CHAPTER-1
INTRODUCTION

The Prologue

This chapter provides the basic premise for the research study. It gives a brief introduction of agriculture marketing in India, the types of agri business, scope of agriculture business, agriculture marketing and economic development, the history and growth of agriculture marketing is also explained in brief. The chapter also gives the details about objectives of the study, hypothesis tested, research methodology, methods and tools of data collection and, analysis of data.

India is an agricultural country and one third population depends on the agricultural sector directly or indirectly. Agriculture remains as the main stray of the Indian economy since times immemorial. Indian agriculture contribution to the national gross domestic product (GDP) is about 25 per cent. With food being the crowning need of mankind, much emphasis has been on commercialising agricultural production. For this reason, adequate production and even distribution of food has become a high priority global concern.

Agricultural marketing is mainly the buying and selling of agricultural products. In earlier days when the village economy was more or less self-sufficient the marketing of agricultural products presented with no difficulty the farmer sold his produce to the consumers on a cash or barter basis.
Today's agricultural marketing has to undergo a series of exchanges or transfers from one person to another before it reaches the consumer. There are three marketing functions involved in this, i.e., assembling, preparation for consumption and distribution. Selling on any agricultural produce depends on some couple of factors like the demand of the product at that time, availability of storage etc. The products may be sold directly in the market or it may be stored locally for the time being. Moreover, it may be sold as it is gathered from the field or it may be cleaned, graded and processed by the farmer or the merchant of the village. Sometime processing is done because consumers want it, or sometimes to conserve the quality of that product. The task of distribution system is to match the supply with the existing demand by whole selling and retailing in various points of different markets like primary, secondary or terminal markets.

Most of the agricultural products in India are sold by farmers in the private sector to moneylenders (to whom the farmer may be indebted) or to village traders. Products are sold in various ways. For example, it might be sold at a weekly village market in the farmer's village or in a neighboring village. If these outlets are not available, then produce might be sold at irregularly held markets in a nearby village or town, or in the mandi.

In India, there are several central government organisations, who are involved in agricultural marketing like, Commission of Agricultural Costs and Prices, Food Corporation of India, Cotton Corporation of India, Jute Corporation of India, etc. There are also specialised marketing bodies for rubber, tea, coffee, tobacco, spices and vegetables. Under the Agricultural Produce (grading and marketing) Act of 1937, more than forty primary commodities are compulsorily graded for
export and voluntarily graded for internal consumption. Although the regulation of commodity markets is a function of state government, the directorate of marketing and inspection provides marketing and inspection services and financial aid down to the village level to help set up commodity grading centers in selected markets.

As we have a tradition of agricultural production, marketing and allied commercial activities, now it is the time for us to brainstorm and come out with new ideas of value added services. These value added services will give the existing agricultural engine a new dimension. The next logical step could be food-processing which not only could be another revenue generating area but also can provide lots of full-time employment to our youths. With the changing agricultural scenario and global competition, there is a need of exploiting the available resources at maximum level.

There was a survey undertaken by the directorate of marketing and inspection in the ministry of agriculture in 1970-71 and 1971-72, of five hundred regulated markets was, with a view to assessing the adequacy and efficiency of the existing regulated markets and highlighting their drawbacks and deficiencies and suggesting measures to develop them. One of the most important drawbacks has been the inadequate financial resources of some of the market committees. During the fourth plan, a central sector scheme was drawn up by the ministry of agriculture to provide a grant at 20 per cent of the cost of development of market, subject to a maximum of Rs. 2 lakhs. The balance will have to be provided by the commercial banks.

Another important development in the field of regulated markets is the keen interest taken by the International Development Agency (IDA) in
the development of the infrastructure in regulated markets. The IDA is financing the development of infrastructure in 50 markets of Bihar.

There are also some good news on the front of irrigation, rural infrastructure, restoring water bodies and water harvesting. Another action initiated to improve the governance of the Small Farmers Agribusiness Consortium (SFAC) including the appointment of a banker as the chief executive; necessary additional capital to be provided to SFAC.

**Agribusiness**

John H. Davis of Harvard University first used the term agribusiness in 1955. In 1980s it was given three connotations: (1) synonymous with term agriculture, (2) synonymous with agricultural economics and (3) a modified concept of agriculture, excluding farming, or the off-farm aspects of agriculture.

At present, agribusiness is defined as all business enterprises or sells to farmers / traders / consumers. The transaction may involve either an input or a produce or service and encompasses items such as:

1. Productive resources (feed, seed, fertilizer, equipment, energy, pesticides, machinery, etc.)
2. Agricultural commodities – (raw and processed commodities of food and fiber)
3. Facilitative services (credit, insurance, marketing, storage, processing, transportation, packing, distribution, consultancy, soil testing etc.).
Scope for Agribusiness in India

There is wide scope for agricultural business in India as follows

1. India is endowed with varied ago-climate, which facilitates production of temperate, sub-tropical and tropical agricultural commodities.

2. There is growing demand for agricultural inputs like feed and fodder, inorganic fertilizers, bio-fertilizers.

3. Biotechnology applications in agriculture have vast scope in production of seed, bio-control agents, industrial harnessing of microbes for bakery products.

4. Export can be harnessed as a source of economic growth. As a signatory of World Trade Organization, India has vast potential to improve its present position in the World trade of agricultural commodities both raw and processed form. The products line include cereals, pulses, oilseeds and oils, oil meal, spices and condiments, fruits and vegetables, flowers, medicinal plants and essential oils, agricultural advisory services, agricultural tools and implements, meat, milk and milk products, fish and fish products, ornamental fish, forest by-products etc.

5. At present processing is done at primary level only and the rising standard of living expands opportunities for secondary and tertiary processing of agricultural commodities.

6. The vast coastal line and internal water courses provide enormous opportunity for production of marine and inland fish and ornamental fish culture gaining popularity with increase in aesthetic value among the citizens of India.

7. The livestock wealth gives enormous scope for production of meat, milk and milk products, poultry products etc.
8. The forest resources can be utilized for production of by products of forestry.

9. Beekeeping and apiary can be taken up on large scale in India.

10. Mushroom production for domestic consumption and export can be enhanced with improvement in the state of art of their production.

11. Organic farming has highest potential in India as the pesticide and inorganic fertilizer application are less in India compared to industrial nations of the world. The farmers can be encouraged and educated to switch over for organic farming.

12. There is wide scope for production and promotion of bio-pesticides and bio-control agents for protection of crops.

13. Seeds, hybrid and genetically modified crops, have the highest potential in India in the future, since the productivity of high yielding varieties have reached a plateau.

14. Micro-irrigation systems and labor saving farm equipments have good potential for the years to come due to declining groundwater level and labor scarcity for agricultural operations like weeding, transplanting and harvesting.

15. Production of vegetables and flowers under greenhouse conditions can be taken up to harness the export market.

16. Trained human resources in agriculture and allied sciences will take on agricultural extension system due to dwindling resources of state finance and down sizing the present government agricultural extension staff as consulting services.

17. The enhanced agricultural production throws open opportunities for employment in marketing, transport, cold storage and warehousing facilities, credit, insurance and logistic support services.
Types of Small Businesses

With the exception of Government, most of the small businesses can be classified as the following types:

1. Production
2. Retailing
3. Distribution
4. Personal services
5. Professional services
6. Financial
7. Franchising

1. **Production**: This classification includes all types of production including agricultural production of crops and livestock, as well as forestry.

2. **Distribution**: This classification refers to those businesses, which do not make anything but which bring the goods and services to the consumer or user. This includes such activities as packaging, labeling, transporting, refrigerating, freezing, processing, storing, and performing any service necessary to prepare the goods or to provide the service to eventual consumer.

3. **Retailing**: Although often included as a phase of distribution, retailing is listed as a separate category because there are a large number of persons employed in retailing. Obviously it represents one of the best opportunities for the potential entrepreneur. Retailing is that stage of distribution, which deals with the consumers. Examples of retailers are grocers, self-service stores, florists, agricultural input retailing.
4. **Personal services**: The service business is those, which do not primarily supply goods to the public, but instead perform a service. Goods may be used to perform the service but they are of secondary importance. Examples of personal service are hotels, restaurants, agro-service centers.

5. **Professional services**: Some type of services, in order to protect the public, requires considerable training on the part of those offering the service. Usually those professional services must have a formal education and rigid examinations before receiving licenses to offer their services to the public. Examples of those offering services are investment brokers, insurance agents etc.

6. **Financial**: Financial businesses are usually service-oriented but since they deal primarily with the loaning or investing of money or the equivalents of money (stocks, bonds, property rights, etc) a separate category describes them best. Examples of financial services are commercial banks, insurance companies, thrift and loan societies etc.

7. **Franchising**: Franchising is a system for selectively distributing goods or services through outlets owned by the franchisee. Basically, a franchise is a patent or trademark, license, entitling the holder to market particular products or services under a brand name or trademark according to prearranged terms and conditions. The franchiser is the owner of his or her own business (the franchisee) is likely to be more diligent and strive harder for success than the hired manager of a company-owned outlet. Since franchising is form of selective distribution, the typical franchise agreement prohibits the franchise from setting up competing outlets within the franchise area. Examples of
franchise services are diet services, quick-service food-drive inns like fried chicken.

**Forms of Business Organizations**

There are three basic forms of business organization methods: the sole proprietorship, the partnership, and the corporation. With only a few limited exceptions, any type of business venture can use any form of business organization. The factors that will affect the business form chosen are:

1. Ease of formation
2. Exposure to financial risk
3. Ability to raise capital
4. Tax treatment of income
5. Continuity of business upon the death of owner.

**Entrepreneur**

Many economic theories emphasize the significant role played by individual entrepreneurs as they combine talents, abilities and drive to transform resources into profitable undertakings. Joseph Schumpeter was the first major writer to highlight the human agent in the process of economic development. He believed that the economy was propelled by the activities of persons who wanted to promote new goods and new methods of productions or to exploit a new source of materials or new market not merely for profit but also for the purpose of creating. Likewise, Arthur W. Lewis contended that economic growth was bound to be slow unless there was an adequate supply of entrepreneurs looking out for new ideas, and willing to take the risk of introducing them.
The relation between self-sustained growth of an economy and entrepreneurship was further discussed by W.W. Rostow when he claimed that, “economic growth was the result of an interesting process involving the economic, social and political sectors of society, including emergence of corps of entrepreneurs who are psychologically motivated and technologically prepared regularly to lead the way in introducing new production functions in the economy”.

As it is, experts as have variously described the entrepreneur

- A person who innovates
- One who allocates and manages the factors of production and bears risk
- One who has ability to perceive latent economic opportunities and devise their exploitation
- An individual, who conceives the ideas of business, design the organization of firms, accumulates capital, recruits labour, establishes relations with supplier, customers and the government and converts the conception into a functional organization.
- The supplier of resources, supervisor and coordinator and ultimate decision maker.

**The Importance of Personality in Business**

One of the most important assets of any business owner is a personality, which lends itself to the type of business chosen. There are many different kinds of business and innumerable types of personalities. An objective self-examination is therefore necessary for the discovery of personal strengths and weaknesses,
especially as they relate to owning a particular type of business. In assessing one’s own personality, the following inventory should prove helpful. Potential business owners should question themselves on each of these items, noting those areas where improvement is most needed.

A. Physical Qualities
  o Appearance
  o General health
  o Endurance
  o Vision
  o Hearing

• B. Mental Abilities
  o General intelligence
  o Knowledge of business
  o Speed of reaction
  o Memory
  o Creativeness
  o Initiative
  o Insight into character

• C. Ethics
  o Honesty
  o Loyalty
  o Dependability
  o Perseverance

• D. Social Qualities
  o Courtesy
  o Sympathy
- Ability to work with others
- Cheerfulness
- Self-confidence
- Adaptability
- Enthusiasm

- **E. Executive Qualities**
  - Ability to direct others
  - Ability to organize
  - Ability to make decisions
  - Ability to take responsibility
  - Ability to accept suggestions

**Small Scale Industry**

**Small Scale Industry and Indian Economic Development**

Small businesses / small-scale industrial units are playing an important role in the economic development of any nation. Although it is not generally recognized, this segment of our economy includes some of the dynamic, profitable and interesting firms. In India, there are 32.25 lakhs small-scale industrial units / businesses in the SSI sector, employing 177.30 lakh persons (1999-2000). The output of this sector is around Rs.5, 78,470 crores. The export amounted to Rs.53, 975 crores. SSIs contribute up to 40 per cent of gross turnover in manufacturing sector, 45% of the manufacturing exports and 35% of the total exports. SSI sector, contributes 7% of the GDP. During this era of economic liberalization, the growth of the SSI sector is rather quite perceptible.

**Definition of Small Scale Industry**
There is no generally accepted definition of a ‘small business’. The definitions vary all the way from country to country and Government-to-Government in a country. The following are some of the definitions.

In the USA, in the Small Business Act 1953, congress defined a small business as one that is independently owned and operated and which is not dominant in its field of operation.

In India, the Department of Small Scale and Agro and Rural Industries considered small businesses as a sector and given the following definitions.

1. **Small Scale Industrial Undertaking**

   An industrial undertaking in which the investment in fixed assets in Plant and Machinery, whether held in ownership terms or on lease or by hire purchase, does not exceed Rs.100 lakhs is called a Small Scale Industrial Undertaking.

2. **Ancillary Industrial Undertaking**

   An industrial undertaking which is engaged or proposed to be engaged in the manufacture or production of parts, components, sub-assemblies, tooling or intermediates or the rendering of services and the undertaking supplies or renders or proposes to supply or render not less than 50% of its production or services as the case may be to one or more other industrial undertakings and whose investment in fixed assets in Plant and Machinery, whether held on ownership terms or on lease or on by hire purchase does not exceed Rs.100 lakhs is called an Ancillary Industrial Undertaking.
3. Tiny Enterprises

All small-scale units with investment limit in Plant and Machinery up to Rs.25 lakhs irrespective of the location of the unit are called tiny enterprises.

4. Export Oriented Units

Units having fixed assets in Plant and Machinery not exceeding Rs.100 lakhs and which undertake to export at least 30% of its current production by the end of 3rd year from the date of its commencing of production are called Export Oriented Units (EOU).

5. Small Scale (Industrial related) Service and Business Enterprises (SSSBE)

Industry related Service and Business Enterprises with investment up to Rs.5 lakhs in fixed assets excluding Land and Building are called Small scale (Industry related) Service and Business Enterprises (SSSBE).

6. Women Enterprises

Women enterprises are those small-scale units, where one or more women entrepreneurs have not less than 51% of financial holding. Such units are given more concessions and encouragement.

Village and Small Scale Industries (24.12.1999)

Modern segment - Power looms     Traditional segment - Khadi and Village industries, Handlooms, Sericulture, Handicrafts, Coir units
Objectives of a Small Business

Objectives are the ends towards which all the activities of the organization are directed.

1. Service
2. Profit
3. Community participation
4. Growth
5. Subsidiaries

Characteristics of Small business

The above definitions exhibit the following characteristics associated with small business and small-scale units.

1. Characterized by smallness
2. Involves lesser capital
3. Mostly one man venture
4. They are highly diversified – wide range of products
5. Wide dispersal geographically

Importance of Small Firms

There are a number of reasons why smaller firms are of importance to our economy.

1. They are the important sources of competition and challenge the economic power of larger firms
2. They broaden the distribution of economic and political power and does not result in concentration of power
3. They are the sources of innovation and creativity
4. They offer career opportunities to those, who are happiest and most productive in the unstructured environment of a small company
5. Provide the dynamism, innovation and effectiveness that lead to the productive economic system
6. There exists vast agribusiness opportunities in developing economy of India
7. Generating employment with minimum investment
8. Promoting export
9. Control over production widely distributed
10. Develop risk takers

Advantages

1. Less capital outlay but more employment generation
2. Does not require sophisticated technology
3. Facilitates decentralization and dispersal of business units
4. They offer a wide range of choices to consumers
5. Can serve specialized needs
6. Utilizes the resources in full without wastage

Disadvantages

1. Inadequate management ability
2. Inadequate finance
3. Poor competitive position
4. Uncertain business continuity
Organization and Administration

Organizational structure and administration for promotion of SSI in India are outlined below:

At national Level, under Ministry of Industry an exclusive Department of Small Scale & Agro and Rural industries exists since 1991 for the promotion and development of small-scale industries. The Office of Development Commissioner (Small Scale Industries) has been functioning within the Ministry of Industry since 1954 as an apex / nodal organ and provides link between the Ministry / Department and field organizations. Since 1991 it has been working as an attached office to the Department of Small Scale & Agro and Rural Industries.

Development Commissioner (Small Scale Industries)

The Small Industries Development Organization (SIDO) headed by the Additional Secretary & Development Commissioner (SSI), being an apex body for formulating policies for the development of small-scale industries in the country is playing a very constructive role for strengthening this vital sector. It functions through a network of SISIs, Branch SISIs, Regional Testing Centres, Footwear Training Centres, Production Centre, Field Testing Stations and specialized institutes. It renders services such as:

- Advising the Government in policy formulation for the promotion and development of small-scale industries.
- Providing techno-economic and managerial consultancy, common facilities and extension services to small scale units
- Providing facilities for technology upgradation, modernization, quality improvement and infrastructure.
• Human Resource Development through training and skill upgradation.
• Providing economic information services.
• Maintaining a close liaison with the Central Ministries, Planning Commission, State Governments, Financial Institutions and other organizations concerned with development of Small Scale Industries.
• Evolving and Coordinating Policies and Programmes for development of Small Scale Industries as ancillaries to large and medium scale industries.
• Monitoring of PMRY Scheme.

Over the years SIDO has served a very useful purpose as a catalyst of growth of small enterprises through its vast network of field organizations spread over different parts of the country.

Small Scale Industries Board

The range of development work in Small Scale Industries involves several Department / Ministries and several organizations of Central / State Governments. To facilitate coordination and inter-institutional linkage, the Small Industries Board has been constituted. It is an apex advisory body constituted to render advice to the Government on all issues pertaining to the small-scale sector. The Industry Minister of the Government of India is the Chairman and the Board comprises among others State Industry Ministers, some Members of Parliament, and Secretaries of various Departments of Government of India, financial institutions, public sector undertakings, industry associations and eminent experts in the field. The Board was last constituted on
26.9.1998 with 93 members besides the Chairman. The term of the Board is for two years.

**Small Industries Service Institutes (SISIs)**

There are 28 SISIs and 30 Branch SISIs set up in State capitals and other industrial cities all over the country. The main activities of these institutions are as follows:

- Assistance / Consultancy to Prospective Entrepreneurs
- Assistance / Consultancy rendered to existing units
- Preparation of State Industries Profiles
- Preparation / Updating of District Industrial Potential Surveys
- Project Profiles
- Entrepreneurship Development Programmes
- Motivational Campaigns
- Production Index
- Management Development Programmes
- Skill Development Programmes
- Energy Conservation
- Pollution Control
- Quality Control & Upgradation
- Export Promotion
- Ancillary Development
- Common Facility Workshop / Lab
- Preparation of Directory of Specific Industry
- Intensive Technical Assistance
- Coordination with DICs
- Linkage with State Govt. Functionaries
- Market Surveys
- Other Action Plan Activities assigned by Headquarters
SISIs and its Branches have common facility workshops in various trades. There is at present 42 such common facility workshops attached to SISIs / Branch SISIs.

**Some Current Problems Worrying Small Businessmen**

- Govt. regulation/ policy in general
- Inflation
- Taxes
- Govt. paper works
- Labour unions
- High interest rates
- Environmental restrictions
- Lack of required capital
- Minimum Wage Laws
- Corruptive and bureaucratic officialdom
- Seasonality in agricultural production and interruptions in raw materials availability
- Seasonality in demand for agricultural inputs
- Lack of appropriate technology

**Business Failure May Result From One or More of the Following Weakness**

- Lack of business records
- Lack of business experience
- Insufficient stock-turnover
- Uncollected Accounts receivables
- Inventory shrinkage
- Poor inventory control
- Lack of finance
- Improper mark-up
- Lack of sales
- Too much left to chance
- Crucial obstacles go un-noticed through ignorance.

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They are Enterprises, Entrepreneurs and Environment. Already we discussed on the entrepreneurial personality, abilities, motives and competencies. Also we have discussed on the enterprises opportunities and their feasibility and viability, only those enterprises meeting the feasibility and viability will be considered for taking. Next important thing is the environment in which the enterprises and entrepreneurs function.

The environment factors or forces which affect the success of business are into (1) Economic environment, (2) Demographic environment, (3) Socio-cultural environment, (4) Technological environment (5) Political environment, and (6) Legal environment.

**Importance of Environment Analysis**

The manager needs to be dynamic to effectively deal with the challenges of environment. The environment of business is not static. Some of the following benefits of environment scanning are as follows:

- It creates an increased general awareness of environmental changes on the part of management
- It guides with greater effectiveness in matters relating to Government
- It helps in marketing analysis
- It suggests improvements in diversification and resource allocation
- It helps firms to identify and capitalize upon opportunities rather than losing out to competitors
- It provides a base of objective qualitative information about the business environment that can subsequently be of value in designing the strategies.
Agriculture is the most important sector of Indian economy. Agriculture in the Indian economy plays a vital role despite of the large scale of industrialization in the last 50 years. It is the largest industry in our country. Agriculture provides employment to around 60% of the total workforce in the country. More than 72 percent of the population is still dependent on agriculture for their livelihood, there is no doubt that India is an agrarian economy. Indian agriculture sector is contributing a major share to national economy. Today, the agriculture sector contributes nearly 26 percent to India's GDP, after services, employs the maximum number of people. Further, its importance is growing due to the modern techniques of agriculture and the growing dependence population on it. Moreover, it has become an important means of achieving the development of the nation.

In our country, where a large portion of the income is spent on food, it is of a crucial importance that agriculture caters to the food needs of the entire population. Therefore, marketing of agricultural produce also has gained more importance in the field of marketing. As the produce is scattered and the consumers are spread across the urban as well as rural areas, the role of marketing is picking up momentum and it necessitate market regulations. However agriculture sector is the most backward. A necessary requisite for its advancement is the general development, as also its own progress. In the process of general economic development, agriculture also contributes a lot. It is, therefore necessary and useful to acquaint ourselves the role with the role it plays in economic development.

Economic development process needs the support of all sectors in the economy. A country cannot progress by establishing industries alone. Growth in different sectors in economy is a prerequisite for the
economic development. These sectors include agriculture, mining, petrochemical and industries. In developing as well as in developed countries, agriculture along-with it’s marketing is an important sector through which the basic needs of the people are satisfied. Further, if the marketable surplus is available, it is exported to earn the valuable foreign exchange.

**Agricultural Marketing:**

Agricultural marketing is a matter of great importance to farmers, consumers and middlemen. It provides the channel of communication between farmers and the society. It also gives his continuous information about the demands of the agricultural produce. Agricultural marketing in general includes all the activities from farm to the kitchen of the consumers. Thus, the marketing of agricultural produce has become an integral part of the modern production and consumption process. Agricultural marketing is a process by which the producers and buyers of agricultural commodities are brought together to effects the sale on the part of the producers and make the purchase on the part of consumers.

In agricultural marketing Agricultural produce market committees are the main establishments, which are regulating the trade of agricultural commodities in a specified area. The agricultural produce market committee Act, 1963, has provided many sources of income to them. These sources are to be exploited by the committees for crating a healthy atmosphere for buyers and sellers in the specified area. Therefore, market committees creates different facilities apart from implementing the provisions of the Act, Market Committees can achieve
their objectives with the help of the financial inflow of cash from such sources made available by the act.

**Agricultural Marketing Definition and Scope:**

Marketing is as critical to better performance in agriculture as farming itself. Therefore, market reform ought to be an integral part of any policy for agricultural development. Although a considerable progress has been achieved in technological improvements in agriculture by the use of high-yielding variety seeds and chemical fertilizers, and by the adoption of plant protection measures, the rate of growth in farming in developing countries has not attained the expected levels. This has been largely attributed to the fact that not enough attention has been devoted to the facilities and services which must be available to farmers if agriculture is to develop.

Agricultural marketing was, till recently, not fully accepted as an essential element in agricultural development in the countries of Asia and the Far East. Although opinions differ as to the extent and precedence, there was general agreement till 1970 that the question of markets for agricultural commodities had been neglected. Agricultural marketing occupies a fairly low place in agricultural development policies of developing countries.' The National Commission on Agriculture has emphasized that it is not enough to produce a crop or an animal product; it must be satisfactorily marketed.

**Agricultural Marketing: An Overview**

The term agricultural marketing is composed of two words agriculture and marketing. Agriculture, in the broadest sense, means activities aimed at the use of natural resource for human welfare, i.e., it includes all the primary activities of production. But, generally, it is
used to mean growing and/or raising crops and livestock. Marketing connotes a series of activities involved in moving the goods from the point of production to the point of consumption. It includes all the activities involved in the creation of time, place, form and possession of utility.

According to Thomsen, the study of agricultural marketing comprises all the operations, and the agencies conducting them, involved in the movement of farm-produced foods, raw materials and their derivatives, such as textiles, from the farms to the final consumers, and the effects of such operations on farmers, middlemen and consumers. This definition does not include the input side of agriculture.

Agricultural marketing is the study of all the activities, agencies and policies involved in the procurement of farm inputs by the farmers and the movement of agricultural products from the farms to the consumers. The agricultural marketing system is a link between the farm and the nonfarm sectors. It includes the organization of agricultural raw materials supply to processing industries, the assessment of demand for farm inputs and raw materials, and the policy relating to the marketing of farm products and inputs.

According to the National Commission on Agriculture (XII Report), agricultural marketing is a process which starts with a decision to produce a saleable farm commodity, and it involves all the aspects of market structure or system, both functional and institutional, based on technical and economic considerations, and includes pre- and post-harvest operations, assembling, grading, storage, transportation and distribution.
Scope and Subject Matter of Agricultural Marketing:

Agricultural marketing in a broader sense is concerned with the marketing of farm products produced by farmers and of farm inputs required by them in the production of these farm products. Thus, the subject of agricultural marketing includes product marketing as well as input marketing.

The subject of output marketing is as old as civilization itself. The importance of output marketing has become more conspicuous in the recent past with the increased marketable surplus of the crops following the technological breakthrough. The farmers produce their products for the markets. Input marketing is a comparatively new subject. Farmers in the past used such farm sector inputs as local seeds and farmyard manure. These inputs were available with them; the purchase of inputs for production of crops from the market by the farmers was almost negligible. The importance of farm inputs—improved seeds, fertilizers, insecticides and pesticides, farm machinery, implements and credit—in the production of farm products has increased in recent years. The new agricultural technology is input-responsive. Thus, the scope of agricultural marketing must include both product marketing and input marketing. In this book, the subject matter of agricultural marketing has been dealt with; both from the theoretical and practical points of view. It covers what the system is, how it functions, and how the given methods or techniques may be modified to get the maximum benefits.

Specifically, the subject of agricultural marketing includes marketing functions, agencies, channels, efficiency and costs, price
spread and market integration, producer's surplus, government policy and research, training and statistics on agricultural marketing.

**Agricultural Marketing and Economic Development**

Orderly and efficient marketing of foodgrains plays an important role in solving the problem of hunger. Most of those who go hungry do so because they have to pay higher marketing costs for foodgrain. This affects the living standard of the masses and, in turn, the economic development of the country. In agricultural-oriented developing countries like India, agricultural marketing plays a pivot role in fostering and sustaining the tempo of rural and economic development. Markets trigger the process of development.

The development of an efficient marketing system is important in ensuring that scarce and essential commodities reach different classes of consumers. Marketing is not only an economic link between the producers and the consumers; it maintains a balance between demand and supply. The objectives of price stability and equitable distribution of goods and services cannot be achieved without the support of an efficient marketing system.

**Importance of Agricultural Marketing:**

Agricultural marketing plays an important role not only in stimulating production and consumption, but in accelerating the pace of economic development. Its dynamic functions are of primary importance in promoting economic development. For this reason, it has been described as the most important multiplier of agricultural development.

India's age-old farming practices have taken a turn in recent years. There has been a technological breakthrough—the evolution of
high yielding variety seeds, increasing use of fertilizers, insecticides, pesticides, the installation of pumping sets, and tractorization. This technological breakthrough has led to a substantial increase in production on the farms and to the marketable and marketed surplus. To maintain this tempo and pace of increased production through technological development, an assurance of remunerative prices to the farmer is a prerequisite, and this assurance can be given to the farmer by developing an efficient marketing system.

The agricultural marketing system plays a dual role in economic development in countries whose resources are primarily agricultural. Increasing demands for money with which to purchase other goods leads to increasing sensitivity to relative prices on the part of the producers, and specialization in the cultivation of those crops on which the returns are the greatest, subject to cultural, ecological and economic constraints, it is, the marketing system that transmits the crucial price signals. On the other hand, and in order to. Sustain nonagricultural development, resources have to be extracted from the agricultural sector— physical resources to guarantee supplies of food and raw materials for the agro-industry and financial resources for investment in nonfarm economy as well as for reinvestment in agriculture.

On the basis of IADP experience, Kiehl has shown that the "marketing problem" begins to emerge in the process of shifting from traditional to modern agriculture because of production surpluses generated by the shift. Indeed, the term modern agriculture implies a market-oriented agriculture. The scope for moving towards modern agriculture must include market dimensions, if the momentum of production transformation is to be sustained.
The importance of agricultural marketing in economic development has been indicated in the paragraphs that follow.

**Optimization of Resource Use and Output Management:**

Agricultural marketing leads to the optimization of resource use and output management. An efficient marketing system can contribute to an increase in the marketable surplus by scaling down the losses arising out of inefficient processing, storage and transportation. A well-designed system of marketing can effectively distribute the available stock of modern inputs, and thereby sustain a faster rate of growth in the agricultural sector.

**Increase in Farm Income:**

An efficient marketing system ensures higher levels of income for the farmers by reducing the number of middlemen or by restricting the commission on marketing services and the malpractices adopted by them in the marketing of farm products. An efficient system guarantees the farmers better prices for farm products and induces them to invest their surpluses in the purchase of modern inputs so that productivity and production may increase. This again results in an increase in the marketed surplus and income of the farmers. If the producer does not have an easily accessible market-outlet where he can sell his surplus produce, he has little incentive to produce more. The need for providing adequate incentives for increased production is therefore very important, and this can be made possible only by streamlining the marketing system.
Widening of Markets:

A well-knit marketing system widens the market for the products by taking them to remote corners of the country i.e., to areas far away from the production points. The widening of the market helps in increasing the demand on a continuous basis, and thereby guarantees a higher income to the producer.

Growth of Agro-Based Industries:

An improved and efficient system of agricultural marketing helps in the growth of agro-based industries and stimulates the overall development process of the economy. Many industries depend on agriculture for the supply of raw materials.

Price Signals:

An efficient marketing system helps the farmers in planning their production in accordance with the needs of the economy. This work is carried out through price signals.

Adoption and Spread of New Technology:

The marketing system helps the farmers in the adoption of new scientific and technical knowledge.

Employment:

The marketing system provides employment to millions of persons engaged in various activities, such as packaging, transportation and processing. Persons like commission agents, brokers, traders,
retailers, weigh men, hammy and regulating staff are employed in the marketing system.

**Addition to National Income:**

Marketing activities add to the nation's gross national product and net national product.

**Better Living:**

The marketing system is essential for the success of the development programs which are designed to uplift the population as a whole. Any plan of economic development that aims at diminishing the poverty of the agricultural population, reducing consumer food prices, earning more foreign exchange or eliminating economic waste has, therefore, to pay special attention to the development of an efficient marketing for food and agricultural products.

**Creation of Utility:**

Marketing is productive, and is as necessary as the farm production. It is, in fact, a part of production itself, for production is complete only when the product reaches a place in the form and at the time required by the consumers. Marketing adds cost to the product; but, at the same time, it adds utilities to the product. The following four types of utilities of the product are created by marketing:

a) **Form Utility:** The processing function adds form utility to the product by changing the raw material into a finished form. With this change, the product becomes more useful than it is in the form in which it is produced by the farmer. For example, through processing, oilseeds are converted into oil, sugar cane into sugar,
cotton into cloth and wheat into flour and bread. The processed forms are more useful than the original raw materials.

b) **Place Utility:** The transportation function adds place utility to products by shifting them to a place of need from the place of plenty. Products command higher prices at the place of need than at the place of production because of the increased utility of the product.

c) **Time Utility:** The storage function adds time utility to the products by making them available at the time when they are needed.

d) **Possession Utility:** The marketing function of buying and selling helps in the transfer of ownership from one person to another. Products are transferred through marketing to persons having a higher utility from persons having a low utility.

The foodgrain marketing system is more important in India than the marketing of other agricultural commodities because of the following reasons:

- Foodgrain marketing provides income to most Indian farmers so that they may buy the required inputs for the farm as well as purchase items of domestic need;
- The foodgrain marketing business provides livelihood to lakhs of traders, processors, commission agents and other persons engaged in the foodgrain trade; and
- The foodgrain marketing system provides food for consumers.
History and Growth of Agricultural Marketing:

Marketing had its beginning in agriculture. It developed only after man was able to produce more food than he needed for himself, and only after a way of exchanging the products of his labour for those of others had been found. This transition from production for consumption to production for exchange came about slowly. About a century ago, farmers used to consume most of what they produced; but, now, most of what the farmers produce is exchanged for the other things which he requires to reach this stage, farmers became production-minded. This tendency has increased their dependence on marketing, which has resulted in the overall development of the market mechanism.

The early pioneers of our country did not have any marketing problems. Producers and consumers, if not actually the same individuals, lived next door to each other. The following factors have led to the growth in marketing.

Classification of Markets

Markets have been classified, on the basis of different approaches, in various ways. They are given below:

Market Classification
A. On the Basis of Geographical Area

1. Family Market: When exchanges are confined within a family or close members of the family, such a market can be called as family market.

2. Local Market: When people—buyers and sellers belong to a total area or areas, say a town or village, participate in market, it is called local market. The demands are limited. For example,
perishable goods like fruits, fish, vegetables etc. But strictly speaking such markets are disappearing because of the efficient system of transportations and communications. Even, then, in many villages such markets exist even today.

3. **National Market:** For a certain type of commodities, a country may be regarded as a market, through the fast development of industrialization; it is called a national market. At the present stage, in India, the goods of one comer can reach another corner, because of the efficient systems of communications and transportation facilities. In the present decade almost all the products have national markets as the markets have widened to a great extent.

4. **World Market:** World or international market comes up when buyers and sellers of goods evolve on world level i.e., involvement of buyers and sellers beyond the boundaries of a nation.

**B. On the Basis of Commodities/Goods:**

**Commodity Market:** Produced goods or consumption goods are bought and sold. Commodity markets are subdivided into:

1. ** Produce Exchange Market:** This type of markets is found only in developed industrial centers or cities. One market deals in one commodity only. Generally sellers and buyers of a particular commodity, set up such markets and run them regulated and controlled by certain rules, e.g., Wheat Exchange Market of Hapur, the Cotton Exchange Market of Bombay etc.

2. **Manufactured Goods Market:** Such type of markets deals with manufactured goods, e.g., Leather goods, machinery etc. The
Leather Exchange Market at Kanpur, Piece Goods Exchange of Bombay is examples of such markets.

3. **Bullion Market**: This type of market deals with the purchase or sale of gold, silver etc. Bullion markets of Bombay, Calcutta, Kanpur etc., are examples of such markets.

**Capital Markets**

New or going concerns need finance at every stage. As such financial needs of concerns are met by capital markets. They are of three types:

1. **Money Market**: It is a type of market where money is borrowed or lent. This type of market helps or guides the public to invest their surplus fund in industrial concerns; and helps people to take loans through banks. London is the world's biggest money market.

2. **Foreign Exchange Market**: It is an international market. This type of markets helps exporters and importers, in converting their currencies into foreign currencies and vice versa.

3. **The Stock Exchange Market**: This is a market where shares, debentures, bonds etc., of companies are dealt with-purchased or sold. It is also known as Security Market. Stock Exchanges of Calcutta, Madras etc., are examples for this type of market.

**C. On the Basis of Economics**

1. **Perfect Market**: A market is said to be a perfect market, if it satisfies the following conditions:
(i) Large number of buyers and sellers are there.

(ii) Prices should be uniform throughout the market.

(iii) Buyers and sellers have a perfect knowledge of market.

(iv) Goods can be moved from one place to another without restrictions.

It should be remembered that such types of markets are rarely found.

2. **Imperfect Market:** A market is said to be imperfect when:

   i. Products are similar but not identical.

   ii. Prices are not uniform.

   iii. There is lack of communications.

   iv. There are restrictions on the movement of goods.

**D. On the Basis of Transaction**

1. **Spot Market:** In such a market goods are exchanged and the physical delivery of goods takes place immediately.

2. **Future Market:** In such a market contracts are made over the price for future delivery. The dealing and settlement take place on different dates.

**E. On the Basis of Regulation**

1. **Regulated Market:** These are types of markets which are organized, controlled and regulated by statutory measures. Example: Stock Exchanges of Bombay, Madras, Calcutta etc.
2. **Unregulated Market**: This is a free market. There is no control with regard to price, quality, commission etc. Demand and supply determine the price of goods.

**F. On the Basis of Time**

1. **Very Short Period Market**: Markets which deal in perishable goods like, fruits, milk, vegetables etc., are for a very short period. There is no change in the supply of goods. Price is determined on the basis of demand.

2. **Short Period Market**: In certain goods, supply is adjusted to meet the demand. The demand is greater than supply. Such markets are known as Short Period Market.

3. **Long Period Market**: This type of market deals in durable goods.

**G. On the Basis of Volume of Business**

1. **Wholesale Market**: In wholesale market, goods are supplied in bulk quantity to dealers.

2. **Retail Market**: In retail market goods are sold in small quantities directly to the users or consumers—consumer market. The consumer gets the goods for consumption and not for profit-making.

**H. On the Basis of Importance**

1. **Primary Market**: The primary producers of farm produce sell their output or products through this type of markets to wholesalers or consumers. Such markets can be found into villages and mostly the products arrive from villages.
2. **Secondary Market**: The commodities arrive from other markets. The dealings are commonly between wholesalers or between wholesalers and retailers.

3. **Terminal Market**: Here the ultimate consumer gets the goods from such markets. Here the final disposal of goods takes place.

**Regulated Market System**

Regulated markets have been established in India, for making marketing of agricultural produce more orderly and efficiently.

The principal aim in regulating Agricultural Produce market is to remove the malpractices and to ensure a fair deal to the producers. According to D. Amarchand and B. Vardharajan, "When the Government comes forward and enacts the regulation for the organizations of the market, it Is termed as Regulated Market". According to C. B. Memoria and R. L. Josht Ai: under some Acts the whole or part of the area notified .is. declared as the market area and Includes the area from which job? Produce is drawn to a commercial centre. Government is empowered to declare any enclosure, building or locality in any market area to be a market yard". L. P. Sing-" defines regulated market thus,” A market is said to be regulated when the State . Establishes a market under a specific enactment and frames rules and regulations to conduct business therein"

Thus, In the light of the above definitions and views regulated markets are the places where agricultural commodities are traded under certain regulations framed by the State Government to minimise the defects of the agricultural marketing. The regulated markets are established with the sole object to regulate the agricultural commodities
trade in an orderly manner. So that the seller as well as the buyer is satisfied in terms of money received or paid by them.

**Need of the Regulated Market:**

The agricultural sector in India is an unorganized. There is no farmer's organization to bargain the prices of the agricultural produce. Further, the various features of agricultural commodities contribute to the immediate sale of the produce in the market. The poor standard of primary and secondary commodity markets, force the producers. Their produce to get hard cash. Unorganized farmers are exploited by the traders and agents through the malpractices., it includes short weights, unauthorized deductions, trade excessive market charges etc. The absence of a machinery to settle the disputes between the market functionaries, and formers, helps the traders to exploit farmers. All these factors, discussed above made it necessary to regulate the market by the state. In 1928 the Royal Commission on Agriculture observed that these defects can only be removed by the establishment of regulated markets.

**Benefits of Regulated Markets:**

Under the market regulations, enforced by the State Government, market committees are established to take the charge of the agricultural produce from the time it enters the regulate market. Generally it ensures smooth trading of the agricultural commodities. This mechanism ensures fair deal top. Sellers as well as buyers. Buyers irrespective of the size of the purchases have a chance to compete and procure their needs according to their capacity in the system of auction. According to the L. P. Sing Is " the advantages or -the buyers from the existence of the regulated markets are : i) maximum assembly of produce, at on place, ii) selective buying and selling iii) elimination-of
the middlemen. The advantages for the farmers from regulated market are: i) maximum price for the produce, ii) correct weighing, iii) elimination of all kinds of allowances and middlemen's profits, iv) immediate cash payments without any deductions.

Features of Regulated Market

The purpose of a regulated market is to eliminate unhealthy market practices, to reduce marketing charges and to ensure fair prices and in general, to protect the interests of farmers. All the States had passed legislation known as State Agricultural Produce Marketing (Development and Regulation) Act for the establishment of regulated markets. In 1951 there were more than 200 regulated markets in India and by the end of the Second Five-Year Plan, i.e., in 1961, there were nearly 1,000 regulated markets. By the end of March 1998 over 7,060 agricultural markets in the country had been regulated.

Features of a Regulated Market

A regulated market is started under the law either for any specific commodity or for a group of commodities. Such a market is administered by a market committee, which consists of representatives of the State Government, the legal bodies (as for instance, the district board), the traders, the commission agents or the details and the farmers themselves. The committee is appointed by the government for a specific period and is entrusted with management of the market.

The market committee fixes the market charges, such as the commission to be charged. It ensures that no represents either the buyer or the seller. It prevents unauthorized deductions from the price paid to the farmer and ensures that correct weights and measures are always used. The committee hears all the complaints and settles them. In cases
of dispute, it arranges for arbitration. The committee is responsible for the licensing of brokers and weighmen. It is vested with powers to punish any one who is found guilty of dishonest and fraudulent practices.

The system of regulated markets has been found to be very useful in removing fraudulent practices followed by brokers and commission agents and in standardizing market practices. They have helped farmers to secure fair prices for their produce and to come to the market without fear of being cheated. They have helped in using standard measures and weights throughout the country. Hence it is the policy of the government to convert all markets in the country into the regulated type.

Regulated markets aim at the development of the marketing structure to:

a. Ensure remunerative price to the producer of agricultural commodities,

b. Narrow down the price spread between the producer and the consumer,

c. Reduce nonfunctional margins of the traders and commission agents.

To achieve, the Government went for comprehensive and rapid expansion of regulated marketing system. Considerable success has been achieved in States like Punjab and Haryana, where regulated markets have been established in major producing areas, with linked up satellite markets in the rural growth. The regulated marketing system has also proved a good source of generating income for the marketing boards and for use in rural infrastructure. The regulated market complex also includes facilities for grading and for monitoring of prices.
The regulated markets are set up especially in areas where commercial crops like cotton, jute, tobacco and important nontraditional crops are produced and sold in weekly markets and 'hats'. Cooperative marketing and distribution and banking are also linked with the regulated markets.

**New Thinking on Regulated Markets:**

To protect and promote the interests of farmers, the Government of India, as well as State Governments promoted organized marketing of agricultural commodities through a network of regulated markets. In recent years, however, there has been a new thinking on the part of the Central Government. The Government now feels that regulated markets have had only limited success since they have restricted (a) development of farm marketing, (b) smooth supply of raw materials to agro-producers, (c) exchange of information, and (d) adoption of new innovative marketing systems and technologies.

The Central Government would like the farming community to benefit from new. Market opportunities, through integrating and strengthening the internal agricultural marketing system. The Central Government formulated and circulated a model Act in the place of the existing State APMC Act. The proposed Act would encourage: (a) development of competitive agricultural marketing; (b) deregulate the marketing system; and (c) promote private investment in marketing infrastructure. Some of the salient features of the Model Act (2003) are:

(i) Permission to farmers, local authorities and others to establish new markets in any area;

(ii) No compulsion to growers to sell their produce through existing regulated markets;
(iii) Setting up of purchase centres, farmers/ consumers markets for direct sale;

(iv) Promotion of public-private partnership in the management and development of agricultural markets;

(v) Setting up of special markets for ishable commodities as onions, vegetables, f flowers; and

(vi) Regulation and promotion of contracting-arrangements in the country.

**Need and Importance of the Study:**

The present study is most significant, because it will throw light on many important financial aspects like financial organizational structure of Agricultural produce market committees and their financial administration. The study will helpful for analyzing the sources of income, their significance and trends, to know the pattern of expenditure, their significance and trends in relation to the total income and total expenditure respectively.'

The outcome of the study will be more useful for improving the overall performance of agricultural produce market committees and their financial health in the district, state and country.

After considering the importance of financial position of Agricultural produce market committees, the researcher has choose this topic for research study with special reference to four talukas as prominent agricultural marketing areas in Pune district. These talukas are Junnar, Ambegaon, Khed and Shirur. Under this study, an efforts will are to evaluate financial efficiency of each selected Agricultural produce market committee and suggest appropriate means and measures in its financial improvement for effective working. The study also
analyzed whether the market committees have been successfully acquiring enough financial strength for its disposal or not. In short, the study will certainly proved to be a grate contribution to the area of financial Administration of Agricultural produce market committees in relation to agricultural marketing particularly in rural environment.

Objectives of the Study:

The broad objectives of the present study are as follows :

1) To know the profile of Agricultural produce market committees in Pune district.

2) To outline the financial organization structure of selected Agricultural produce market committees in pune district.

3) To analyze the sources of income, their significance and trends in relation to the total income of selected APMC.

4) To know the pattern, their significance and trends in relation to the total expenditure.

5) To reveal the financial problems faced by the Agricultural produce market committees and to suggest some remedies to overcome them.

Hypothesis Tested:

1) The financial well-being of Agricultural produce market committee is depend upon the proper mobilization of fund and their appropriate disposal.

2) A sound financial organization structure plays an important role in financial administration of Agricultural produce market committees.
Scope of the Study:

Market committees are the corporate bodies and are works independently under their common seal. But they doesn't have shareholders, therefore there is no scope for the study of profitability.

The Pune district covers 13 taluka places with 12 different market committees out of which four market committees have been selected for the study purpose i.e. Junnar, Ambegaon, Khed, and Shirur out of 12 APMCs in the Pune district. The selection of these four APMCs is purposive and convenient for the comparative analysis in order to draw proper conclusions. In this regard an attention is made on analytical approach to show the financial performance of these APMCs and to reveal their financial weaknesses in relation to Agricultural marketing.

The study covers the period of last 10 years from 1999-00 to 2008-09. This period is specifically a landmark in the rapid development and significant growth particularly in agricultural marketing in the concerned areas. The period of 10 years for research study will be quite fertile to draw proper conclusions and suggestions. Hence, such period is selected for the study purpose.

Nature and size of Respondents

The researcher has selected following number of sample respondents. Such selection is based on the effectiveness of study convenience of the sample size. Out of the sample respondent, 10% Board of Directors are chosen. They include chairman and secretary and that the joint questionnaires are framed for them.
Next sample respondents are 100% of the Accounts/Finance officers and the sample respondents are 5% active traders and commission agents.

However only ‘A’ grade category traders whose annual turnover is above Rs. 50,000/- were selected. For the sample design, simple random sampling is adopted. In the sample design, data is collected through questionnaires canvassed among 10% (BODs) Board of Directors, 5% (580 farmers) selected active farmer member and 5% (66 traders and commission agents) ‘A’ traders and commission agents.

**Research Methodology:**

The present study is a descriptive and in depth study of financial analysis of APMCs in Pune district. This study is an analytical study of the financial performance of these APMCs. The study covers the financial organizational structure of APMCs and their financial administration and the financial problems faced by the APMCs in relation to agricultural marketing.

**Collection of Data**

**A) Primary Data:**

Primary Data is collected through discussions, personal interviews with well structured designed questionnaires. The personal interviews was held with Board of directors and other official staff related to finance function of APMCs. The questionnaires was framed to obtain the opinion and information about the financial structure, financial administration, and source of income pattern of expenditure, financial position and financial problems faced by APMCs in relation to agriculture marketing.
B) Secondary Data:

Secondary data is collected from the records of APMCs such as annual reports, government reports, journals, periodicals, newspaper and annual audit reports of APMCs and related websites.

Apart from the above sources personal contacts and discussions was made available with the experts who are actively engaged in this field and ex-official concerned with the administration of Agricultural produce market committees. Such discussion has enabled the researcher to reconstruct the required data and information in such a manner to arrive at the authentic and concrete conclusions and recommendations.

Tools and Techniques Used:

Under this research study, the following statistical data of Agriculture produce market committee is gathered, scrutinized, tabulated and analyzed by using certain techniques like percentage, average and growth rate.

Selection of Samples:

The Pune district it covers 13 taluka places with 12 different market committees. By random sampling method overall four market committees has been selected for study purpose i.e. Junnar, Ambegaon, Khed and Shirur market committees have been selected for the analysis.

Limitations of the Study:

The limitations of the present study are as follows:-

1. The study is geographically limited to Pune district only and related to Junnar, Ambegaon, Khed and Shirur talukas for financial analysis of agricultural produce market committees as a special reference.
2. The study is restricted to the span of 10 year only. (1999-2000 to 2008-09).

3. There are 12 agricultural produce market committees in Pune district. But the study was restricted to four agricultural produce market committees only.

4. The study was related with only financial aspects of agricultural produce market committees in relation to agricultural produce marketing over the times.

5. Financial weaknesses was analyzed on the basis of statistical analysis of collected data and discussions that would be done with officials and non-officials concerned with the financial administration of agricultural produce market committees.

**Presentation of the Study:**

The present study is followed by different chapters as follows.

1. Chapter - I : Introduction
2. Chapter - II : Review of literature
3. Chapter - III : Profile Of Agriculture Produce Market Committees of Pune District
4. Chapter - IV : Organisation and Management of APMCs
5. Chapter -V : Sources of Income and Pattern of Expenditure of selected Agriculture Produce Market Committees
6. Chapter – VI : Comparative analysis of Financial Positions of Agricultural Produce Market Committees
Concluding Remark: -

As we have a tradition of agricultural production, marketing and allied commercial activities, now it is the time for us to brainstorm and come out with new ideas of value added services. These value added services will give the existing agricultural engine a new dimension. The next logical step could be food-processing which not only could be another revenue generating area but also can provide lots of full-time employment to our youths. With the changing agricultural scenario and global competition, there is a need of exploiting the available resources at maximum level.

Today's agricultural marketing has to undergo a series of exchanges or transfers from one person to another before it reaches the consumer. There are three marketing functions involved in this, i.e., assembling, preparation for consumption and distribution. Selling on any agricultural produce depends on some couple of factors like the demand of the product at that time, availability of storage etc. The products may be sold directly in the market or it may be stored locally for the time being. Moreover, it may be sold as it is gathered from the field or it may be cleaned, graded and processed by the farmer or the merchant of the village. Sometime processing is done because consumers want it, or sometimes to conserve the quality of that product. The task of distribution system is to match the supply with the existing demand by whole selling and retailing in various points of different markets like primary, secondary or terminal markets. Most of the agricultural products in India are sold by farmers in the private sector to moneylenders (to whom the farmer may be indebted) or to village traders. Products are sold in various ways. For example, it might be sold at a weekly village market in the farmer's village or in a neighboring village. If these outlets are not available, then produce might be sold at irregularly held markets in a nearby village or town, or in the mandi.
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