CHAPTER VI

SUMMARY OF FINDINGS AND SUGGESTIONS
This chapter summarises the findings and offers suggestions for effective functioning of Regulated Agricultural Markets in general and the Regulated Agricultural Market, Kurnool in particular.

Agricultural sector plays a vital and strategic role in the process of economic development of any country in general and developing country like India in particular. Looking into the importance of agriculture in the Indian context many institutional and non-institutional provisions are made at national, state and district level from time to time for the development of agriculture. Besides, the growth and development of agriculture depends upon the provisions of farm and non-farm services. Among the non-farm services, Regulated Agricultural Markets have become as one of the key mechanisms recommended by the Royal Commission on Agriculture in 1928. Regulated Agricultural Market is a facilitative and service-oriented organisation. The basic idea behind market regulation is to rationalize trade practices and procedures for an orderly marketing of agricultural produce.

Regulated Agricultural Markets in Andhra Pradesh

The Regulated Agricultural Markets came into force in Andhra Pradesh with the enactment of the Andhra Pradesh (Agricultural Produce...
and Livestock) Markets Act, 1966. Subsequently, the Act was amended and added some more rules and the district market committees in the State ceased to exist and in their place new Agricultural Market Committees were constituted from the year 1969. In order to bring the marketing facilities to the doorstep of the farmers scattered in all rural areas, it has been decided by the Government of Andhra Pradesh to constitute market committees for each revenue taluk. Thus, an independent marketing department has come to be vested with the administration of market legislation and exercise to control over the activities of the Regulated Agricultural Markets. At the bottom level of administration, the market committee is entrusted the responsibility of ensuring orderly marketing of agricultural produce. Thus, as on 31st March, 2000 in all 23 districts, with 3 regions namely Coastal Andhra, Rayalaseema and Telangana, there are about 294 Agricultural Market Committees and 867 notified markets in Andhra Pradesh.

Regulated Agricultural Markets / Agricultural Market Committees in Kurnool District

Agricultural Market Committee, Kurnool was constituted on 15th December, 1969 as successor Kurnool Market Committee of 1940 with their headquarters of Kurnool. The Agricultural Market Committee, Kurnool notified area Kurnool, Dhone and Nandikotkur markets for regulation of sale and purchase of agricultural produce within the
jurisdiction of Kurnool market in 1969. As a policy of the Government each revenue taluk was constituted as one Market Committee with the implementation of the A.P. (Agricultural Produce and Livestock) Markets Act, 1966 the district market committees functioning in the State ceased to exist and in their place a number of new agricultural market committees were constituted from the year 1969. Consequently, Dhone and Nandikotkur markets, segregated in 1976 from Agricultural Market Committee, Kurnool. Thus, the Agricultural Market Committee, Kurnool exclusively came into existence in the year 1976.

Currently, there are about 12 Agricultural Market Committees and 28 notified markets in all 54 mandals in the district and the number of notified commodities in individual committees in the district are 188 against 189 in the State. The entire administration is being looked after at the Apex level the chairman, the vice-chairman and these people are assisted by executive sub-committee, appointment sub-committee, finance and works sub-committee and disputes sub-committee and other ministerial staff. At the zonal level Deputy Director of Marketing and at the district level Assistant Director of Marketing are the in-charge of administration of marketing activities. At the Committee level the chairman is nominated from the growers by the State Government and the vice-chairman from among the trader members, the entire activities at the committee are executed by the Secretary with the assistance of
executive and ministerial staff. Therefore, the effective functioning of marketing department and agricultural development at the district level depends upon effective organisation structure, management and performance of the regulated agricultural market at micro-level. Therefore, the present study is undertaken focusing on the above dimension on Regulated Agricultural Market, Kurnool. This market committee has been purposively selected for detailed study, because of the reason that this is one of the effective functioning of regulated markets in the district and also in the state of Andhra Pradesh.

Methodology

It is evident from the review of literature that though some studies and stray articles are found on regulated markets, most of the studies are made comparing the functioning of two or more markets. Or else some studies are confined on exclusively on marketing of individual commodities. Besides, no study of this nature is undertaken so far in the district. Therefore, the present study is called for the detailed analysis emphasizing on organization structure, management and performance of Regulated Agricultural Market Committee, Kurnool on selected parameters.

For a detailed study, both primary and secondary data are collected. Primary data were collected by administering an interview-
schedule among the selected farmers and employees. However, secondary data are collected from the official records of Agricultural Market Committee, Kurnool and Department of Marketing at district, zonal and state level. Altogether 100 farmers are selected by adopting a purposive random sampling method. An interview-schedule was also administered among all the employees working at Agricultural Market Committee, Kurnool and Office of the Assistant Director of Marketing, Kurnool. But only 50 employees have responded positively and filled the schedule. Thus, responses of 100 farmers and 50 employees are the basis for arriving at the interferences of the study besides the secondary data.

The findings of the study are summarized on the following parameters such as (1) physical performance, (2) financial performance, (3) operational performance of the Regulated Agricultural Market, Kurnool, (4) Major problems being faced by the farmers in marketing their agricultural produce through the Regulated Agricultural Market and management practices of the market committee.

The collected data for the study are presented in the tabular form and analysed with the help of percentages. Trend values and growth rates are also calculated for market arrivals and valuation of agricultural commodities and income and expenditure of Agricultural Market Committees both at State level and also Kurnool Agricultural Market
Committee. The data are also shown with the help of appropriate statistical graphs.

Physical Performance

An efficient regulated market is one which attracts huge quantities of arrivals of notified agricultural commodities. In fact, arrivals into a market are considered as an indicator of its physical performance.

The physical efficiency can be known in terms of market arrivals, market functionaries, scientific method of storage, grading transportation because they will have bearing on reducing waste and increase the quality of product. The prices of major agricultural commodities which are being sold through the regulated market are observed to be fluctuating over the years.

Market arrivals is also an indicator of physical performance of Regulated Market. In a competitive theoretical framework, arrivals play an important role both in determination of prices and also physical performance. In an efficient agricultural marketing system there would be less fluctuations in seasonality of arrivals. The details of the study are gratifying the fact that Kurnool district is known for its agriculture in groundnut pods, and onion crop as a seasonal crop after the groundnut pods. However, the percentage of share of the sunflower is also occupied
a third major commodity being arrived and fetching the income to the Regulated Agricultural Market, Kurnool.

With regard to market functionaries there are about 652 hamalies, 179 commission agents, 173 traders, 90 weighmen and 45 petty dealers as on 31st March, 2000 in the Regulated Agricultural Market of Kurnool. On personal observation of the researcher and when informal discussions are made with the farmers and also with the employees it is perceived that all the functionaries are working well in their respective functions. Thus, it is a clear indication that the performance of the Regulated Agricultural Market of Kurnool with the co-operation of all functionaries attached to the market are found to be satisfactory.

Regulated Market Yard, Kurnool has six godowns with a storage capacity of 2,900 M.Tonnes for general agricultural commodities and six ventilated godowns for onions farmers. But it is a pity to observe that storage facilities are not fully utilized by the small and marginal farmers. In most cases it is enjoyed by the big farmers and traders. It is also found that modern grading facilities are not available but four grading employees are working in the Regulated Agricultural Market of Kurnool. Majority of the farmers are arranging their own method of transportation in bringing agricultural produce to the regulated market yard.
Financial Performance

Finance is one of the important ingredients for smooth and effective functioning of the regulated markets. It is the lifeblood to carry out and implement the strategies and objectives formulated, targets fixed and management of day-to-day activities.

Market fee constitutes the major source of income for any regulated market. The income from this source determines the pace of development of market yards and also efficiency an enforcing regulatory provisions. Sec.12 of the Market Act empowers the market committee to levy and collect market fee on agricultural produce bought or sold in the notified market area. In addition, the other sources of income such as license fee, rents from godowns, shopping complexes, stalls, canteen, interest on deposits, short-term loans to farmers and advances given to market employees. But the prime source of income to any regulated market is the market fee collection which is directly related with the volume and value of market arrivals. On expenditure side, the major items are establishment charges and creation of amenities.

It is found from the study that on the whole Regulated Agricultural Market, Kurnool is able to achieve targeted income in the ten years of study period. In case of surplus also a positive trend is observed. During a decade period the market committee has earned an average
yearly income of Rs.1.62 crores and the average market fee for the year is estimated at Rs.1.18 crores. The market committee has also earned other incomes with an average income of Rs.43.30 lakhs on the average. Thus, it can be concluded that the financial performance of the Regulated Agricultural Market, Kurnool is satisfactory. This can, partly be, attributed to effective management of policies, programmes and activities of the market. This effective management might have been resulted in sound organisational structure and effective discharge of the assigned tasks and responsibilities to the respective functionaries.

Operational Performance

The operational performance of regulated markets may be understood as the effectiveness or competence with which the regulated market committees perform their operations to accomplish the objectives. It may be understood in this connection that regulated markets are service-oriented establishments aimed at benefiting the farmers in marketing their agricultural produce. The extent to which they are useful to the farmers depends invariably upon their efficient performance of various operational aspects.

The operational performance of selected Regulated Agricultural Market of Kurnool is measured and analysed with the help of responses
given by the farmers and also the employees on various operational functions of the market committee.

It is found in the study that Regulated Agricultural Market, Kurnool has the amenities such as own building, godowns, C.C.Roads, cattle and auction sheds, canteen, farmers rest house, drinking water supply, shopping complexes, toilets, ventilated godowns for onion commodity etc. However, the amenities like post office, bank, library, fire prevention devices are not available. More than three-fourth of the farmers and employees have stated positively. Dissemination of market information and publicity services are excellent the majority of the farmers. It is unfortunate to found that the licencing procedure and the attitude of the market functionaries is very poor. It is also found from the responses of the farmers that the rationalization of market charges is very poor while one-fourth of the farmers held that the performance of this market in this aspect is excellent and good. With regard to organisation and supervision of sales majority of the farmers stated that the performance of Regulated Agricultural Market, Kurnool in this aspect is good enough. It has been found with regard to training programmes to farmers by the Regulated Agricultural Market, Kurnool that sixty per cent have disclosed that the training programme yielded them benefit, while forty per cent dis-satisfied. The Regulated Agricultural Market of Kurnool is performing well in preventing malpractices in the market yard and
most of the problems are settled by compromising. Thus, on the average the operational performance of the Regulated Agricultural Market, Kurnool is observed to be good. However, some trivial problems are associated with the operational aspects of the market committee but those can be nullified with other positive trends of the market committee.

OPINION OF THE SELECTED FARMERS ON THE FUNCTIONING OF REGULATED AGRICULTURAL MARKET COMMITTEE, KURNNOL

Altogether 100 farmers from forward, backward, scheduled caste and scheduled tribe are selected and their responses formed the basis for operational performance of the Regulated Agricultural Market, Kurnool. 43 per cent of the farmers are from the backward community, 38 per cent are from the forward community, 16 per cent are from the scheduled caste and only 3 per cent from the scheduled tribe community. Of the total 33 per cent farmers are illiterates and 35 per cent had primary school education, 21 per cent secondary education and only 11 per cent for their college education. Majority of the farmers are from nuclear family and their family size ranges between 5 and 10. Majority of the farmers have stated that the total earning family members between 1 and 2. Of the total 70 per cent of the farmers have the total income level in between Rs.20,000-Rs.50,000.
Majority of the farmers are small and marginal followed by big farmers and most of them have dry land. Major source of irrigation is canals followed by bore well and tanks. Major crops are the groundnut pods, sunflower, onion, dry chillies, ajwan, caster seed, Jowar, paddy, cotton, redgrams etc. In terms of valuation of the major crops the average prices dry chillies is the highest (Rs.2804.51) followed by sunflower, ajwan and groundnut pods.

Major sources of finance for agricultural farming is owned finance, co-operative central bank, traders and moneylenders. Majority of the farmers invested their capital to buy cow bullocks and for purchase of agricultural implements. Majority of the farmers have enjoyed the Government assistance in the form of buying subsidized seeds, fertilizers and pesticides.

Majority of the farmers under study have the knowledge of regulated agricultural markets, co-operative central banks, crop insurance, crop loans, commercial banks. However, more than 80 per cent of the farmers do not have the knowledge that loans will be given to buy agricultural implements and for irrigation facilities. Three-fourth of the farmers said that they are ignorant of the existence of Rayalaseema Grameena Bank.
Majority of the farmers stated that co-operative bank employees, fellow farmers, agricultural extension officer, relatives and friends, radio and TV, employees of market committee and newspapers are the major sources in knowing about the institutional loans and programmes for agricultural development.

It is found in the study that regulated agricultural market, village market, commission agents, traders, open market and co-operative marketing societies are the various marketing channels through which the farmers are selling their agricultural produce.

The mode of transportation used by the farmers is lorry or tractor and bullock carts. Regarding the reasons for selling the agricultural produce through the regulated market are availability of effective marketing information system, storage facility, accessibility to claim financial assistance, presence of grading system and the accurate weighment, minimum support price and a facility to sell the produce through the middlemen.

It is found in the study that majority of the farmers have the knowledge about market committee members and employees, storage and grading facility, price mechanism, market information, procedure being followed in the payment of market charges. However, more than one-third of farmers are still un-aware of grading facility, standard
weights and measurements, procedure payment of the market charges, price determination at the market level. It is also found that one-fifth of the farmers are still do not known storage facility and the employees of market committee.

The main suggestions are given by the farmers for effective functioning of the Regulated Agricultural Market, Kurnool broadly include in an order are preventive measures to eliminate malpractices, restriction on market functionaries, provision to provide retiring facilities to small and marginal farmers on free of cost, open platforms for onion farmers, maintenance of hygienic conditions in the market yard and assurance for prompt payment after sale proceed etc.

Opinion of the Employees

In the present study 50 employees both of the Agricultural Market Committee, Kurnool and Office of the Assistant Director of Marketing, Kurnool and their opinions are also sought on the performance of Regulated Agricultural Market of Kurnool on five-point scale. It is witnessed from the study that no negative opinion is expressed by any employee. However, the degree of satisfaction among the various aspects of the Agricultural Market Committee, Kurnool across the employees it is found that earnings of the market committee, storage facility, standard weights and measurements, regulation of trading in the market, inter-
personal relations among the committee members, employees, farmers and traders, financial position of the market committee and overall functioning of the Regulated Agricultural Market Yard of Kurnool are some of the aspects with which the employees are satisfied.

**SUGGESTIONS**

**Shift in Emphasis**

It is observed in the study that the regulated agricultural market of Kurnool is concentrating more and more on revenue optimization instead of facilitating an efficient marketing system. This has jeopardized the faith and confidence of the producer-seller. Such a situation needs to be averted by removing distortions in the policy framework and ensuring its growth along healthy lines.

**Meaningful Autonomy**

It is also witnessed that the political interference in day-to-day functioning of the committee. As a result nepotism and favouratism are paving the way for all malpractices. Hence, the functions of the State Government and Agricultural Marketing Board should primarily be confined to policy decisions and they should not interfere with the day-to-day functioning of the market committees.
Regular Election

The Regulated Agricultural Market Committee, Kurnool has been functioning for the last couple of years without the market committee. The institution of regulated market, therefore, should be made fully functional through regular elections. It will also ensure involvement of people with the process of market regulation.

Grading at Producer’s Level

Currently the grading of agricultural produce at Kurnool regulated market yard is done manually by the employees of the market committee. Often this leads to malpractice and favour will be done to the traders than the farmers. Hence, scientific grading system should be installed so that justice can be done to the farmers by avoiding sample losses.

Broadening Market Intelligence Activities

It is also observed that the local commodities and their prices are displayed on the notice board. This will not give scope for the farmers to know the prices of the same commodity in other markets. Therefore, efforts are to be initiated to know prices of other markets through internet and should display the same on the notice board so as to do justice to the farmers.
Effective Organisation and Supervision

It is also explicitly found in the study that at the time of open auction system formalities are not effectively supervised. Absence of such effective organisation and supervision causing injustice to the farmers and yielding benefits only to the traders and middlemen. Hence, effective supervision and personal observation of the employees must be ensured and enforced at the time of sale proceeds.

Virtually speaking prompt payment of sale proceeds is not made for all the transactions perform in the market. Therefore, rules are to be framed and enforced for prompt payment of the sale proceed.

Introduction of Electronic Weighing System

Though an electronic machine is installed in the market yard but, as a matter of fact, it is kept aside and only traditional method of weighments are done. This may lead to a great loss to the farmers. Hence, electronic machine is get it replaced and ensure that weighments are to be done only through electronic weighing machines.

Training Programmes to Employees

On the personal observation of the researcher it is found that training programmes are arranged on market regulations at the level of secretaries, ignoring other supervisory staff. Therefore, training
programmes should also be given to the marketing assistants in the marketing department. So that the functioning of the regulated market can smoothly be run and functions.

**Hygienic Conditions**

It is witnessed that unhygienic conditions are seen in the premises of market yard. This, according to some farmers, may cause the damage of agricultural produce. Therefore, efforts are to be made and see that hygienic conditions are restored and maintained.

**Operational Performance**

Operational performance of Regulated Agricultural Market, Kurnool in the aspects of licensing procedure, rationalization of market charges, lack of amenities such as departmental transportation, departmental bank, post office, fire office, library are also causing concerns of the market crippling the effective functioning of the regulated market. Therefore such provisions are to be immediately called for and attended to.

**Minimum Support Price**

Presently at Kurnool Regulated Market Yard, it is complained by some of the farmers that minimum support price is denied. This is partly because of the Government agencies like Oilfed, Markfed, NAFED, FCI,
Co-operative Marketing Societies are putting more restrictions on the quality of product. Taking this, as an advantage, traders and middlemen are encashing this opportunity and buying the product at low prices. Therefore, buying of the agricultural products are to be done only at the premises of market yard and there must be some relaxation on restrictions of the quality of product (or) the marketing department should take the responsibility and buy the products directly from the farmers.

Vigilance Cell Installed

Proper vigilance cell should be created under marketing department at district level. This cell will prevent the corruption in the marketing department and ensures get more income to the regulated markets in the district, zone and State of Andhra Pradesh as a whole.

Financial Assistance

Liberal financial assistance under Rythu Bandhu Pathakam irrespective of agricultural product for small and marginal farmers is to be provided.

Delegation of Powers

The discussion on the organisation structure of marketing department at the zonal and district level has revealed that the office of the DDM is understaffed. It is also observed that DDM and ADM do not
possess adequate powers to exercise effective supervision and control over the market committees in the district.

At the Agricultural Market Committee level, it is noticed that the chairman has no adequate powers to regulate the trade effectively in the market yard. For effective regulation, certain powers like seizing the stock, imposing penalty and direct prosecution and cancellation of market license to traders may be given to the chairman.

Therefore, it is suggested that the staff may be strengthened at DDM office and ADM office and the adequate powers may be delegated to DDM and ADM to discharge their duties to see the effective functioning of regulated markets in the district and zone also.

To conclude if all the above said suggestions are taken care and efforts are initiated to implement them the functioning of the Regulated Agricultural Market Yard, Kurnool can be effective and efficient in its physical, financial and operational performance. Thus, it can become a model regulated market yard to the other market yards in the district, zone and State of Andhra Pradesh as a whole.