CHAPTER VI

SUMMARY AND CONCLUSION
Agriculture is the backbone of Indian economy. Food supplies to feed India's population and raw materials for agro based industries come from Agriculture. Agriculture provides employment to vast labour force. Agricultural Commodities occupy prime place in India's exports.

Economic growth is intimately connected with agricultural development in a predominantly agricultural economy. Economic growth will be slow, uneven and unsteady if the agricultural sector is not taken care of. A well organised system of marketing, facilitates progressive and prosperous agriculture. A well developed marketing system eliminates exploitation and ensures remunerative prices to farmers. It stimulates agricultural production.

Agriculture is the mainstay of Indian economy. It is necessary to ensure accelerated agricultural development. Enough attention must be paid to the overall development of agricultural marketing. Production efforts are likely to suffer, if they are not supported by well developed and scientifically organised market system. The Royal Commission on Agriculture (1928) and the Marketing Committee of the U.N. Conference on Food and Agriculture (1945) recognised the importance of agricultural marketing in agricultural development.

There is an imperative need for efficient agricultural marketing system. In the absence of adequate marketing facilities,
farmers have to rely upon the local traders and middlemen for the disposal of agricultural produce. The farmers are denied of remunerative prices. The market knowledge of farmers is a factor in the determination of agricultural output. Indian farmers, by and large, are denied of access to a well developed market system. They lack both the resources and incentives to modernise their production methods. It is necessary to develop sound agricultural marketing, to facilitate the off take of agricultural production surplusses brought about by technological innovations. A comprehensive integrated strategy for developing sound agricultural marketing system is called for. A sound agricultural marketing system ensures fair returns to the farmers.

Agricultural markets in India are largely unorganised and uneconomic. In India a vast majority of farmers are small and marginal farmers. They cultivate land as traditional subsistence farmers. They market their surplus in unorganised local markets. The most pronounced evils in the unorganised market system in rural areas include multiple prices of buying and selling, use of defective weights and existence of large number of transactions. The farmers become vulnerable and fail to get remunerative prices for their produce. The Royal Commission (1928) which surveyed Indian agriculture recommended the establishment of regulated markets. In a regulated market, functionaries are required to take licenses. Regulated markets confer certain benefits. Licensed functionaries operate in a regulated market under the control of market committees. Marketing charges such as commission and weightment charges
are clearly specified and rigidly enforced. Correct weightment is ensured by periodical inspection and checking of scales and weights. Open auction and open agreement sales in a regulated market eliminate under hand and under cover transactions. Further cash payments are insisted upon soon after the sales are effected.

The Government of India has intensified programmes for changes in institutions and reorientation of public policies and programmes taking into account complexities of a dynamic marketing system. The Government efforts are aimed at strengthening the market services. Notwithstanding the provided market services, the arrivals regarding produce do not constitute even 50 per cent of the marketable surplus. The produce is diverted by the village money lenders and other agencies. Marketing services need to be adequate. It is also necessary to provide better transport and storage facilities to strengthening market structure.

Agriculture is the chief occupation of people in Kurnool district. Groundnut, Sunflower, Cotton, Banana and Betel leaves are the commercial crops raised in the district. The principal food crops in the district are Jowar, Paddy, Korra and Bajra. The small and marginal holdings together account for 60 per cent of the total landholdings in the district. Here, the pace of modernisation of agriculture is however slow. A well developed agricultural marketing system is the need of the hour in the district. As of now, the marketing facilities and services are inadequate in Kurnool district. The required base and the infrastructural facilities for
organised marketing do not exist in required measure.

This study highlights the marketing practices and agricultural produce disposal practices of the farmers in Kurnool district. Two revenue mandals namely Mantralayam and Kosigi were chosen based on purposive sampling. From each revenue mandal two villages were selected using simple random sampling technique. In all 100 respondent farmers were interviewed drawn from four villages. The sample farmers consist of large, medium, semi-medium, small and marginal farmers.

A large proportion of the sample farmers are middle aged. They have enough of experience. However, age does not bear any relationship with the size of landholdings. The largest number of sample farmers belong to forward castes. Almost all the large farmers came from forward castes. Scheduled Castes and Scheduled Tribes farmers are not found in the categories of medium and large farmers. The Scheduled Castes and Scheduled Tribes farmers possessed small and marginal landholdings.

The level of education of the farmers has a bearing on farm efficiency and productivity. Farm productivity and the farm yield will be less, where the farmers are illiterate. Two-thirds of the sample farmers are illiterate. Illiteracy is widely prevalent among small and marginal farmers. The illiterate farmers are prone to exploitation. They are exploited by middlemen in the sale of agricultural produce. Roughly two-thirds of respondent farmers have joint family structures. Each member of the joint family lends
a helping hand in maximising family income. The subsidiary occupations are concentrated among small and marginal farmers. The large farmers possess more farm and non-farm assets than the small and marginal farmers.

Physical and economic factors influence the cropping pattern and the proportion of the land devoted to each crop. The sample farmers raised both commercial and non-commercial crops. Groundnut is the chief commercial crop which accounted for 57 per cent of the total cropped area of the sample farmers. Sunflower is the second important commercial crop raised in the sample villages. It accounted for the 17 per cent of the total cropped area. Horticultural crops like Banana, Betel leaves, Mango and Coconut are raised in both the mandals. Even small and marginal farmers participated in raising horticultural crops. Banana accounted for the largest horticultural crop raised in the sample villages. Creation of incentives and provision of market facilities would enable small and marginal farmers to take to horticultural crops and reap maximum profit and benefit. Raising horticultural crops requires larger credit. The medium and large-farmers have shown unmistakable preference for horticultural crops in areas of assured irrigation. These farmers have enough access to credit. Commercialised agriculture has not percolated to the small and marginal farmers due to inadequate facilities. Co-operatives and commercial banks account for the major source of agricultural credit in the sample villages. The small and marginal farmers are willing to take to commercialised agriculture if congenial atmosphere is
created. The institutional financial agencies ought to shed their large farmer bias. The agencies need to extend credit on a priority basis to small and marginal farmers to enable them take to commercialised agriculture.

The quantity offered for sale by the farmers differs from one category of the farmer to another. The small and marginal farmers offer less quantity for sale compared to medium and large farmers. Marketable surplus represents the theoretical surplus available for disposal with the producer after meeting the requirements of wage bill and other input costs. Marketed surplus on the other hand refers to that portion of marketable surplus which is actually marketed. Groundnut accounts for the single largest marketable surplus followed by sunflower and other commercial crops. The total marketable surplus of all commercial crops of sample farmers put together amounted to ₹10,05 lakhs. Groundnut accounted for 70 per cent of the total marketable surplus. Understandably, the marketable surplus of small and marginal farmers was less than the marketable surplus of other categories of farmers.

The small and marginal farmers prefer to raise non-commercial crops. This is because raising of commercial crops, including horticultural crops requires use of larger credit. They don't have enough means to mobilise the required credit.

Commercial crops in general and horticultural crops in particular require adequate marketing facilities. Horticultural produce like Bananas and Mangoes are perishable. We need to create
proper storage facilities. We notice significant inter mandal differences as far as horticultural crops are concerned. Banana and Betel leaves are the horticultural crops in Mantralayam mandal. Mango, Coconut and Beri are the relevant horticultural crops in Kosigi mandal. The small and marginal farmers did not associate themselves in a significant manner, with horticultural crops for want of credit. The overall marketable surplus of horticultural crops in sample village stood at Rs.8,14 lakhs. Banana followed by Betel leaves accounted for significant shares in marketable surplus. Commercial crops in general and horticultural crops in particular need adequate marketing facilities. Remunerative prices could be ensured to the farmers through removal of exploitation by middlemen. Traditional agriculture could be transferred into diversified commercial agriculture through market regulations and through the creation of other incentives.

A well developed agricultural marketing system is crucial for surplus class of cultivators. It ensures elimination of exploitation and secures remunerative prices to farmers. Remunerative prices act as incentives in the generation of larger agricultural surplus and agricultural growth. There have been certain obstacles in the development of marketing system. Several agricultural commodities pass through a chain of buyers and sellers identified as middlemen. The middlemen gain by exploiting both farmers and consumers. The existing agricultural markets need to be effectively geared up to prevent exploitation. State intervention in the agricultural markets is necessary to ensure remunerative prices to
farmers. By and large, the farmers face unregulated market atmosphere, while disposing off the agricultural produce. Exploitative elements dominate the unregulated markets. They include traders, brokers and commission agents. They don't make timely payments and take away lot of quantity in the form of sample. There is no check on the weighments. Most of the small and marginal farmers marketed the groundnut, sunflower and cotton in the village itself. The distant sales were meagre. It is equally true of horticultural crops like Banana and Betel leaves, and Vegetables like Onions, Brinjals, Tomatos etc., Distant sales are undertaken by medium and large farmers. Even in the case of non-commercial crops, village sales are the single important mode of sale. Sales undertaken in regulated markets are limited.

Farmers lack commercial spirit in marketing their produce. The poor bargaining power of the farmers is due to absence of farmers associations. There were farmers who sold their produce even before crops were harvested, to clear off their old debts to money lenders and petty traders.

A sizeable agricultural produce goes waste for want of post harvest facilities. It is necessary to provide basic infrastructural facilities in the form of grading, package and storage. These facilities are non-existent in rural areas. Even the National Commission on Agriculture (1976) endorsed it. Rural Godowns set up under the programme of National Grid Rural Godowns are conspicuous by them absence in the sample area. Information technology is the
key element of modern marketing. Adequate facilities for inter-village communication should be provided. Early sales were undertaken mostly by the small and marginal farmers to meet their immediate consumption requirements. We could secure remunerative prices to the Vulnerable sections of farming community, if the immediate consumption needs are taken care of.

Transport is a vital link in agricultural marketing. The traditional bullock carts should be replaced by modern transport (tractors and trucks) to facilitate easy reach of agricultural produce from interior villages to markets. Even far off markets could be reached through modern transport. The relevance of modern transport is all the more in the context of marketing horticultural produce (Bananas and Betel leaves) and highly perishable produce (Vegetables).

Market information helps the farmers to time their sales. Farmers receive market information through different channels. The different channels include radios, newspapers, fellow farmers, local traders and commission agents. Local traders and commission agents provide information to most of the small and marginal farmers. The upper class farmers whose literacy level is high have access to other sources of market information. The traders and agents withhold part of the information and exploit small and marginal farmers. Organised institutions like Agricultural Market Committees need to be geared up in the dissemination of market information. Absence of scientific grading and standardisation of products worked to the disadvantage of the farming community. Though the respondent
farmers did not complain against the weights and measures, they were dissatisfied with method of bidding and timings of bidding in the market yards. The bidding language was difficult to comprehend. There were variations between official bidding timings and actual bidding timings. Both worked to the disadvantage of farmers. Barring weights and measures, other methods of marketing were found to be very defective and presented a disquieting picture. There is an imperative need for setting up marketing centre as an apex body to formulate, streamline monitor and implement polices on a continuing basis.

The respondent farmers encountered certain problems at the time of marketing. The problems were similar, regardless of their farming status. Among others the problems included lack of adequate warehouse facilities, lack of grading and standardisation and non-availability of market information. Majority of the farmers were dissatisfied with the style of functioning of market yard functionaries. "Mamools" (Tips) were collected from the farmers.

Agricultural price policy has a bearing on the acceleration of agricultural growth. A comprehensive price policy could correct distortions in the market structure. The formulation of sound agricultural price policy is the need of the hour. The price policy should strike a balance between the needs of the farmers for remunerative prices and the supply of foodgrains to consumers at reasonable prices. Indeed, a multipronged strategy is required for tackling the problems of marketing.
An efficient and effective marketing system is one which secures maximum returns to the farmers after the deduction of farm costs and minimum marketing charges. Marketing efficiency stimulates agricultural production. Markets for agricultural products are buyers markets. In buyers markets demand plays an active role and supply a passive role. Traders know the market conditions better than the farmers. The high margins of traders and middlemen may result in low prices being offered to the farmers.

There are farmers with low and high marketing efficiency. The farmers who sell their produce soon after harvesting and who do not get remunerative prices are farmers with low marketing efficiency. The farmers who sell their produce in distant markets, in regulated markets and those who get remunerative prices are farmers with high marketing efficiency. The agricultural marketing efficiency is independent of caste and age of farmers. Education, however, has a bearing on marketing efficiency. Educated farmers market forecasting, is sound. They seek and get remunerative prices. Level of education of farmers has positive influence on the marketing efficiency in sample villages. Educated farmers get market information through organised agencies and do not fail to see through the games of exploitative elements like middlemen traders and commission agents. Further, there exists positive relationship between the size of landholdings and marketing efficiency. Stimulatory and supportive measures need to be taken to improve the marketing efficiency.
Recommendations:

1. The remunerative prices to the vulnerable sections of the farming community could be secured through the larger involvement of institutional financial agencies in meeting the credit needs of farmers. This would minimise the role of money lenders traders and commission agents in sample villages.

2. Effort should be made to augment regulated market sales among sample villages in Kurnool district.

3. On a priority basis, basic infrastructural facilities like grading, package and storage need to be provided to ensure marketing efficiency of farmers in Kurnool district.

4. Information technology is a key element in modern marketing. Adequate facilities for inter village communication among farmers in sample villages need to be provided on a priority basis. Further the organised institutions like agricultural marketing committees need to be geared up to provide market information to the farmers.

5. Farmers Associations need to be formed. Such Associations would enhance the bargaining position of the farmers, and secure remunerative prices.

6. It is necessary to formulate, streamline, monitor implement and marketing policies on a continuing basis. Creation of an appropriate body would ensure the needful.