In a developing country like India, agriculture and growth in agricultural production plays an important role. Progress of national economy depends on the growth of agricultural production. Marketing of agricultural commodities is an important activity and it has undergone a series of changes. Marketing has to keep pace with the changing needs of the time and satisfy the requirements of the people. To improve agricultural marketing the government brought into force through legislation, regulation of markets and market practices. An integrated market system in which different agencies perform their function efficiently will help in fulfilling the objectives of establishing regulated markets. The surplus production of agricultural goods has posed a challenge to the efficient marketing of agricultural produce. Regulation of markets has helped the farmer to get substantial returns. It also has helped in the development of systematic market yards.

Objectives:

The objective of the present study is to explain and discuss the pattern of regulated markets in Dharwad district and evaluate their performance with reference to market participants. All the regulated markets are farmer oriented and they play a key role in the efficient working of regulated markets.

Region:

The region selected for the study is Dharwad district which has five main markets — Dharwad, Hubli, Kundgol, Annigeri and Kalghatgi, eleven sub-
markets. Thus the growth and present state of regulated agricultural marketing in the district is distinct and has not been studied so far.

Growth :

The growth of agricultural regulated markets is evidently a post-independence phenomenon in India though the regulation of agricultural markets began during British rule. The enactment of Karnataka State Agricultural Produce Market (Regulation) Act, 1966 helped in implementation and establishment of regulated markets. Marketing is done by auction system as per the Act which involves the farmer/producer. Farmer can accept or reject the price. Everything is done under the supervision of the officials. All the functionaries like traders, commission agents, hamals, weighmen take licence from the market committee. The administration of each regulated market is managed by the respective market committee which consists of farmers, traders, government nominees as members.

The Market :

Dharwad district has uniform pattern of spatial distribution of regulated markets. Each market area covers certain number of surrounding villages and accessibility to these markets is easy — Hubli market is situated at Amargol and is on the national highway. Dharwad market is surrounded by residential houses and shops. Nevertheless, it is approachable by good roads. As far as total population of these markets is concerned, it is on an average of equal proportion. Hubli market area is the biggest in Asia.
Before the regulation was brought into force, the markets were scattered and were in congested areas. They did not have infrastructure facilities. With the establishment of planned market yards and various kinds of infrastructure facilities, the business activities and the value of the sale of commodities also increased. Providing infrastructure facilities to the markets is the motive of establishing regulated markets. Regulated markets in the district were selected for providing infrastructure facilities under different policies and programmes. Hubli and Dharwad market yards have all types of market infrastructure required for agricultural marketing. In some of the regulated markets in the district, construction work for providing facilities is in progress and in some other markets it is almost over. Still specific problems exist in market yards and they have to be solved by respective market committees.

Commodity Structure:

A detailed analysis of the structure like the arrivals, type of commodities and marketwise arrivals we come to know the growth, development nature and status of regulated markets. There is a general trend of mixed commodity arrivals in all the markets of the district. Markets have a complex commodity structure, but when a market is specialised in a particular commodity or set of commodities, it attracts more number of buyers and sellers. Cotton is the significant agricultural produce in Dharwad district. Therefore all the regulated markets located in the district have registered cotton arrival as the major commodity. In Hubli market chilli and onion take the next place and in Annigeri wheat has registered as the
second highest arrival to the market. Dharwad and Hubli have specialised in nine commodities, Annigeri has specialised in maize and Kalghatgi in paddy. These regulated markets can concentrate on these commodities and if adequate infrastructure to boost the business is provided it might attract more sellers and buyers.

Market area and Hierarchy:

Market area is a place where farmers/producers bring their commodity for sale. It varies according to the category — higher category has the largest area, medium category has minimum space for business activities and the lower category has minimum of space depending on the annual income. Hubli has the biggest market area in Asia.

The status and category of each market has been done by the department on the basis of income that is, market fee, licence fee etc. Categorisation has been done into seven classes A,B,C,D,E,F,G. The highest being G in the income range of above 500 lakhs.

Market Efficiency, Behavioural Pattern and Performance Evaluation:

Market participants are the best judges of the functioning and efficiency of the marketing system apart from the financial aspect. So the focus of our study has been marketing efficiency in terms of infrastructural facilities and the behaviour of market participants. The study is conducted by taking samples
from all the five main market areas. It is discussed with reference to farmers who bring goods to the market, infrastructure facilities provided, market functionaries, their participation in trading etc. The evaluation of the performance is done by taking into account various factors like full payment to farmers, farmers participation in market committee activities, deductions and unauthorised deductions, facilities provided, checking by officials etc. The arrivals, the value and also the financial management analysis like income, expenses and developmental expenses etc. are made.

The number of market functionaries indicate the size of the market, the degree of competition and functions performed. Hubli market has registered the highest number of market functionaries. In Dharwad there is an increase in the total income of the regulated market. The major portion of the total income is derived from market fee in all the regulated markets. The income and expenditure of all regulated markets has shown a fluctuating trend. It affects the surplus of the regulated markets. Dharwad market shows a steady pattern and Hubli which has the highest in the district shows a significant sign of growth. Annigeri and Kalghatgi show varying pattern. Kundgol is working at a low level and is not in a position to overcome the problem.

With the regulation of markets the marketing system and its effect on society can be seen clearly. The farmers have better bargaining power now. There is surplus amount of agricultural production, market-oriented production, change in living standard as they get better price for their commodity, the relationship of...
farmer and trader also has changed. Even the literacy level among the farmers has gone up. Regulated marketing has become a socio-economic necessity to provide justice to the farmers. The role of regulated market in development has been discussed based on such factors as development of market yards, development of rural markets, construction of rural godowns, construction of rural link-roads, quality control, grading and standardisation, rural welfare schemes etc.

The topic and region chosen for the study has both academic and applied importance. The studies made earlier are restricted to a particular regulated market of Dharad district, but this work which deals with the present condition of the regulated markets in Dharwad district and their overall performance evaluation may be considered the first of its kind.

The National Commission on Agriculture in its twelfth report in 1976, made some recommendatins after making a thorough study of the regulated markets in the country. With the adoption of new technology, marketing of surplus agricultural produce became a problem. The increase in production and marketable surplus resulted into rapid increase in the establishment of regulated markets. The regulated markets were implemented with the intention that the benefits are received by all the people in the society and especially the farmers and market functionaries. They should be made conscious of their rights in the control and management of regulated markets and should not surrender to traders. Even the functionaries should be convinced that its regulations are for the welfare of the trading class also. The system works efficiently if all of them co-operate and work together.
Farmers must have major representation in the market committee and both Chairman and Vice-Chairman should represent farmer's community.

More commodities should be added under regulation Act and additions should be made for horticultural, commercial, forest, livestock etc. products.

Market fee must be fixed at minimum amount and has to be uniform in all the markets.

All kinds of physical facilities like grading, standardisation, weighing, storage etc. should be provided or improved in all the market yards.

The officials of market committee must be from the state marketing department.

The shandies must be established and developed so that the market area will expand and proper interaction can be kept.

The commission has also stressed that for the efficient working of regulated markets the Primary Co-operative Marketing Societies must be developed and integrated with regulated markets. Extension services must try to educate the farmers of the benefits of regulated markets and improved facilities.

The problems that still existing are: development of market yards; price instability; market intelligence; grading of agricultural commodity; transportation; storage; agricultural input marketing; lack of ancillaries;
finance problem for market development; farmer's education; dissatisfaction of farmers; advance money by special agency; communication and market information; development of shandies; extension facilities; improvement of village roads; etc.

From time to time the government has appointed committees under the chairmanship of learned scholars to make a thorough study of the functioning and performance of regulated markets.

A high power committee on agricultural marketing was appointed under the Chairmanship of Shankarlal Guru to suggest improvements in the working of regulation of agricultural marketing in India. It reported several policy suggestions:

1) 1500 more markets should be brought under regulation.

2) The Agricultural Produce Market Committee Regulation Act must be enacted in all the states and union territories.

3) Separate Agricultural Marketing National Bank must be established to cater to the needs of credit of marketing cost.

4) More commodities to be brought under the purview of regulation like tea, coffee, rubber, tobacco, spices, cardemum etc.

5) High priority for central assistance to primary markets in backward states.

6) State Marketing Tribunals may be set up for dealing disputes in the state.
7) A Central Agricultural Marketing Board may be constituted to give national importance to marketing of agricultural product.

8) A special insurance scheme to protect farmers against fluctuations in prices.

9) Necessary technical advice to regulated markets.

10) Latest communication facilities to be provided.

Other recommendations of the committee were market structure, legal education, training, research and development. Many of their recommendations were rejected and those accepted are not yet implemented.

As long as agriculture was at subsistence level emphasis was laid on production. Customer satisfaction has become the target with the increase in marketable surplus and quality of agricultural commodities became an important attribute. Improvements in infrastructure shifted the interest of the farmer towards commercial crops. The farmers concentrated on only one product. Production increased as a result of implementational of new technology like HYV seeds, fertilisers etc.

Since majority of the farmers are ignorant and poor, they cannot adopt to new methods of production. Quality consistency cannot be maintained due to natural calamities like famine, draughts, floods etc. Above all, market information given to them is not correct and the administrative machinery of the government is not competitive. Therefore, farmers should
be informed of new methods of production, inputs, benefits of grading, value addition to product, product mix etc.

The government announces the minimum support price for major crops and this will be less than the actual price. Farmers cannot fix the price of commodities on the basis of cost of production at all. Moreover cost of production depend on the natural conditions of an area and the cost of production varies from area to area. It will be generally more than the minimum support price. Therefore, the environment to fix right price must be created with the improvement in co-operative movement and by increasing storage facilities.

Agricultural inputs should be given at subsidised rates so that the product becomes competitive and with new challenges the changing conditions can be faced under WTO at the global level the foreign exchange can also be increased. The yards and infrastructures are being uplifted to international standards with technical collaboration from foreign countries. The government should promote the organised marketing of agricultural commodities by forming various boards for products like tea, coffee, tobacco, spices etc. Food Export Development Board, Co-operative Organisation and Marketing Co-operatives.

Farmers are forced to sell the commodities urgently for many reasons — to pay back loans, inadequate warehouse facility, lack of market knowledge etc.
Middlemen or traders take advantage of the bad situation of the farmer and purchases the goods at a lower price and sells it for higher price. Even the co-operative institutions are managed by paid employees and government institutions have become corrupt. Farmers participation in the marketing of products is important. Small and marginal farmers should be protected by special laws. Modern storage and warehousing facilities and adequate number of storehouses should be provided.

The farmers may be educated by the fertiliser and pesticides industries to adopt their inputs for high yielding quality products. Field assistants, research institutes managed by government funds, videos, radios, T.V., print media and personal selling to educate farmers. Export-import policy has reduced tariff but there is no such measure for selling of goods. Therefore farmer must be made literates through different schemes and rural unemployed youth should be persuaded to promote sales. Right media should be used to make the farmers knowledgeable about price trends.

For any kind of business finance is necessary. Most of the farmers are small and marginal farmers and are very poor. Even landlords in dryland area are financially weak. The rising financial requirements for quality improvement in agricultural production is posing a big challenge not only to the farmers but also to the government. Market committee also makes advance payments on the production of warehouse receipts. The government is trying to solve the challenges of infrastructure problem in the agricultural sector by increasing the
capital of NABARD. Money lenders and bankers are providing long term loans for low interest rate. Government also has decided to establish separate banks in the districts to extend credit to agriculture.

Inspite of all efforts to make agriculture a profitable business, so that many people involve themselves in agricultural production certain loopholes still remain. There are farmers who use agricultural loans towards domestic purpose, increase in losses in agriculture has increased the amount of overdue to the banks, money-lenders charge high rate of interest to the farmers. Credit against finished agricultural produce must be encouraged so that farmers do not sell their produce for cheap price and wait until they get fair price.

To increase market efficiency delay for clearing, cleaning drying, weighing, loading and unloading should be avoided by making use of modern techniques and machines like mechanical driers, electrically operated cleaners, air-blowers, weighbridge, computerised weighing machines, mechanical convey systems for loading and unloading. Thus it will reduce time and cost for farmers and traders.

Farmers require money immediately after harvest and during occasional glut seasons he gets low price out of which he cannot recover input cost or cost of transport especially in cases like potato, onion, chillies, fruits etc. which cannot be stored for a long time as there is no storage facility.

State Government has setup a fund (avarthinidhi) of around 500 crores and out of which 100 crores has been collected and purchases will be made at the
time of glut or fall in price. It has also decided that whenever there is fall in price below the minimum support price the state government has to intervene in the market and make purchases.

At such situations government should protect the farmers by declaring support price and arrangements to produce the agricultural goods has to be made. A net-work of regulated markets should be expanded in such a way that a fair price in open market should be provided.

But what happens often is the procurement will not start in time or payment is delayed and due to lack of storage facility the farmers lose in terms of quantity, goods and price.

Some of the officials of the market committee who facilitate or help the government in procurement harass the farmers while fixing the grade/quantity and payment. At times the traders also take advantage of the situation and purchase the produce at a price below the fixed price and sell the produce later on at a higher price. The government has already allotted 100 crores as funds for the purpose of overcoming such a situation which will be further increased to 500 crores.

Almost all the regulated markets in Dharwad district are provided with planned market yards. But for market yards at Kundgol, Annigeri, and Kalghatgi more infrastructure facilities should be provided. Many of the sub-markets do not have well-planned market yards and some are incomplete.
Since the farmers are unorganised they should setup their own co-operatives to provide certain facilities so that they can reduce handling charges, storage problems etc. The producers will be in a better bargaining position because they will be aware of the market price and consumer preference. They also get trade advantages such as lower transport rates, grading and storing of produce. Co-operatives have their own organisations and they are useful to both small and marginal farmers.

The co-operative movement in Dharwad district is strong. There are Taluka Agricultural Produce Marketing Co-operative Society's. Oilseeds Producers Society, Horticulture Produce Co-operative Marketing Export Society, District Marketing Federations, State Marketing Federations etc. The oldest co-operative society of cotton producers is at Hubli. However, we see that some of the co-operatives have failed to function properly and this has an adverse effect on the regulated markets.

Market information regarding prices, arrivals in regulated markets and market environment of other regulated markets in Dharwad district is provided to the farmer through radio, T.V. Krishipete journal, newspapers, notice boards of Panchayat and Zilla Panchayat Office. The state government has launched recently a special scheme called Krishi Marat Vahini Website to facilitate farmers online information about prices, arrivals etc. Farmers' market information is up to date and some of them choose to sell their produce outside the district and even outside state.
Karnataka government has decided to start 'Ryot Bazar' at Hubli where the producer can directly sell the goods to the consumer without middlemen. The farmers are provided shops, free weighing machines, water facility, canteen and sanitation. Market fee is not collected. The government has decided to start 'Rural Bazars' in due course of time.

Each regulated market has its own specific problems. The market committee and the Board should pay attention to solve the problems faced by the regulated market and should prepare its developmental plans and policies depending on resources available.

New methods of marketing should be implemented which saves time, labour, cost etc. and facilitates quick disposal of produce e.g. the present system of auction of commodities is time consuming. During peak seasons farmers have to wait days together to get their turn to sell their produce. Lack of transport facility causes difficulties to the farmer because he has to make three to four trips to bring the produce to the market.

Grading of agricultural commodities should be made compulsory to the farmers because proper grading at farmers' level increases market efficiency.

The staff working in agricultural produce market is limited in number. Therefore security aspect of the market is neglected. Proper vigilance in the market will reduce malpractices, cheating etc.
To increase business activities in the market, outside buyers like MARKFED, OCI, CCI who are ready to pay price for commodities can be attracted.

Restrictions should not be put on inter-state movement of agricultural commodities. This provision is beneficial to traders, farmers and government.

New markets may be established taking into consideration the location of existing market, volume of arrivals, production trends, number of villages to be served, financial resources etc. Establishment of new market has to be done after a thorough research in the existing conditions of the market. A market can be merged with another market if necessary. It is noticed that Kundgol market is not performing well and it can be merged with Hubli market if necessary.

Apart from providing marketing facilities, the regulated markets, as the time demands should be entrusted with the new role of rural developmental activities like family planning, environmental planning, adult education, upliftment of women, health of children etc. The regulated markets should also act as social service centres by helping in rural development.

In all the regulated markets the market committee should open a research cell so that it can make a study of the problems, difficulties, drawbacks, reasons for stagnation and find out measures for improvement. Statistical cell should be equipped with computers so that all the information can be properly maintained. Seminars, workshops, short-term courses should be conducted so that the staff gets proper training.
Government is making all kinds of efforts to promote agricultural marketing by implementing regulation. Still the progress is slow because of lapse in organisational, functional and infrastructural drawbacks. An integrated approach in planning the policies and programmes of agricultural marketing is necessary. Formulating of developmental plans for proper agricultural marketing and proper implementation of these plans can be done if there is co-ordination among the state department of agricultural marketing, rural development, planning, statistics, public works, and public relation.

To sum up problems faced by farmers and traders/commission agents, infrastructure problems, organisation problems are still existing in the regulated markets. They are as follows:

A. Farmers Problems:

1) Quick post-harvest disposal of produce due to lack of storage facility.
2) Transportation problem.
3) Delay in clearing, weighing and auction.
4) Supervision of produce.
5) Delayed payment
6) Price difference
7) Financial problem
8) Unauthorised deduction and multiplicity of charges
9) Lack of market intelligence
B. Commission Agents/Traders Problems

1) Lack of storage facility
2) Lack of transportation
3) Costly labour
4) Infrastructure of market committee
5) Slow performance of market operations.

C. Infrastructure Problems:

1) Problem of cleanliness, drainage, sanitation, lighting, safety
2) Lack of auction platform
3) Difficulty in accessibility.

D. Organisational problems:

1) Limited staff
2) Lack of training
3) Representation in APMC
4) Officials behaviour.

The following are the suggestions for improvement in marketing facilities.

1) Construction of rural linkroads and other transport facilities.
2) Modernisation and mechanisation in agricultural marketing
3) Increase in storage facility.
4) Strict implementation of market regulation.
5) Control seasonal gluts and prices.
6) Grading facilities.
7) Construction of market yards and facilities.
8) Financial support
9) Develop farmers agricultural marketing co-operatives.

Other suggestions that are made for specific markets.

1) Master plan with long term perspective should be prepared especially for establishment of new yards, infrastructure development and functioning.

2) Development plans for individual markets must be drawn.

3) Green belt should be developed along market yard boundary.

4) Development of specialised markets for cotton, groundnut etc.

5) An auction method may be adopted where it can be done on the basis of samples.

6) Mechanisation in drying, cleaning, loading and unloading.

7) Proper vigilance in market yard by installing circuit TV camera's.

8) Market intelligence and information system must be improved.

9) Incentive scheme for farmers who brings produce to regulated market.

10) Interstate movement of produce must be restricted.

11) New criteria should be evolved for establishment of new regulated markets.
12) Proper market research should be made, training to staff and farmers should be given, computers should be installed in all offices.

13) The market committee must act positively in social development especially education, environment, conservation forestry, family planning etc.

There is need for well planned strategy and there is vast scope for development of regulated markets.