of loan taken for domestic purpose. 21.34 per cent of farmers took fresh loans for the repayment of old loans. 12 per cent incurred debt for the purchase of seeds and fertilizers while 13.33 per cent farmers borrowed for the purchase of agricultural implements. Only 1.33 per cent borrowed for purchasing additional land. 5.33 per cent, 1.33 per cent and 4 per cent farmers took loans for purposes such as marriage, education and medical respectively. The need of agricultural credit may be divided into three categories namely short-term credit, medium-term credit and long-term credit. Short-term loans are taken by the farmers to meet their current needs of agriculture such as purchase of seeds, manure, fodder, payment of wages etc. These loans are taken for a period upto 15 months. Medium term loans are taken by the farmers for purchasing agricultural implements, construction of wells, houses and other requirements for a period, varying from 15 months to 5 years. Long term loans are taken for levelling of land, construction of tube-wells, permanent improvement of land etc. These loans are taken for a period exceeding 5 years. On account of poor economic condition, farmers in Kadiri area borrow money for short-term needs which include agricultural and domestic, from oil mill owners, village merchants and professional money lenders.

These people charge high rates of interest on loans advanced to the farmers and make the farmers permanently indebted to them. The money lending activities of the oil mill owners and village merchants curtail freedom of the farmers in selling their produce in market yard. In this context, deficiencies of agricultural financing as pointed out by Singh and Agarwal² are mentioned below:-

1. "Money-lenders still hold a prominent position as financiers to agriculture. They charge a high rate of interest and manage to have a lion's share of agriculturist's produce.
2. The role of commercial banks in agricultural financing, though increased considerably after nationalization, is still far from satisfactory.
3. The institutional financing is inadequate and cover only a small part of rural credit.
4. There is a lack of proper co-ordination between the working of various financial agencies providing loans for agricultural purposes. This results into duplication of loans as well as wastage of resources.
5. Agriculturists have to undergo a number of excessive formalities before obtaining loans from the financial agencies. This entails unnecessary delay and harassment of the borrowers.

2. Singh, S.S. and Agarwal, V.K., Agricultural Finance in India, Indian Journal of Marketing, Vol.XIV, No.9, May, 1984, p.29.

6. Due to absence of adequate machinery, there is no proper check on the utilisation of loans for agricultural purposes for which they have been granted."

It is thus clear from the above that the rural financial agencies (institutional) fail to serve credit needs of the farmers to a desired level. Details of the sample farmers of Kadiri area, who resorted to non-institutional borrowing are shown in the following table:

Table 5.8

LOANS TAKEN FROM NON-INSTITUTIONAL SOURCES BY SAMPLE FARMERS

S.No.	Source	No. of farmers	Percentage
1.	Land Lords	1	2.78
2.	Professional money lenders	6	16.67
3.	Village merchants	10	27.78
4.	Oil Mill Owners (Groundnut)	15	41.66
5.	Friends and relatives	4	11.11
Total		36	100.00

SOURCE: Primary Data.

Oil mill owners occupy the first place in lending money to 41.66 per cent farmers. The oil mill owners are ready to provide credit facility to the farmers whenever money is required by them both for agricultural and domestic purpose. Farmers too, find it easy to get the loans from mill owners without undergoing any difficult formalities as are found in the case of government agencies. Although it may seem to be very simple and convenient to raise loans whenever farmers require money, but it is certain that the farmers cannot remain free to sell their produce in a place of their choice and at the price they like. Owing to financial links, farmers are forced to sell their produce to the mill owners alone. It may not be strange if the ignorant farmers are deceived in the buying of groundnut by the mill owners. In the field survey, it is alleged by some respondents that the oil mill owners of Kadiri formed into a group with an agreement among themselves for the purchase of groundnut in the market yard. In accordance with the agreement, a buyer of that group quotes in tender slip, a price slightly higher than the price quoted by others in the group. Under such conditions fair competition does not exist in the market. The second place in lending activity is occupied by village merchants, who advance loans to 27.78 per cent farmers, with little formalities. They charge high rate of interest and adopt questionable practices to exploit the farmers. Professional money lenders occupy the third place in the advancement of loans to 16.67 per cent.

farmers. Friends and relatives come in the fourth place by offering loans to 11.11 per cent farmers while landlords occupy the last place by giving loans to 2.78 per cent farmers.

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It is observed in the field survey that some farmers in Kadiri area want the market committee to provide them credit facility for agricultural and consumption purposes at cheap rate of interest to get rid of the mill owners and village merchants. In this regard, suggestions of Sivarama Prasad³ on credit facilities are as follows:-

"The market committees may also take steps to provide financial assistance at moderate rates of interest to meet production costs. The loan with interest may be recovered while buying the produce from the grower.

The source from which the loans and advances may be provided by the market committee deserves to be considered. The existing market committee fund may not be adequate enough to fulfil this obligation also. It is suggested in this context to raise a separate fund exclusively for providing loans and advances to grower-sellers to finance their production and marketing operations. This fund may be

3. Sivarama Prasad, A., Agricultural Marketing in India, Case Study of Selected Regulated Markets in Andhra Pradesh, Mittal Publications, Delhi, 1985, pp.409-410.

built up out of the contributions made by the grower-sellers, commission agents, brokers and traders who operate in the market yard. These contributions vary depending upon the number of shares taken by them. The value of each share may be fixed at Rs.100. Each grower-seller who desires to borrow from the market committee by pledging his produce may be required to subscribe to atleast one share. Each commission agent/trader/broker may be required to subscribe to atleast ten shares.

Only those who have minimum subscription of ten shares will be allowed to function in the market yard. The contributions so paid by them will be held with the market committee till they continue their association with the market yard. The subscribers, however, will be paid a minimum rate of interest on their contributions. The fund so built up, will be utilised to grant loans and advances to grower-sellers at moderate rates of interest on the pledge of their produce brought to the market. The loan amount along with interest will be deducted from the sale proceeds of the produce.

The above scheme will infuse a spirit of comradeship and a sense of loyalty among the grower-sellers towards the market. This strengthens the relations between the grower-sellers and the market and will serve as a powerful

incentive to bring all their surplus produce to the market for sale. Secondly, the grower-seller will be relieved from the bonds of the commission agents-cum-money lenders and their economic position will significantly improve as a result of moderate rates of interest charged by the market committees on the loans taken by them.

Further, the grower-sellers will not be under obligation to sell their produce only through particular commission agents but they will be free to dispose of their produce in the really competitive market. The volume of business of regulated markets will also increase with the decline of village sales. The committees will be able to function effectively with the increase in volume of business and the amount of financial resources.

The market committees may also arrange credit from commercial and co-operative banks at moderate rates of interest. The principal amount alongwith the interest may be recovered from the sale proceeds of agricultural produce.

The efforts of market committees, mentioned above, would supplement those of banks and thereby strengthen the fabric of agricultural credit as well as the economic position of the peasant community".

While it is commendable for the suggestion of creating a separate fund exclusively for the purpose of granting loans to the farmers by the market committee, it is very much doubted as to the feasibility of this suggestion in practice. Requiring the commission agents, traders and brokers to subscribe for a minimum of ten shares of Rs.100 each, is most unrealistic for a benefit to be given to the farmers alone. A minimum rate of interest on the investments does not act as an incentive for the traders to become subscribers of the said fund. A compulsory subscription for allowing them to operate in the market yard is undemocratic. Therefore, such a move will naturally be opposed by the trading community.

Further, the scheme does not specify the period of credit and the maximum amount of loan that can be sanctioned on the pledge of the produce. Even without creation of a fund for the purpose of loans, provision has already been made by the market committees for the sanctioning of loan against the pledge of the agricultural produce. For example, Market Committee, Kadiri sanctions loans for a period of 90 days. No interest is charged for a period of 30 days. Interest at the rate of 6.25 per cent is charged for a period of 60 days. Small and marginal farmers whose repaying capacity being low, find it hard to get the credit facility from the institutional sources. It is convenient for them to borrow from private sources such as commission agents,

traders etc. The amount borrowed is used for consumption and not for the purpose of development. Thus they remain permanently indebted to these middlemen and are forced to sell their agricultural produce soon after the crop is harvested, when price is low. Can a market committee undertake the activity of providing loans as per the needs and requirements of the small and marginal farmers? Unwieldy influence exercised by these middlemen might be reduced to a considerable extent, if a market committee could do so. There is an immense need for various rural financial agencies (institutional) to co-ordinate their work and come to the rescue of the small and marginal farmers in breaking the vicious circle in which they are caught.

Particulars of loans taken by farmers from institutional sources are given in the undermentioned table.

Table 5.9

LOANS TAKEN FROM INSTITUTIONAL SOURCES BY SAMPLE FARMERS

S.No.	Source	No. of farmers	Percentage
1.	District Co-operative Central Bank (Long Term Branch)	3	10.34
2.	Co-operative credit societies	18	62.07
3.	Grameena Banks	2	6.90
4.	Commercial Banks	6	20.69
	Total	29	100.00

SOURCE: Primary Data.

NOTE: Total number of indebted farmers exceeded 43 on account of having obtained loans both from institutional sources (29) and non-institutional sources (36).

District Co-operative Central Bank and Co-operative Credit Societies (Single Window Credit Delivery System) were set up to get rid of the money lenders and to expand credit facilities in rural areas at a cheaper rate of interest.

Gramma Bank and Commercial Banks too are functioning in order to meet the financial requirements of the agriculturists effectively. In spite of several institutions that are established to serve the financial needs of the farmers, it is observed that these institutions could not eliminate or reduce the dominant role of private agencies in the sphere of rural finance.

Low Price on Sale of Agricultural Produce:

Studies on price aspect of groundnut reveal that the farmer's share is not commensurate with an increase in the prices of groundnut products. In a study made by Narappanavar and Bharadwaj,⁴ it is found that "whenever there was an increase in the wholesale oil price, the increase in the farm harvest price was much smaller than the increase in the retail oil price. Also an increase in the wholesale oil price was associated with a less than proportionate increase in the farm harvest and retail oil prices. Thus the sufferers are farmers and the consumer;

4. Narappanavar, S.R., & Bharadwaj, V.P., Farmer's and Intermediaries Shares - A Study of Groundnut during 1962-63 to 1980-81, Indian Journal of Agricultural Economics, Vol. XXXVIII, April-June, 1983, No.2, pp.190-191.

The farmer's share has been reduced from 61 per cent in 1962-63 to 52.67 per cent in 1980-81 and his average share was 57.70 per cent for the period;

The shares of intermediaries in the consumer's rupee and also their receipts per kg. of oil have not changed uniformly. The miller has increased his share almost continuously at the cost of the farmer, the retailer and the wholesaler of groundnut kernel.

Thus the present structure of oils and oil seeds market is largely controlled by the miller/traders and does not take care of the interest of farmers and consumers. In fact, the farmer's net income is reduced because of lower increase in groundnut prices received by them and faster increase in the prices of oils and oil cakes which they purchase."

It is evident from the above that the share of the farmer in consumer's rupee is far below than what it ought to be. In some years, prices decline so much that the farmers may not be able to cover their costs of production also and thus are compelled to incur debts.

Existence of Middlemen:

The reason for price hike of agricultural commodities can not alone be attributed to the failure of crops but mainly to the existence of middlemen. Efforts of the farmers to increase their production are praise worthy indeed but do they really derive the benefit from the increased production?

In a study conducted by Ghanshyam Das and others⁵ on the role of middlemen in agricultural marketing, experiences of the respondents with commission agents were as stated below:

- 1) "The commission agents gave loans in instalments and realised lesser price for their agricultural produce than prevailing rate in the market in collusion with buyers;
- 2) The commission agents were charging four to five times more interest than bank-rate;
- 3) The commission agents were not providing the loans/ advances to poor and needy farmers;
- 4) They were charging higher rate of commission than allowed by the marketing committee; and
- 5) They were making unauthorised deductions from the sale proceeds in the name of "Puja", "Hundi" in the name of "Diety."

It is thus evident that the middlemen continue to exploit the farmers even after the regulation of markets.

5. Ghanshyam Das, Ojha, Ananda Kumar, V., Samba Murthy, M., Op.cit., p.12.

Lack of Irrigational Facilities:

Soil is predominantly red in Kadiri Mandal and major crop that is cultivated in this area is groundnut. Irrigational facilities are poor and most of the farmers depend on rains.

Table 5.10**TYPES OF IRRIGATION USED BY SAMPLE FARMERS**

S.No.	Type of Irrigation	No. of farmers	Percentage
1.	Rainfed	80	64
2.	Well/Borewell	25	20
3.	Tank	20	16
Total		125	100

SOURCE: Primary Data.

NOTE: The number of farmers exceeded 80 because of different types of irrigation used by them.

Table 5.11**TYPES OF LAND UNDER GROUNDNUT CULTIVATION**

S.No.	Type of land	No. of farmers	Percentage
1.	Wet land	20	3.70
2.	Dry land	520	96.30
Total		540	100.00

SOURCE: Primary Data.

Particulars regarding the quantity of groundnut produced, used for seeds and consumption and marketable surplus are shown in the undermentioned table.

Table 5.12

QUANTITY OF GROUNDNUT PRODUCED, USED FOR SEEDS AND CONSUMPTION AND MARKETABLE SURPLUS (1986-87)

S.No.	No. of farmers	Land under groundnut production (acres)	Quantity produced (qtls.)	Quantity seeds (qtls.)	Used for consumption (qtls.)	Market-able surplus (qtls.)
1.	80	540	1,634	295	51	1,288

SOURCE: Primary Data.

Table 5.13

MARKETING CHANNELS FOR GROUNDNUT OF SAMPLE FARMERS (1986-'87)

S.No.	Marketing Channel	Quantity (qtls.)	Percentage
1.	Regulated market	144.00	11.18
2.	Village merchant	198.60	15.42
3.	Oil mill owners	394.40	30.62
4.	Others (Farmers from Sri Kalahasthi, Seeds Corporation, Gujarat)	551.00	42.78
Total		1,288.00	100.00

SOURCE: Field Survey.

The table 5.13 reveals that only 11.18 per cent of groundnut is sold in the regulated market and 15.42 per cent to village merchants. 30.62 per cent of groundnut is sold to oil mill owners and 42.78 per cent to others. In the field investigation, many reasons are attributed by the respondents to the failure of regulated market committee in attracting the farmers to bring their produce for sale to the market yard. Some of them are: 1) Permission of trade outside the market yard, 2) Inability to provide financial assistance to the farmers, 3) Questionable practices adopted by oil mill owners and 4) Corruption among the officials of the market committee.

1. Permission of Trade Outside the Market Yard:

Traders and commission agents are permitted to buy or sell a notified agricultural commodity in the notified area on obtaining licence from the agricultural market committee by the payment of prescribed licence fee. Takpatties are issued to them and after the particulars are filled in the takpatti, original copy of which is issued to the seller, duplicate to the buyer and triplicate to the office of the market committee. The fourth copy is retained by the licenced trader or commission agent. They have to maintain accounts and submit reports periodically to the market committee. Market fee on notified commodities is collected from the traders and commission agents.

Therefore issue of licences to the traders and commission agents provides scope for dealing in the transactions of trade outside the market yard. So, it is quite possible for adopting some malpractices by the traders and commission agents when notified commodities are permitted to be transacted outside the market yard. Lack of proper checking of accounts of these middlemen by the market committee officials do not bring several irregularities to light.

2. Inability to Provide Financial Assistance to the Farmers:

Market committee does not provide financial assistance to the farmers for agricultural and domestic requirements. Where as the village merchants and oil mill owners are ready and willing to provide financial help to the farmers as and when they required. After the crop is harvested, obviously the produce is sold to the village merchants and oil mill owners in order to discharge the debt obligations with them.

3. Questionable Practices Adopted by Oil Mill Owners:

As pointed out earlier, combination of the mill owners, does not allow the price to go up in the market yard thus depriving the seller of his legitimate price.

4. Corruption Among Officials of the Market Committee:

As alleged in the field survey by some respondents that some corrupt officials of the market committee cooperate with oil mill owners in the activities of groundnut marketing which place the farmers at a disadvantageous position.

A welcoming measure in recent years is that some farmers from Sri Kalahasthi in Chittoor District are found coming to Kadiri for buying groundnut in this area. Sri-kalahasthi farmers procure good quality of groundnut in the villages of Kadiri by paying more price than what is prevailing in the market. The difference of price is about Rs.30 per a bag (40 kgs.) of groundnut. A temporary licence is issued to them on payment of Rs.20, by the market committee. Similarly officials of seeds corporation, Gujarat are also procuring groundnut by paying more price, from the villages of Kadiri. Market fee is exempted for them by the market committee.

Check Posts:

No person can transport any notified agricultural commodity from the limits of the notified area without the payment of prescribed fees to the market committee. Any employee of the market committee, when authorised by it, shall have power to stop and check any vehicle suspected to carry the notified agricultural produce unauthorisedly.

Kadiri Market Committee arranged 3 checkpoints at 1) Jonnala Kotthapalli, 2) Gowni Palli and 3) Kokkanti cross for the purpose of checking the vehicles. Strict checking is to be ensured at these checkpoints for it is believed that the large quantity of groundnut is transported unauthorisedly.

Need for Effective Supervision by Market Committee Officials:

It is learnt from the farmers that oil mill owners inspite of their buying in the market yard, ask the farmers whose produce is sold to them, to come to their groundnut mills where again the purchased produce is subjected to grading, weighing etc. Unauthorised deductions in the name of impurities and charities are made from the amount payable to them. Actual price paid to the farmers is different to the agreed price by bidding in the market yard. This cleraly shows that the market committee officials are not very particular about immediate spot payment by the buyers/mill owners as they are said to be bribed by the mill owners. If practices such as these prolong unchecked by the market officials, the farmers will no longer have faith in the functioning of the regulated market.