CHAPTER VII

MICRO-ANALYSIS OF AGRICULTURAL MARKETING
IN GULBARGA DIVISION - VIEW POINTS OF
PRODUCERS, MARKET COMMITTEES AND FUNCTIONARIES

I. Introduction:

The functions of marketing, facilities provided
in the yard and other promotional activities undertaken
by the authorities of A.P.M.C., the Department of Marketing
and the Board affect the interests of producers and
market functionaries directly and indirectly. The
implementation of the provisions of the Act through
different A.P.M.Cs by these authorities will also affect
their interests. Sometimes, the provisions made to serve
the interests of these two classes of persons, mainly the
producers, fail to serve them either due to their
impracticability, subversion by the other party or due
to the inherent gaps in those provisions. So to understand
the impact of these provisions it is necessary to know the
opinions of the persons concerned for whom they are made.
This also helps to know how they can be improved upon.
It is with this objective in view that an attempt is made
in this chapter to present a micro-analysis of agricultural
marketing in this division based on the responses of the
producers, market functionaries interviewed during the survey conducted and the market committees.

II. Market Information:

In all 130 producers in the division at the rate of 5 persons per market for 26 markets were interviewed. To the question whether their A.P.M.C. gives suitable market information, all the respondents replied in the affirmative. As regards the media used for this purpose by the A.P.M.C.s in the division, the position of markets as per the response given by producers is as follows:

Among the media used, notice board of the A.P.M.C. is the only one medium in respect of as many as 17 markets. In the remaining 9 markets - Gulbarga, Bidar, Raichur, Sindhanoor, Gangavati, Koppal, Kushtagi, H.B.Halli and Kottur, besides notice board other media are used. In case of Gulbarga daily rates are broadcast over A.I.R., Gulbarga, published in local newspapers and announced in the yard by mike. Bidar rates are also broadcast over A.I.R., Gulbarga. Raichur A.P.M.C. also uses radio and local newspapers for this purpose. Gangavati A.P.M.C. uses radio, local newspapers and mike besides the notice
Koppal, Sindhanoor and Kushtagi A.P.M.Cs use mike for announcing daily rates besides the notice board. Likewise H.B.Halli and Kottur A.P.M.Cs of Bellary district use mike besides the notice board. To the question whether the market information given by the market committees help them in getting better price for their produce, out of 130 producer respondents, 55 respondents of Bellary, Bidar, Raichur, Gangavati, Koppal, Kushtagi, Bellary, Hospet, H.B.Halli, Kottur and Sirguppa said that it does. The remaining 75 respondents of other markets in the division said it does not. These markets are small and not properly developed. They are mostly of Gulbarga and Bidar districts which are relatively backward and where new market yards are not fully developed. The response also shows the relative ignorance and knowledge of regulated markets and its functions on the part of the producers of these market areas. It also reflects the defective or incomplete information given by A.P.M.Cs. The gaps in this respect are coverage of entire market area by sending the information for dissemination to all villages in each market area and furnishing allied meaningful data in the form of arrivals, sales, number of buyers, production figures in respect of different commodities in different parts of the country affecting the prices of commodities.
government policies, weather conditions, etc. Radio and local newspapers be used by all A.P.M.Cs for dissemination of market information. The local newspapers should quote prices prevailing in all the neighbouring markets of the areas of its circulation.

To the question whether the market information and the prices of different commodities in a particular year influences the cropping pattern of the following year, almost all the respondent producers said yes. But the farmers in Sedam and Yadgir said that it does to some extent and those at H.B.Halli and Kottur markets said that it does so in case of cash crops only. The prices of other commodities do not influence their production during the next year. This reflects the fact that farmers base their production decisions on the prices of different commodities. This fact was supported by the similar responses got from the market functionaries and others during the course of survey.

The secretaries of various market committees opined that in this respect more intensive work needs to be undertaken. They suggested that A.P.M.C. officials
should go to each shandy to educate the people about regulation and its advantages and distribute useful market information. A.I.R. should give greater coverage to market intelligence and the intelligence wing of the Marketing Board should intensify its activities of publicity in villages more often and with all seriousness.

III. Credit Facilities:

To the question whether they get credit facilities from banks and co-operative societies and, if not, whether there is a need to set them up in the Market Yard the responses received can be grouped into three categories. In the first category fall the markets where the producers get these facilities from co-operative societies and banks and there is no need to set them up in the market yard. In the second category fall those markets where no such facilities exist and where there is a need to set them up. The third category is of such markets where the farmers have these facilities and still they want them to be set up in market yards also. In the first category the following markets are included: (1) Gulbarga, (2) Yadgir, (3) Shahapur, (4) Shorapur, (5) Bidar, (6) Bhalki, (7) Basavakalyan, (8) Gangavati, (9) Koppal, and (10) Bellary. These are the bigger markets of this
division. In the second category the following markets are included - (1) Sedam, (2) Chitapur, (3) Nalwar, (4) Shahabad, (5) Saidapur, (6) Aurad 'B', (7) Humnabad, (8) Kuknoor, and (9) Kushtagi. These are smaller markets of the division. In the third category are included the following markets - (1) Manvi, (2) Sindhanoor, (3) Hospet, (4) H.B.Halli, (5) Kottur, and (6) Sirguppa. These markets are from the T.B.P. area where they require money for marketing purposes also and the co-operative societies and banks give only crop loans and not for marketing purposes. So they want such institutions set up to finance the producers to enable them to retain the produce till they get favourable price for their produce. The Raichur market also falls in the third category.

The market functionaries were asked whether they advance any money to the producers before they bring their produce to them for sale. It is only the commission agents who advance funds to producers against their produce. No other market functionary will advance them. 14 market functionaries interviewed were not commission agents. So this question does not apply to them. Of the remaining 71 respondents 31 respondents said that they do not advance any amount. The respondents who said they do so were 40 in
number. Among them the majority said they do it only in respect of selected customers and up to 10% to 20% of the value of the produce. Among the 40 functionaries who make advances, 25 functionaries said the rate of interest charged by them varies from 18% to 24% depending upon the persons, 5 functionaries said they charge interest from 12% to 15% and 10% functionaries said they do not charge any interest. As regards the criteria for making advances, the response from all of them was the same, being goodwill and past record of the producer. The administrator of the TAPCMS, Sindhanoor said that the Grameena Bank sponsored by the Canara Bank when offered loans up to 60% to 90% of the value of the produce to enable the producers to wait for better prices the producers did not come forward to avail themselves of the opportunity. The reasons for the same are not known. This is a fit case to find out the reasons for the same so that the scheme may be introduced in other places by Grameena Banks and other agencies by overcoming these drawbacks.

Some secretaries of the A.P.M.Cs in the division suggested that the A.P.M.Cs or T.A.P.C.M. Societies should in collaboration with other leading agencies make a
beginning in properly assessing the credit needs of the producers and making timely provision for the same to save them from the clutches of commission agents and other money lenders due to which they fail to get proper price for their produce.

IV. Transportation:

The producers interviewed were asked about the distance between their villages and the regulated market. The distances shown by them were classified into four categories as (1) less than 5 Kms.; (2) 5 to 10 Kms.; (3) 10 to 20 Kms.; and (4) more than 20 Kms. and total number of respondents falling under each category was calculated both districtwise and for the entire division. The position is as follows in absolute numbers and percentages. The position for the whole division being 47 persons or 36% of 1st category, 34 persons or 26% of 2nd category, 28 persons or 21.5% of the 3rd category and 21 persons or 16.5% of the fourth category. When grouped into two categories as upto 10 Kms. and above 10 Kms. the position would be 62% and 38% respectively of the first and the second categories. The figures for Gulbarga district are, 1st category 27%, 2nd category 22%, 3rd 29% and 4th 22% or as per the latter type of two categories
only 51% and 49% of the 1st and 2nd categories respectively. These figures for other districts of the division are as follows:

<table>
<thead>
<tr>
<th>District</th>
<th>Less than 5 Kms.</th>
<th>5-10 Kms.</th>
<th>10-20 Kms.</th>
<th>More than 20 Kms.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bidar</td>
<td>40%</td>
<td>28%</td>
<td>20%</td>
<td>12%</td>
</tr>
<tr>
<td>Raichur</td>
<td>42%</td>
<td>30%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Bellary</td>
<td>40%</td>
<td>28%</td>
<td>20%</td>
<td>12%</td>
</tr>
</tbody>
</table>

As per the latter classification of two categories only in Bidar district 68% producers come within 10 Kms. from the market place and 32% under more than 10 Kms., the respective figures for Raichur and Bellary districts being 72% and 28% and 68% and 32% respectively. In Gulbarga and Bidar districts, producers have to cover longer distances to reach regulated markets as compared to Raichur and Bellary districts which have markets located at short distances. This is borne out by the fact of the relative prosperity and development of the districts. As regards the mode of transportation the same respondents said that goods are taken to the markets either by carts and
pack animals or by truck and tractors. In the first category 60% of the respondents are covered and 40% under the second category are covered for the entire division. The respective figures for all the districts are:

1. Gulbarga  67% and 33%
2. Bidar      52% and 48%
3. Raichur   57% and 43%
4. Bellary   60% and 40%

The same producers send some commodities to the nearby markets by carts and to other long distance markets by trucks. This shows that still most of the produce is transported by bullock carts due to smallness of quantity and lack of availability of trucks and bad roads. This fact adds to the cost of transportation. Besides this the condition of roads is also not satisfactory as most of them are kachha roads which are motorable only during winter and summer seasons. The respondent producers using kachha roads in the entire division constitute 66% of the total, thus pucca roads being available to 34% only. The position of all districts in this respect is the same. As regards the cost of transporting goods
worth Rs.100.00 to the regulated markets, the position of each of the four districts is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Upto Rs.3/-</th>
<th>More than Rs.3/-</th>
<th>Total Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Gulbarga</td>
<td>40</td>
<td>5</td>
<td>45</td>
</tr>
<tr>
<td>2. Bidar</td>
<td>25</td>
<td>-</td>
<td>25</td>
</tr>
<tr>
<td>3. Raichur</td>
<td>25</td>
<td>10</td>
<td>35</td>
</tr>
<tr>
<td>4. Bellary</td>
<td>14</td>
<td>11</td>
<td>25</td>
</tr>
<tr>
<td>Total for the Division</td>
<td>104</td>
<td>26</td>
<td>130</td>
</tr>
</tbody>
</table>

This cost is purely to transport the goods and does not include the cost of the producer who goes to the market to sell the goods once, twice or three and/or more times depending upon the conditions in different markets for sale and receiving payments. Sometimes they have to stay in the market. All this cost if added to that of the goods the total cost of transport takes away a heavy toll out of the sale proceeds of the producer. Therefore, there is all the more need for taking suitable measures in the form of making transportation facilities available to the villagers.
at cheap rates, arranging for quick sale and early payment of their bills. Unless these steps are taken selling the produce in regulated markets would not be advantageous to the producer leading to village sales attendant with many traditional evils. This problem calls for immediate attention by all the concerned authorities.

As regards the provision of transport facilities by the market committees to bring producers' goods to the market yards the respondents gave different opinions at different places. Their reaction districtwise is as follows:

1. **Gulbarga District:**

   Almost all the 45 respondents said it would be better if they are provided with transport facilities by market committees at reasonable rates and in time. Only a few rich farmers said it would not be practicable.

2. **Bidar District:**

   Here also all the 25 respondents favoured transport facilities being provided by market committees.
3. Raichur District:

With the exception of respondents at Kuknoor and Kushtagi (in all 10 persons) at other places in the district they (25) were in favour of transport being provided by market committees at reasonable rates.

4. Bellary District:

In Bellary district all respondents (25) favoured this arrangement subject to the condition that the cost would not exceed the charges at present charged by private truck owners and the cost of running their own tractors.

So far there was no provision in the Act to provide transportation facilities by the market committees. As per the recent amendment to the Act it is included in the Act. Now market committees can provide this facility to the producers. In the division, Raichur A.P.M.C. intends to purchase two trucks at a cost of ₹5.00 lakhs for this purpose. They have sent a proposal to this effect to the Chief Marketing Officer. Gangavati and H.B.Halli A.P.M.Cs also intend to take up this work in the near future.

To overcome the problem of transportation, they were asked whether it would be advantageous to open more
number of markets into Central villages than developing regulated markets in bigger places as at present. Their responses are given below:

1. **Gulbarga District:**
   
   In all the markets all the respondents said there is no need for it as the existing markets themselves are not well developed and there is monopoly of buyers. It would be as good as selling in the villages without regulation.

2. **Bidar District:**
   
   In this district also all the respondents said the same as above.

3. **Raichur District:**
   
   Respondents at Raichur, Manvi and Sindhanoor favoured this idea provided processing and banking facilities are also provided. The producers at Gangavati, Koppal, Kuknoor and Kushtagi said that it would not be practicable as there will be no buyers, with the consequent low prices.
4. Bellary District:

Except at Hospet, at all other places in the district people opposed this idea of opening more market yards in villages. They too are apprehensive about buyers' absence in such smaller places.

Majority of the secretaries of A.P.M.Cs in the division stressed the need for construction of village and link roads on a large scale by Government and providing transportation facilities by the A.P.M.Cs atleast during the season to the producers living in such villages with large produce and coming under the market area, at reasonable rates.

V. Insurance:

The producers interviewed were asked about insuring their goods in transit and/or in the yard being necessary against the risk of (1) fire, (2) rain damage, (3) plundering or pilferage, and (4) theft. Their responses are given below districtwise:

1. Gulbarga District:

In all the markets in this district people were not aware of it. They said there is no need for it as
those risks do not exist. Only for cotton, there will
be risk by fire and it is sold in Raichur market. They
further said that instead of insuring the produce in the
yard, crop insurance would be better.

2. **Bidar District:**

The response in this district is the same as
above.

3. **Raichur District:**

   Marketwise responses in this district are given
below as the respondents' opinions were different in
different markets of this district:

   1. In Raichur market 3 producers said it is
      necessary both in transit as well as in
      the yard against all the four risks, but
      2 producers said it is enough if it is
      insured in the yard only;

   2. In Manvi the producers were not in favour
      of it;

   3. The producers in Sindhanoor market favoured
      it only for cotton both in transit and in
      the yard;

   4. The producers in Gangavati wanted it in
      case of all commodities except paddy;
5. At Koppal 3 persons were in favour of it for all commodities and two only for cotton;

6. At Kuknoor 3 persons favoured it both in transit and in the yard and 2, only in the yard;

7. The producers in Kushtagi favoured it only in the yard and against the risks of fire and theft.

Thus, we see that the opinions differed from market to market and person to person. The responses in this district testify the fact that producers are well informed and are aware of the problems of marketing.

4. Bellary District:

At Bellary and Hospet markets all the respondents favoured insurance both in transit and in the yard against all the four risks. At H.B.Halli also they favoured it both in transit and in the yard against all the risks except the third one, namely, plundering and pilferage which risk was not there. At Kottur all the five producers recommended it both in transit and in the yard only against the risk of fire. One respondent who was highly educated said that insurance for other than the fire risks is not
undertaken by any insurance company. At Sirguppa they said that cotton is not dealt with in that market and for other commodities it is not necessary. Thus, we find that farmers are well informed in this district also which comes in the T.B.P. area like Raichur District. An attempt is made in this area by the A.P.M.Cs to invite the insurance companies and help start insuring the produce like cotton both in transit and in the yard to start with. Much remains to be done in this respect by the A.P.M.Cs in the division.

Secretaries of A.P.M.Cs where cotton is traded, felt the need for insurance. They said that to start with, at least in the market yard fire insurance of cotton and lint be made compulsory. They further pointed out the need for popularising crop insurance especially in respect of cash crops requiring heavy investment in the form of fertilisers and insecticides.

VI. Notified Commodities and Utility of the Markets:

The respondents were asked what more commodities they intend to be notified. All the respondents in the entire division numbering 130 said, that none of the
commodities grown in their areas has remained unnotified and hence there is no need to notify any more new commodities. All the A.P.M.Cs have notified such of the commodities by Government throughout the State which are likely to enter their markets.

They were asked to give their opinion about the utility of their market in the form of any of the three words - (1) useful, (2) useful to a certain extent, (3) useless. Their responses are as follows:

1. Gulbarga District:

In this district the respondents coming from the areas of the following markets, namely, Gulbarga, Chitapur, Shahabad, Yadgir and Shahapur described them as useful. But those coming from the market areas of Sedam, Nalwar, Saidapur and Shorapur said they are useful to a certain extent.

2. Bidar District:

The respondents opined the markets of Bidar, Bhalki and Basavakalyan as useful and Aurad B. and Humnabad as useful to a certain extent.
3. **Raichur District:**

The markets of Raichur, Gangavati, Koppal, Kuknoor and Kushtagi described them as useful. In Sindhanoor, whereas one respondent described it as useful but two each opined it as useful to a certain extent and useless. In Manvi all 5 respondents said it was useless.

4. **Bellary District:**

Bellary and H.B.Halli markets were described as useful. At Hospet two persons said it is useful, but the other 3 persons said as the trade is not shifted to the yard, they have to see how it functions before committing anything. However, they said it is useful to a certain extent. At Kottur, two persons described it as useful to a certain extent, two as useful and one as useless. In Sirguppa they said they have to see it after the trade is shifted. However, they described it as useful to a certain extent.

A perusal of the respondents' opinions about their market shows that the respondents in T.B.P. area are better informed as compared to their counterparts. Since markets are not fully developed in Gulbarga and
Bidar districts and regulation too is not effective in most of them, the farmers inspite of their ignorance have given low rating about these markets which corresponds with our findings made during the survey.

VII. Grading:

Grading of the commodities is undertaken only in few markets in the division. Nowhere in the division it is done scientifically. Though equipments are bought by five A.P.M.Cs of Gulgarga, Bidar, Raichur, Bellary and Kottur, they are not used due to lack of trained hands to operate them. In Raichur market due to rush in arrivals of cotton, grading with the help of equipments cannot be undertaken as it will be time consuming. Cotton classification centre with all scientific equipments for grading of cotton is set up in Raichur market with trained hands, but it is not used for the said reason. In Raichur markets some market functionaries said that the grading done by the trained graders of A.P.M.C. is not foolproof. It is borne out by the fact that for the same grade different prices are quoted by traders and the difference in prices between the grades based on quality do not tally. This is because the graders are not properly trained. Grading is done by eye sight only in the selected
markets. In majority of the markets it is not done at all. Even where it is undertaken it is confined to only cash crops like groundnut, jaggery, dhania, cotton, lint, onions and chillies. Besides, grading is not done throughout the year in respect of these commodities for obvious reasons of pecuniary gain to the functionaries at the cost of the producers.

Grading is done by trained graders of market committee in respect of groundnut, jaggery and pulses only during season. In Yadgir it is done in respect of cotton and groundnut by the trained graders of the market committees. However, the performance is far from satisfactory.

In Bidar, it is done by graders, but it is not satisfactory. In Raichur grading is done by the trained hands of the market committee in respect of all commodities throughout the year. Their number is not adequate to cope up with the arrivals in the market. In Sindhanoor only in the new market yard grading is undertaken in respect of cotton, but in town it is not done. In Gangavati market grading is undertaken in the yard by trained hands of market committee. In Koppal A.P.M.C., though trained graders are appointed on the staff, it is not done due
to inadequate space before shop-cum-godowns of commission agents for display of goods. In Kushtagi it is done in case of groundnut and jaggery during season in the market yard by trained hands. In Bellary, H.B.Halli and Kottur markets grading is done by trained hands of market committees in respect of cotton, groundnut, jaggery, chillies and onions, but since in Hospet and Sirguppa trade is not shifted completely to the new yard, it is done on a limited scale only in case of the produce dealt with in the new yard. In bazaar localities of these towns where business was undertaken earlier due to their being declared as market yards grading is not undertaken. In rest of the markets, about 14 in number in the whole of the division no grading is undertaken. This is a basic market function which is essential to ensure better and proper price to the producers. The lacunae in this respect in majority of the markets in the division calls for immediate attention by the concerned authorities. The responses, in respect of grading facilities available in the respective markets of the producers and market functionaries are similar. To the question whether grading helps in fetching better price to the producer, the response of both the producers and market functionaries interviewed was in affirmative. This shows that producers are conscious of the advantages of grading. In those
Almost all the secretaries of A.P.M.C.s in the division stressed the need for introduction of scientific grading in respect of all commodities in all the markets.

VIII. Method of sale and payments:

All the 130 producers interviewed in different markets in the division were asked about the method of sale adopted in their market in respect of different commodities and the method of sale they prefer. The market functionaries interviewed (85) were also asked the same questions. Their responses are synchronised and presented in the following Table No. VII. 1 (vide next page).

In Gulbarga district except in Yadgir, Shahapur and Shorapur markets in all the other markets open auction system of sale is in vogue. In the above three cited markets tender system is introduced. In Gulbarga tender system is introduced only in respect of groundnuts during season, but for all other commodities open auction is introduced.
Table No. VII. 1: Statement showing opinions of producers and market functionaries pertaining to the methods of sale adopted by various APMCAs in the division and the commodities for which adopted (Marketwise)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the A.P.M.C.</th>
<th>Methods of sale adopted</th>
<th>Commodities for which the method applies</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gulbarga</td>
<td>1. Open Auction.</td>
<td>1. All cereals, pulses and oil seeds.</td>
<td>Tender for pulses and groundnut oil seeds. in season</td>
</tr>
<tr>
<td>2</td>
<td>Sedam</td>
<td>-do-</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>3</td>
<td>Chitapur</td>
<td>-do-</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>4</td>
<td>Nalwar</td>
<td>-do-</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>5</td>
<td>Shahabad</td>
<td>-do-</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td>6</td>
<td>Yadgir</td>
<td>1. Tender System</td>
<td>1. All commodities</td>
<td>-do-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Open Auction.</td>
<td>-do-</td>
<td>-do-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. All commodities other times.</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Saidapur</td>
<td>1. Open Auction.</td>
<td>1. All commodities.</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Shahapur</td>
<td>1. Tender,</td>
<td>1. Cotton and groundnut.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Open Auction.</td>
<td>2. Other commodities.</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Shorapur</td>
<td>1. Tender.</td>
<td>1. For all commodities.</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Bidar</td>
<td>1. Open Auction.</td>
<td>-do-</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Bhalki</td>
<td>-do-</td>
<td>-do-</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Basavakalyan</td>
<td>-do-</td>
<td>-do-</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Aurad B.</td>
<td>Mutual Bargaining.</td>
<td>-do-</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Humnabad</td>
<td>-do-</td>
<td>-do-</td>
<td></td>
</tr>
<tr>
<td>Sl. No.</td>
<td>Name of the A.P.M.C.</td>
<td>Methods of sale adopted</td>
<td>Commodities for which the method applies</td>
<td>Remarks</td>
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</tr>
<tr>
<td>15</td>
<td>Raichur</td>
<td>1. Tender, 2. Open Auction</td>
<td>1. All commodities, 2. Onions</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Hanvi</td>
<td>Mutual bargaining</td>
<td>All commodities</td>
<td>Tender proposed for twice a week.</td>
</tr>
<tr>
<td>19</td>
<td>Koppal</td>
<td>1. Tender, 2. Bargaining</td>
<td>1. All commodities, 2. Jaggery</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Kuknoor</td>
<td>Bargaining</td>
<td>All commodities</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Kushtagi</td>
<td>1. Tender, 2. Open Auction</td>
<td>1. Groundnut, 2. Other commodities</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Bellary</td>
<td>1. Tender, 2. Open Auction</td>
<td>1. Groundnut, 2. Other commodities, cotton</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>H.B.Halli</td>
<td>Tender</td>
<td>All commodities</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Kottur</td>
<td>1. Tender, 2. Open Auction</td>
<td>1. Cotton and groundnut, 2. Other commodities, Jaggery, onion</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Sirguppa</td>
<td>Open Auction and Bargaining</td>
<td>All commodities, when buyers come open auction under the supervision of M.C. &amp; bargaining at other times</td>
<td></td>
</tr>
</tbody>
</table>
In Bidar district, in all the markets open auction is adopted. But sometimes in places like Bhalki, Basavakalyan, Aurad B. and Humnabad, mutual bargaining as a method of sale, is adopted in addition to the open auction system of sales.

In Raichur district, Tender System is followed in all the markets with the exception of Manvi and Kuknoor. In Manvi trade is not shifted to the yard and in Kuknoor yard is not yet built up. In both these markets mutual bargaining method of sale is resorted to. In Sindhanoor, tender system is introduced only for cotton in the yard, whereas for other commodities, which are largely sold in the bazaar locality, goods are sold by mutual bargaining, due to non-shifting of trade completely to the yard. In Kushtagi tender system is followed for groundnut and open auction for other commodities. In Gangavati, groundnut is sold by tender, jaggery by open auction and paddy by bargaining. In Koppal for all the commodities tender system is introduced.

In Bellary, tender and open auction systems are in vogue. In Hospet yard for groundnut tender system, for tamarind open auction and for others bargaining methods
are adopted. In H.B.Halli for all commodities tender system is adopted. In Kottur groundnut and cotton are sold by tender and jaggery and onions by open auction. In Sirguppa open auction and mutual bargaining are adopted for sale of different commodities. As trade is not shifted to the yard, regulation is not effective in the market.

As regards the preference of the producers and market functionaries about the method of sale, there is greater unanimity. Though tender system is preferred by majority of the producers and market functionaries interviewed, at some places the difficulties for adopting it with advantage were explained by them.

The secretaries of all the A.P.M.Cs showed preference for tender system and recommended it for making it compulsory for all the commodities.

Table No. VII. 2 (vide next page) shows preference of producers and market functionaries for different methods of sale in each district. In all 130 producers and 85 market functionaries were interviewed in the division in the course of the survey. Out of 130 producers, 70 producers, being 54% of the total, preferred tender system and 59 producers, being 46% of the total, preferred open auction.
Table No. VII. 2: Statement showing preference of Producers and Market Functionaries interviewed about the method of sale in the Division (Districtwise).

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the District</th>
<th>PRODUCERS</th>
<th>MARKET FUNCTIONARIES</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of producers interviewed</td>
<td>Tender</td>
<td>Open System</td>
</tr>
<tr>
<td>1</td>
<td>Gulbarga</td>
<td>45</td>
<td>19</td>
<td>26</td>
</tr>
<tr>
<td>2</td>
<td>Bidar</td>
<td>25</td>
<td>-</td>
<td>25</td>
</tr>
<tr>
<td>3</td>
<td>Raichur</td>
<td>35</td>
<td>32</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Bellary</td>
<td>25</td>
<td>19</td>
<td>5</td>
</tr>
<tr>
<td>TOTAL FOR THE DIVISION</td>
<td>130</td>
<td>70</td>
<td>59</td>
<td>1</td>
</tr>
</tbody>
</table>
Only one producer suggested tender-cum-open auction whichever is higher for enforcement in each market for the benefit of the producers. As regards the districtwise position, in Gulbarga district 19 persons, i.e., 42% of the total, preferred tender system and 26 persons, i.e., 58%, open auction. The respective percentages for other districts are Bidar 100% open auction, Raichur 91% tender and 9% open auction and Bellary 76% tender and 20% open auction and 4% tender-cum-open auction whichever is higher. Whereas the producers in Raichur and Bellary districts showed preference for tender system, those in Bidar and Gulbarga districts were more in favour of open auction method of sale.

A similar picture emerges from the figures pertaining to the preference of market functionaries for methods of sale in the four districts of the division from the above cited table as in the case of producers.

Many secretaries expressed their views in support of introducing tender and open auction methods of sale but mutual bargaining method is still prevalent in many markets to some extent. The secretaries pleaded for penal provisions in the Act to make the tender system and
open auction methods compulsory and bargaining by mutual consent an offence to prevent this system in the market yard.

During the survey the market functionaries were asked whether the producers were satisfied with the method of sale adopted in their respective markets. Out of the 85 respondents as many as 78 said that they are. Only five respondents of Bellary did not agree to it. One respondent at Hospet said that he is not satisfied whereas another said he is at present. One respondent in Sindhanoor said the farmers are happy with the bargaining system of sale as they are not aware of the advantages of tender system. It is observed that producers cannot be happy with the bargaining method of sale. They may not distinguish between tender and open auction systems, but they do not like bargaining method of sale as under this method they nurse a sub-conscious feeling that they are duped by the trader.

Out of the 85 market functionaries interviewed 75 were commission agents whose responses regarding payment of sale proceeds to the producers throw some light on the plight of the producers. They were asked
how many times a producer has to visit their shop before his produce is sold and payment received by him. Majority of them said - (64) out of (75) - that it is sold and payment made on the same day or else he has to come once again. They need not pay more than two visits to their shops.

The number of commission agents who said they have to make 2 to 3 and 3 to 4 trips were respectively 7 and 3. One commission agent said in Manvi that nothing can be said in this respect as it depends upon the rules of A.P.M.C. It is evident by the responses and the findings of the survey that producers would not wait for payment and in almost all big markets payment is made immediately due to competition and sound financial position of the commission agents as against the small markets where payment is not made for a month or two and the amount is paid in instalments. In some markets it is observed that the producers leave their money with the commission agents and collect it in instalments as and when they need it. Neither they receive any interest on it nor do they pay any interest on advances taken by them from the commission agents. However, such cases are very few and found in respect of persons with long
standing relationship and intimacy. In small markets this problem needs to be carefully studied and steps taken to improve the lot of producers. In some places the commission agents demand and collect money from traders immediately and delay payment to producers on the pretext that they have not received payment from traders and utilise others’ money for their business. The A.P.M.Cs and producers’ associations should attend to this problem to help producer realise his amount promptly.