Chapter 7

CONCLUSIONS AND SUGGESTIONS

2. Regulation of Agricultural marketing

Regulation of agricultural marketing is of paramount importance in orderly marketing of agricultural commodities for the benefit of farming community in this chapter regulation of agricultural marketing, the Act, commissions and committees related to regulation of agricultural marketing are briefly described.

1. In India, firs regulated market was introduced in “Karenja” of Hyderabad state (now called as Naduhra Pradesh) during the year 1886 under the Hyderabad Residency order. Berar cotton and Grains market law was enacted, 105 years ago, during 1897 for orderly marketing of agricultural commodities in India. This was enacted in view of ensuring a steady supply of cotton to the mills of Manchester and Bermingham (UK). Perhaps this was the foundation stone for the era of orderly marketing of agricultural produce in India.

2. For the first time Government of India appointed central cotton committee to study the socio-economic condition of the farming community in light of agricultural marketing in 1918.

3. Bombay cotton market Act was passed in 1927. This act concentrated mainly on orderly marketing of cotton.

4. The Royal commission of Agriculture was appointed in 1926. The report submitted by commission in 1928 pointed out the defects and malpractices in the marketing of agricultural produce.
5. Hyderabad was the first state in India to pass Agricultural produce market Act as early as 1930.

6. Over a period of time from a meager 122 markets in 1939. The number of regulated markets increased to 7001 during 2002, though there had been much efforts to regulate more markets in India. The movement got impetus only during the planning year.

7. State wise Regulated market in India Maharashtra has the largest number of regulated markets.(main and sub markets)(865) accounting for 12.36 percent of the total regulated markets in India followed by Andhra Pradesh (862) and Bihar(813).

**Major Constraints in Marketing of Agricultural produce in India**

The major constraints in marketing of agricultural produce in India are : (1) Smallness in marketable surplus,(2) Seasonal production, (3) Scattered and specialized production (4) Variations in quality and quantity (5) Bulky and perishable and (6) Inelastic demand the supply of agricultural produce is also inelastic. A brief analysis of the defects of agricultural marketing, namely (1) lack of organization, (2) forced sales, (3) large number of middlemen, (4) High cost of marketing, (5) market malpractices, and (7) Absence of marketing infra-structure, is made to appreciate better latter on the governmental efforts made in this direction.

8. Before the linguistic reorganization of states the present Karnataka state was under the control of five different provincial Governments. Different Agricultural produce market Acts, governing the regulation of agricultural marketing in then existing
provinces were identified. Bombay Agricultural produce market Act, 1939 was applicable in Bombay-Karnataka region, Mysore Agricultural Produce Markets Act, 1939 in old Mysore state, Madras commercial crop Act 1933 in Madras – Karnataka region, Hyderabad Agricultural markets Act, 1930 in Hyderabad – Karnataka region and Coorg Agricultural produce markets Act. 1956 in Coorg district.

The maximum market fee that could be levied under the Act is Rs. 2/- per Rs. 100/- worth of produce bought and the liability to pay this fee is that of the buyer of the agricultural produce, the maximum commission that could be collected by any commission agent is percent of price of the produce, this is payable by the seller. The brokerage, weighment fee and grading fee are, however, prescribed under the bye-laws.

9. There has been a rapid increase in the number of agricultural markets in Karnataka since 1956. The number of such regulated markets rose from 155 in 1956 to 483 in 2002.

10. District wise figures show that Belgaum district ranks first in regulated markets accounting for 43 markets( including main and sub markets) followed by Uttar Kannada District (35) and Tumkur(33)

11. It is clear that Belgaum division consisting of Belgaum, Bijapur, Bagalkot, Dharwad, Gadag, Haveri and Uttar Kannada district with 35 regulated markets leads the other 3 divisions in of the total number of regulated markets.

12. To bring uniformity of orderly marketing of agricultural commodities in the present Karnataka State, a new Act,
Karnataka Agricultural Produce Marketing (Regulation) Act was passed in 1966 and rules were framed in 1968. This Act has 155 section and 96 rules for better marketing of agricultural commodities in Karnataka.

13. Karnataka state Agricultural marketing Board came into existence on 1st September 1972. The role of this board is coordination and bringing liaison between the market committees and the Government in several aspects of regulatory and allied activities.

14. The Board elects a Vice-Chairman from among the elected 20 members of the Board.

15. The Board derives its income from the contribution of market committee at the rate of 5 percent of the gross receipts by way of market committee fee and license for every month. The Board also gets grants from the State Government.

16. The government of Karnataka has announced the common list of notified commodities on 31-10-2001 all over the state. Which every APMC has to adopt as notified commodities.

17. The state Department of Agricultural marketing enforces the following acts in the state:

   (a) The Karnataka Agricultural produce marketing ® Act 1966 and Rules 1968.

   (b) The Agricultural produce (Grading and marketing ) Act 1937.

   (c) The Karnataka Wear houses Act, 1961 and Rules 1969. (licensing aspects only)
3. Profile of the Study Area and Regulated Markets

Producer-Sellers of the selected market Area

It is a well accepted fact that the socio-economic conditions of the farmer-sellers influence the working efficiency of the APMCs. The literacy background of the agriculturists of the APMC's in North Kanara indicates that 22.86 percent of them are illiterates which called for under taking of urgent measures for its eradication. Cultivation has been reported as the major occupation among the growers accounting for 59.52 per cent, hence their dependence on APMCs for their progress in natural. They expect the system of regulation of marketing activities to deliver the goods properly. Majority i.e. 76.67 percent of the producer-sellers are found to process limited land for cultivation. Who along with other cultivators are likely to lose interest in producing more than required for their self use; if there are no better facilities for marketing their surplus majority of the producer-sellers are having more than 15 years of cultivation experience. So there is good reason for them to seek proper guidance from APMCs, for marketing of their surplus but also for regular agricultural operations. APMCs has to become an integral part of the life of the cultivators.

For transportations of the agricultural produce, the farmers depend mainly on road transport. Fortunately 50.95 percent of road are pucca roads helping for easy and quick transportation of agricultural produce. However, care is to be taken for covering remaining 49 percent by improving the road conditions, to that extent, the role of APMCs is to be more activated.

The majority of the respondent constitute the level of income is above 50,000 to less than 1 lack. There are 41 percent
Majority of farmer respondents (30.00 %) cultivate Arecanut, followed by paddy (21.43 %), cotton (15.24 %), Rice (10.95%), coconut (5.71%), pepper (4.76%), coriander (3.81%), Ground nut and ananas each commodity (1.90%), jowar and banana each commodity (1.43%), gaggary (0.95%) and dry-chillies (0.48%).

**Sirsi Regulated Market**: North Kanara district under the Bombay Agricultural produce marketing Act 1939, this APMC in north Kanara district was first constituted in 1954 and this is a major regulated market in north Kanara district. It has 4 sub-markets at Bisilkoppa, Yadalli, Banavasi, and Dasankoppa in addition to the main market at Sirsi. Where Arecanut, Paddy, and pepper are the major commodities traded the entire Sirsi taluk is covered by this market consisting of 226 villages and its main market is in the heart of Sirsi city.

**Kumta Regulated Market**: Kumta, a regulated market was established in 1958. This market is a well developed one. It is a big centre for trade in Arecanut, paddy, and coconut, it has 3 sub-market at Katagal, Gokarna and Mururur, In addition to the main market situated at kumta town, and this is a major market for Arecanut.

**Haliyal Regulated Market**: Haliyal regulated market was established in 1962, It is a big centre for trade in Cotton and Paddy. It is serving 134 villages under its jurisdiction. It has only one sub-market at Dandeli, In addition to the main market at Haliyal. This is a major market for Cotton.

**Siddapur Regulated Market**: Siddapur Regulated market was established in 1967. This market is a well developed one. It is a big centre for trade in Arecanut, Pepper and Paddy. Its main market is in the heart of Siddapur city. It is serving 113 villages under its jurisdiction. It has 4 sub market at Turchalli, Kansur, Analebai and
Heroor and Manmane in addition to the main market at Siddapur. This is a major market for Arecanut and Paddy.

**Yallapur Regulated Market**: was established in 1969. This market is well developed one. Where Arecanut, Cotton, Pepper, Paddy and Coconut are the major commodities traded. The entire Yallapur taluk is covered by this market consisting of 127 villages of taluk. There are 3 sub-markets at Kiravatti, Umachagi and Ballapur.

**Honnavar Regulated Market**: was established in 1975. Before 1975 this market was worked under the sub-market of Kumta APMC. After 1975 the Notification No. RLC : 319 : CMD:74 dated 18.8.1975 declared independent market including (Honnavar and Bhatkal) existing on dated 7.7.1975 the market yard is situated near road of Ramatirtha. The main market yard is situated out side town. Recently the market yard is developed and trade is shifted to the new yard. Paddy, Arecanut and coconut are the main crops of this area. It has 2 sub market at Bhatkal and Idagunji. The entire Honnavar taluk is covered by this market consisting of 152 villages.

**Karwar taluk** is the district place of the north kanara district. This taluk surrounding from Arabia see. It is a low income regulated market of the north kanara district. Karwar regulated market was established in 1978. Where Paddy, Rice, Banana and Coconut commodities are notified but there is no transaction for any agricultural commodities, because Karwar APMC market collecting for market fees and license fees only to farmers.

**Mundgod Regulated Market** was established in 1997, It is low income and developing regulated market of the north kanara district. These are the one of the sub-market of Sirsi APMC on before 1996. After 1996 this market was declared independently under the notification no. CM: W:
35MRE: 96(1) dated 26.2.1997. Where Paddy and Cotton are the major commodities traded. The entire Mundgod taluk is covered by this market consisting of 94 villages. It has only one main market at Mundgod taluk.

Notified Commodities trade in 8 APMCs

In order to avoid confusion and complications among farmers functionaries and official of APMCs the Government of Karnataka has announced the common list of notified commodities on 31.10.2001 all over the state, which every APMC has to adopt as notified commodities.

Constitution and Composition of APMCs in Karnataka

Market committees are set up as per provisions of the Act, Rules and Bye-laws framed there under. In Karnataka, each market committee consist of 18 representatives from different area. Viz, farmers, traders, co-operative marketing societies, processing societies and nominees of Government.

There are 11 member elected from among the agriculturists (one belonging to women, two belonging to SC/ST) accounting for 61.11 p.c. of total members. One member is elected from among the traders (other than retail traders) accounting for (5.55 p.c.) one member is elected from commission agent accounting for (5.55 p.c.) one member is elected from Co-operative processing societies accounting for (5.55 p.c) one member is elected from co-operative marketing societies accounting for (5.55 p.c.) and three members are nominated as the representatives of director of Agricultural marketing accounting for (16.67 p.c.)

Responses of commission Agents about the composition of market committee of APMCs

The degree of dissatisfaction among the commission Agents about the composition of market committee of APMCs is more intense. The
overall position shows that 25.56 p.c. of them were dissatisfied. While more than 74.44 p.c. of them were satisfied with the composition of market committee.

4. Market Amenities facilities and functionaries

Facilities and amenities

In Haliyal, Kumta, Sirsi all the major facilities and amenities are being provided. There is further scope for improving the facilities and amenities in Honnavar, Mundgod, Siddapur, Yallapur and Karwar markets.

Problem of transport

A selected 30 respondent from each market area mentioned different transportation problems in transporting their produce to their respective markets. A maximum number of 22 respondents out of 30 in Sirsi area said that high cost is a major problem followed by 16 in Kumta, 13 in Siddapur and Yallapur, 9 in Mundgod and Honnavar market area. That is 43.81 p.c. on the whole. Inadequate transport facility is considered as problem by 4 respondent in Mundgod, 3 in Haliyal 2 each in Sirsi and Kumta, 6 each in Siddapur and Honnavar and 4 in Yallapur market areas. That is by 12.86 p.c. transport facilities are unsafe according to 3 respondent in Mundgod, 2 in Haliyal, 2 in Kumta and 4 in Honnavar marke tarea, that is by 5.24 p.c. Delay in transporting is a problem for 1 respondents in Mundog, Haliyal, Kumta, and Siddapur. 2 in Yallapur and 3 in Honnavar, that is by 4.28 p.c. Harassment by police and transport authorities is mentioned by 6 respondents in Mundgod and Haliyal. 2in Sirsi, 1 in Siddapur and Yallapur and 2 in Honnavar, that is by 8.57 p.c. for 7 respondents in Mundgod, 6 in Haliyal, 4 in Sirsi, 9 in Kumta, and Siddapur, 10 in
Yallapur, and 8 in Honnavar, that is for 25.24 p.c. of them transport is no problem.

**Weighment facilities at APMCs**

A random selection of 30 respondents from each of the 7 market areas have expressed the opinion that weighing is largely proper, the favourable opinion about proper weighing was expressed by 60 p.c. in Mundgod, 86.67 p.c. in Haliyal, 96.67 p.c. in Sirsi, 93.33 p.c. in Kumta, 90 p.c. in Siddapur, 86.67 p.c. in Yallapur and 76.67 p.c. in Honnavar, with over all tally of 84.29 p.c. for all the 7 markets.

**Grading in the areas covered by the Study**

The Department of Agricultural marketing in Karnataka has established 44 primary grading centres to implement the central scheme of grading and standardization.

The percentage of graded cotton to total arrivals in Mundgod market varied between 12.40 p.c. in 1997-98 and 34.18 p.c. in 2001.02. In Haliyal market the said percentage varied between 14.04 and 17.06 p.c.

Grading of Arecanut in Sirsi market was a minimum of 10.80 p.c. in of total arrival in 2000-01 and a maximum of 13.07 p.c. in 2001.02. The graded amount of Arecanut in Yallapur market ranged between 1.58 p.c. and 13.16 p.c. In Kumta market the graded amount of Arecanut varied between 1.15 p.c. and 12.58 p.c. the amount of graded Arecanut in Siddapur market ranged between 0.1 p.c. and 29.66 p.c.

Grading of farm produce before sale was the highest at Sirsi and Siddapur market area at 67 p.c. followed by 60 p.c. in Haliyal, 57 p.c. in Kumta, 53 p.c. in Mundgod, 47 p.c. in Yallapur and 33 p.c. in Honnavar market area. The overall average of grading of farm produce sale was 55 p.c. in the 7 selected market areas.
A large majority (37 p.c.) of farmer-respondents expressed their dissatisfaction about the grading of their produce in the APMC yards. A very high number (57 p.c.) of respondents in Honnavar market expressed their dissatisfaction about the grading done in the regulated market followed by 43 p.c. of respondents in Mundgod, 40 p.c. in Yallapur, 33 p.c. in Siddaupr, 30 p.c. each in Kumta nd Haliyal and 23 p.c. in Sirsi market area.

The benefits of grading have been asserted by a large majority of respondent – farmer in the 7 APMC areas covered by the study. Better price due to grading is asserted by 71.43 p.c. of the producers. An overall 9.05 of farm producers felt that grade products were more acceptable to buyers, However 19.52 p.c. of the respondents felt that grading was not helpful.

Storage and ware-housing

- In India about 5 to 10 p.c. of loss is incurred in agriculture produce due to defective storage, destruction by pests, rats and moisture, There is also qualitative loss due to development of acidity and biochemical changes, which adversely affect the nutritive content of edible products and loss in tensile strength of cotton and other fibrous products.

- Central warehousing corporation and various state warehousing corporations provide storage facilities to farmers and traders for farm products. The APMCs have been providing storage facilities in their yards. The National Grid of Rural Godown Scheme also helps in the setting up of scientific storage facilities in semi urban and rural areas. The traders and commission agents have also made certain investment for storage facilities, but even then the storage facilities are inadequate. Storage proper capacity in
Mundgod market of the 880 metric tonnes in the market committee. 400 metric tones each in Haliyal, Kumta, Yallapur, and Honnavar APMC. 1080 metric tones in Sirsi and 600 metric tons in Siddapur market.

**Causes for early sales of Agricultural produce**

It is found that 52.86 p.c. of the respondent sold their produce immediately after harvest in the 7 APMCs areas covered by the study, of which 10.00 p.c. sold produce due to lack of storage capacity, 41.43 p.c. for urgent need for cash and 1.43 p.c. for fear price fall. Individual market too, the percentage of producers selling their produce for the reasons mentioned above is more or less the same. 76.67 p.c. of farmers in Yallapur area, followed by 66.67 pc. In Kumta area, 50 p.c. in Mundgod, 46.67 pc. In Haliyal, 43.30 p.c. in Sirsi, 36.67 p.c. in Siddpaur and 17 p.c. in Honnavar area indulge in early sales.

The remaining 47.14 p.c. of respondents with hold their produce from immediate selling on grounds of unsatisfactory price (9.52 p.s.) and expectation of high price (31.43 p.s.) 6.19 p.c. merely follow other in withholding their produce. The respondents withholding their produce from immediate selling were 15 p.c. in Mundgod, 16 p.c. in Haliyal, 17 p.c. in Sirsi, 10 p.c. in Kumta, 19 p.c. in Siddaur, 7 p.c. in Yallapur and 15 p.c. in Honnavar Market area.

Inadequate of storage facility has been stressed by growers of agricultural produce by 23.00 p.c. of the respondents in the 7 APMCs areas, while 77.00 p.c. of respondents felt that the storage facilities were adequate. 53 p.c. of the farmers in Mundgod felt that the storage facilities were inadequate, followed by 37% in Haliyal, 30% in Honnavar, 17% in Yellapur, 10 p.c. en each Kumta and Siddapaur and 3 p.c. in Sirsi.

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Market News Service facility

The 7 APMCs covered by the study disseminate market information through price display on notice boards, radio announcements, annual reports, leaflets and hand slips etc. Every APMC displays the day today market arrival and price of notified commodities on the notice board installed at the market information centre.

The respondent farmer get information from TV/Radio (14.76 p.c.), Trader/Commission agents (29.05 p.c.) fellow farmer (0.00 p.c.) APMC Annual Reports (2.38 p.c.) news papers/magazines (33.81 p.c.).

The main sources of information for the farmer is the Trader/commission agent followed by TV/Radio and news papers/magazines. Farmer respondents have almost indicated similar sources of information thought there is variation in the intensity of dependence in different market areas. 46.67 p.c. of respondents in Yallapur market area and 20 p.c. in Mundgod have indicated news papers/magazines as the source for market information. 36.66 p.c. of respondents in Mundgod at 6.67 p.c. in Sirsi and Siddapur area have indicated TV/Radio as the source of market information, fellow farmer as the source of the market information is indicated by 26.67 p.c. of respondents in Haliyal market area, while only 13.33 p.c. in Sirsi market area have indicated this source. 43.33 p.c. of respondents in Sirsi market area and 13.33 p.c. in Yallapur have a indicated Trader/commission agents as the source for market information.

It is found that 40.48 p.c. of respondents do not visit the market information centre at the regulated market, while 59.52 p.c. visit those centres information on this aspect further shows that a maximum of 63.33 p.c. of respondents do not visit market information centre in
Mundgod market area. In the other APMC areas 56.67 p.c. of respondents in Siddapur, 53.33 p.c. in Haliyal, 46.67 p.c. in Honnavar, 30 p.c. in Yallapur , 20 p.c. in Kumta and 13.33 p.c. in Sirsi do not visit the market information centres.

It was found through interviews that 81.43 p.c. of farmer-respondents sold their produce through co-operative marketing societies, while 18.57 p.c. opined against the sale through co-operative marketing societies.

Remunerative price as the reason for sale through co-operative societies has been affirmed by a minimum of 13.33 p.c respondents in Haliyal and a maximum of 63.33 p.c. in Siddapur market area.

Sale through co-operative society for getting payment in time is asserted a minimum of 6.67 p.c. respondents in Honnavar and a maximum of 30 p.c. in Mundgod market area. Storage facility given by co-operative societies is the reason for sale through them is asserted by a minimum 3.33 p.c. respondents in Sirsi and Kumta market areas and maximum of 13.33 p.c. in Siddapur market area. Sale through co-operative society is preferred by a minimum of 3.33 p.c. in Mundgod, Haliyal and Kumta market areas on the ground that these societies do not charge commission. Give the loans and advances preferred by a minimum of 3.33 p.c. in Haliyal and a maximum of 40 p.c. in Honnavar market areas on the give the loans and advances.

The reasons for not selling through co-operative societies are equally strong in maximum 30 p.c. and a minimum of 3.33 p.c. respondents in Haliyal and Kumta market areas respectively suggest that prices are not impressive for sale through co-operative societies. Co-operative societies are not preferred by respondent farmer on the ground that they do not purchase all their produce. This view is supported by a
maximum of 10 p.c. of respondents in Mundgod market area. Unofficial deductions in another reason advanced by a maximum of 20 p.c. of respondents in Haliyal market. A maximum of 13.33 and a minimum of 10 p.c. of respondents in Mundgod markets do not prefer to sell their produce through co-operative societies on the ground that co-operatives are located in cities only.

**Market functionaries**

Market functionaries have been playing an important role in the areas of the 8 APMCs covered by the study. The number of market functionaries in Honnavar and Sirsi APMC has gone up between 1990-91 and 2001-02, while the number is fluctuating in market area and there is decline in Yallapur area during the period overall 39.98 p.c. of working in there Retail trades.

A total number of 90 commission agents in the 7 APMCs areas were interviewed to elicit information about their length of experience in their profession. The overall position of the 7 APMCs regarding the experience of 90 commission agents reveals that 19 p.c. of them had experience up to 5 years, 21 p.c. between 6 and 10 years, 30 p.c. between 11 and 25 years and 30 p.c. of commission agent has experience of more than 25 years in their profession. The overall position shows that the largest number of 30 of there market functionaries had the highest experience of more that 25 years.

The commission agents are important market functionaries in the APMCs because of their knowledge skill and experience in the area of agricultural marketing. Hence information was sought about their entry in to this profession. It is found that 67 of the 100 respondents commission agents entered the profession as if happened to be a hereditary one. Good income earned in this profession had attracted 10
of the 100 respondents in to this profession, while 18 respondents entered the profession as they were induced by serving under CA/trader previously. It is significant to note that 5 of the 100 respondent commission agents took up to this profession as they were unemployed prior to entering the profession.

It is significant that 78 p.c. of the respondent commission agents felt that the officials of the 7 APMCs were co-operative in their profession. However 22 p.c. of them felt that they were not satisfied with the APMC officials in getting co-operation from them in their profession. There is not much variation in opinions of commission agents from the 7 different APMCs covered the study.

The opinion of 30 respondent farmers from each of the 7 APMCs were sought about the services of the commission agents. It is significant to note that an overall 52.86 p.c. of the respondents preferred the services of these commission agents on the ground that they gave loans and advances to the farmers on their produce. It is again note worthy that 11.91 p.c. of the respondent farmers prefer the services of commission agents as they provide storage facilities for their produce. A substantial 3.33 percent of respondents preferred the services of commission agents on the ground that the latter helped in selling the produce without delay. Lastly, It is significant to not that 31.90 p.c. of the respondent – farmer felt that the services of the commission agents was not necessary.

**Malpractices at the APMCs**

The response of the selected farmers in 7 APMCs areas about the malpractices in the market are quite revealing.
Improper weighing is a malpractice as suggested by 7.62 p.c. of the respondent farmer. Paying different prices for the same grade and deduction is a malpractice according 26.66 p.c. of the respondents. Unfair charges and large quantities of samples are taken from the produce of the farmer according to 23.33 p.c. of the respondents. However, it is significant to note that 42.39 of the respondents felt that there were no malpractices in the regulated markets.

5. Trade practices in regulated markets

Market charges on Arecanut and Cotton are as under commission charges for both Arecanut and Cotton at a uniform rate of 2 p.c. Brokerage charged by licensed broker at 0.20 p.c. the rate of weighment charges are paid by the seller to the licensed weighman. The rates vary between Rs. 0.10 to Rs. 0.50 in the 7 market area. The average work out to Rs. 0.38 and 0.50 for Cotton.

The hamali rates vary from a minimum of Rs. 0.50 (Kumta, Honnavar and Yallapur) to a maximum of Rs. 1.00 Sirsi and Siddapur for Arecanut. Halmali rates for cotton are relatively at a lower level with a maximum of 2.00 in Haliyal and Mundgod.

Customary deductions by the APMCs are more than the prescribed level by the bye-law as asserted by 82 p.c of the respondent - sellers, while a paltry 18 p.c of them felt that the deductions conformed with the bye-laws.

Methods of Sale

The tender system of sale is adopted for Paddy, Jawar, Dry-chillies, Rice, Ragi, Cotton and coconut and mutual agreement system is followed for other notified commodities as cattle, Goats, sheep, and Forest products in Mundgod market. In Haliyal market, the tender
system is followed for cotton and paddy, open auction system for Bamboo, canes, fire wood and wood and mutual agreement system is followed for cattle, goats and sheep.

In Sirsi market, the tender system is followed for Areca nut, Rice, Pepper, Dry-chilies, paddy coconut ad banana, there is o open auction in the Sirsi market and mutual agreement system is followed for wood.

In Kumta market, the tender system is followed for Areca nut, Pepper, Rice, Paddy and Groundnut, open auction system for Banana, Mango, Betal leaves, wood. All vegetables and there no followed by the mutual agreement system in the Kumta market

In Siddapur market, the tender system is followed for arecanut, paddy, pepper, rice, open auction system for banana and mutual agreement system is followed for cattle and wood.

In Yallapur market, the tender system is followed for Areca nut, Paddy, Coconut, Pepper and Rice, open auction system for Banana and mutual agreement system is followed for wood.

In Honnavar market the Tender system is followed for Areca nut, Rice, Cashew nut, Paddy and Coconut, and open auction system for wood and Betal leaves and the there no followed by the mutal agreemnt system in the Honnavar market.

The responses of farmer respondent regarding their preference of the method of sale are quite interesting the overall response of the farmer in the 7 selected markets reveals that 75.24 p.c. of them preferred the tender system 74.14 p.c. the open auction system and 17.62 p.c. the open agreement system.
Payments for sales to the farmer

The experience of farmer regarding the payment for the sale of their produce in the APMC yards were not unanimous. It is note worthy that 66 p.c. sellers of Arecanut asserted that payment for their sale took within 24 hours, while 21.23 p.c. of them asserted that payment was received within Fort night, while 12.67 p.c. of them within 3 days.

The respondent farmer (for commodities other than cotton) stated that 48.33 p.c. of them received payment within 3 months, while 25.00 p.c. of them within a month, 11.67 p.c. in within a week, 8.33 p.c. in within 2 months and while 6.67 p.c. of them within 3 days.

Reasons for disputes

The opinions of farmer-respondent regarding the causes of disputes reveal some interesting facts. It is found that 28.09 p.c. of the respondents suggested that disputes arise on grounds of price 4.28 p.c. felt that disputes arose due to quality of products 9.05 p.c. due to weight 4.29 p.c. for grading 12.86 p.c. for storage and 2.86 p.c. for payment. The remaining 38.57 p.c. of respondents suggested that there were no disputes. Thus the maximum number of respondents felt that disputes arose due payment problems.

It is significant to note that 80.48 p.c. of the respondents felt that the settlement of dispute by the APMC was satisfactory, while only 9.52 p.c. of farmer-respondents expressed dissatisfaction about the process of settlement of disputes.

It is equally significant to note that 82.22 of the respondent-commission agents expressed satisfaction about the settlement of disputes by the APMC, while only 17.78 p.c. of them expressed dissatisfaction.
Supervision over Trade practices

The farmer - respondents opinion was sought about the supervision of trade practices by the APMC. Positive assertion about the supervision done by the APMC over weighment was indicated by 73.33 p.c. while 5.71 p.c. of them gave a negative opinion.

In matters of supervision over grading positive opinion was given about supervision by 5.71 p.c. of respondents while a negative reply was given by 1.43 p.c. of them.

A positive opinion about supervision over payment was expressed by 4.29 p.c. of respondents.

In matters of supervision over selling positive opinion was given about supervision by 7.14 p.c. of respondents, while a negative reply was given by 2.38 p.c. of them.

The overall positive responses about the supervision of the aspects by the APMC was 90.48 p.c. while the negative opinion was 9.52 p.c.

6. Trade and Financial analysis

Trade in Agricultural Commodities in APMC, Mundgod:

(a) Paddy is the major agricultural commodity sold at this APMC accounting for more than 55% of the total arrivals of all commodities during 1997-98 to 2001-02.

(b) Rice is the Second major commodity sold at this APMC accounting for 25% of the total arrival of all commodities during the same period.

(c) Cotton is the third major commodity sold at this APMC accounting for 15% of the total arrivals of all commodities during the same period.
(d) Other agricultural commodities Traded at this APMC account individually for less than 2 p.c. of the total arrivals at the APMC.

(e) Fluctuation in arrivals are due to local sales, production variation(due to variations in Rain fall, Domestic consumption and weather condition in addition to sale to sale neighboring states.

**Haliyal APMC**

(a) Cotton accounts for the maximum amount of arrivals ranging between 22.69 p.c. and 98.20 p.c. of the total quantity of all agricultural commodities between 1990-1 to 2001-02.

(b) Paddy accounts for the second largest amount of arrivals ranging between 2.93 p.c. and 73.33 p.c. of the total arrivals of all the agricultural commodities during 1990-91 to 2001.02.

(c) Rice accounts for the third largest amount of arrivals ranging between 0.12 and 17.08 p.c. of the total arrivals of the agricultural commodities during the same period and Jawar contribution varies between 0.10 p.c to 1.86 p.c. in same period.

**Sirs APMC**

A maximum number of 8 agricultural commodities are traded at APMC, Sirsi between 12 year period. Arecanut is the major commodity traded at this regulated market whose total arrivals ranged between 9.90 p.c. and 76.62 p.c. of the total arrivals of all commodities between 1990-91 to 2001-02. The range of trade (minimum and maximum) for other commodities traded at this APMC during the above period is Pepper 0.05 p.c. and 1.45 p.c., Paddy 0.13 p.c. and 28.63 p.c. Rice 0.56 p.c. and 85.28 p.c Cotton 0.11 p.c. and 22.39 p.c., Dry-chillies 0.30 p.c. and 48.50 p.c., Groundnut 0.07 p.c. and 2.42 p.c. and Ananas 0.06 p.c. and
3.46 p.c. of the total arrivals of all agricultural commodities at this APMC between 1990-91 and 2001-02.

**Siddapur APMC**

Maximum trade in APMC, Siddapur has been in Arecanut. The total arrivals of Arecanut in 1990-91 at Siddapur APMC was 6.21 p.c. of total arrivals of all agricultural commodities. Arecanut arrivals at this market were 23.60 p.c. in 1991-92, 87.90 p.c. in 1992-923, 91.40 p.c. in 1993-94, 88.47 p.c. in 194-95, 89.19 p.c. in 1995-96, 86.15 p.c. in 1996-97, 7.95 p.c. in 1997-98, 6.39 p.c. in 1998-1999, 0.57 p.c. in 1999-2000, 0.81 p.c. in 2000-01 and 0.93 p.c. of the total quantity of all agricultural commodities in 2001-02.

Pepper arrivals were 1.49 p.c. in 1990-91, 5.05 p.c. in 1991-92, 0.14 p.c. in 1992-93, 0.15 p.c. in 1993-94, 0.27 p.c. in 1994-95, 0.12 p.c. in 1995-96, 0.13 p.c. in 196-97, 3.43 p.c. in 1997-98, 9.09 p.c. in 1998-99, 1.84 p.c. in 1999-2000, 1.28 p.c. in 2000-01 and 1.04 p.c. of the total quantity of all agricultural commodities in 2001.02


3.46 p.c. of the total arrivals of all agricultural commodities at this APMC between 1990-91 and 2001-02.

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Yallapur APMC

A maximum number of agricultural commodities are traded at APMC, Yallapur between 1990-91 and 2001-02.

Areca nut is the major commodity traded at this regulated market whose total arrivals ranged between 12.36 p.c. and 97.02 p.c. of the total arrivals of all commodities between 1990-91 and 2001-02. The range of trade (minimum and maximum) for other commodities traded at this APMC during the above period is Pepper 0.03 p.c. and 0.66 p.c. Paddy 0.13 p.c. and 7.32 p.c. Rice 1.04 p.c. and 14.74 p.c. and Cotton 9.81 p.c. and 85.25 of the total arrivals of all agricultural commodities at this APMC between 1990-91 and 2001-02.

Kumta APMC


The arrivals of Pepper ranged between of 0.01 p.c. in 1991-92, and 0.17 p.c. in 1990-91 and 2001-02. The arrivals of Paddy ranged between 0.12 p.c. and 12.87 p.c. of total arrivals between 1990-91 and 2001-02. The arrivals of rice ranged between 6.23 p.c. and 20.73 p.c. of total arrivals of agricultural commodities during the 12 years period. The arrivals of coriander ranged between 2.88 p.c. and 30.74 p.c. of the total arrivals of all commodities. The arrivals of Groundnut ranged...
between 0.36 p.c. and 3.56 p.c. of the total arrivals of all agricultural commodities during 1990-9 to 2001-02.

**Honnavar APMC**

Maximum amount of arrivals of agricultural commodities at Honnavar APMC is of Arecanut. The arrivals of Arecanut was 0.02 p.c. of total arrivals of all commodities at APMC, Honnavar in 1991-92, the total arrivals were 0.01 p.c. in 1993-94 to 1995-96, 0.02 p.c. in 1996-97, 2.21 p.c. in 1997-98, 1.34 p.c. in 1998-19999, 1.70 p.c. in 1999-2000, 1.09 p.c in 2000-01 and 0.94 p.c in 2001.02.

The arrivals of coriander ranged between of 0.37 p.c. and 22.59 p.c. between 1990-91 and 2001-02. The arrivals of Paddy ranged between 0.22 p.c. and 48.02 p.c. total arrivals between 1990-91 and 2001-02. The arrivals of Rice ranged between 1.99 p.c. and 63.93 p.c. of total arrivals of agricultural commodities during the 12 year period. The arrivals of Joggary ranged between 0.11 p.c. and 24.18 p.c. of the total arrivals of all commodities. The arrivals of Groundnut ranged between 8.67 p.c. and 97.30 p.c. of the total arrivals of all agricultural commodities during 1990-91 to 2001-02

**Karwar APMC**

Maximum amount of arrivals of agricultural commodities at Karwar APMC is of Rice the arrivals of Rice was 97.70 p.c. of total arrivals of all commodities at APMC, Karwar in 1990-91 the total arrivals were 97.62 p.c. in 1991-92, 98.75 p.c. in 1992-93, 83.90 p.c. in 1993-94, 68.52 p.c. in 1994-95, 89.48 p.c. in 1995-96, 90.01 p.c. in 1996-97, 89.15 p.c. in 1997-98, 72.63 p.c. in 1998-99, 76.10 p.c. in 1999-2000, 79.07 p.c. in 2000-01 and 83.26 p.c. in 2001-02.
The arrivals of Paddy ranged between 1.25 p.c. and 22.00 p.c. between 1990-91 and 2000-02. The arrivals of Antavals ranged between 0.99 p.c. in and 22.22 p.c. of total arrivals between 1990-91 and 2000-02. The arrivals of coriander ranged between 1.18 p.c. and 1.24 p.c. of total arrivals of agricultural commodities during the 12 years period. The arrivals of Cashew ranged between 0.02 p.c. and 0.54 p.c. of the total arrivals of all agricultural commodities during 1990-91 to 2001-02.

**Finance of APMC**

Regulated markets require finances for (1) acquisition of land for market yard, (2) construction of buildings godowns etc, (3) purchase of vehicles, furniture and various kinds of machinery, (4) construction of roads, (5) maintenance of buildings, (6) expenditure on printing and stationary, (7) payment of charges and taxes, (8) interest on loan, (9) dissemination of market information, (10) payment of salaries.

**Sources of income of APMC**

The source of income of the regulated market are (1) market fees, (2) license fees, (3) penalty on delay of payment of market fees, (4) income from property, (5) interest from deposits (6) other sources of income like sale books and forms, sale of grass and cow dung and rent on fire fighter etc.

**Areas of Expenditure by APMCs**

Market committee fund, state consolidated fund and market development fund are the 3 important financial arrangements to which the APMCs have to make contributions from their income periodically at the rates prescribed by KAPM® Act, 1966 and the said fund have to be utilized for specific purposes.
The market committee funds for instance have to be utilized for providing facilities in the market area, payment of allowances for amenities such as grading and standardization, collection and dissemination of market information, settlement of disputes, payment of interest on loan etc.

Income position of APMC, Mundgod shows that the total income fluctuated between 1997-98 and 2001-02. It came increase from Rs. 6,89,951 in 1997-98 to Rs. 8,05,48 in 1998-99, but rose to Rs. 13,03,538 in 1999-2000, and further to Rs. 15,79,222 in 2000-01 to Rs. 16,35,407 in 2001-02.

The maximum contribution 85.06 p.c. came from market fees in 2001-02 followed by income from deposits (11.96 p.c.), penalty (1.79 p.c.), (1.17 p.c.), from licenses fees and sale of books etc (0.02 p.c.)

Expenditure position of APMC, Mundgod shows that contribution to state consolidated fund is the maximum item of expenditure during the period of 5 years followed by contribution of KSAM Board, expenditure on amenities and administrative expenditure and donation to chief ministers medical relief fund. The total expenditure in 1997-98 was Rs. 3,43,755 which came down to Rs. 3,41,973 in 1998-99, further there has been an increase rose to with Rs. 6,89,745 in 1999-2000, Rs. 10,41,230 in 2000-01, but slumped to Rs. 9,11,710 in 2001-2002.


Administrative expenditure 39.08 p.c. in 2001-02, followed by contribution to state consolidated fund 31.19 p.c., expenditure on amenities 23.49 p.c, and contribution to KSAM Board 6.2 p.c,


Market fees is the maximum at 80.46 p.c of the total in 2001-02, followed by interest form deposit 17.06 p.c. license fees 1.11 p.c. income from assets 0.22 p.c. penalty 0.08 pc., and other source s1.07 p.c.

Expenditure on amenities was 63.24 p.c. in 2001-02, followed by contribution to KSAM Board was 15.00 p.c., contribution to state consolidated fund was 11.5 p.c. Administrative expenditure is the 10.50 p.c. and other form 0.01 p.c.


The maximum contribution of 6.24 p.c. of income in 2001-02 has come from market fees, followed by interest from deposit 9.29 p.c., income from assets 12.52 p.c., license fees 1.50 p.c. sale of book and forms 0.13 p.c. and other 0.02 p.c.

There has been a continuous rise in total expenditure of Siddapur APMC since 1990-91. It was Rs. 6,66,329 in 1990-91, Rs. 6,24,808 in 1991-92, Rs. 7,13,172 in 1992-93, Rs. 13,19,747 in 1993-94, Rs. 8,12,178 in 1994-95, Rs. 19,92,228 in 1995-96, Rs. 19,98,356 in 1996-97, Rs. 28,14,664 in 1997-98, Rs. 33,66,820 in 1998-99, Rs. 48,47,616 in 1999-2000, Rs. 55,69,028 in 2000-01 with a slight decline to Rs. 32,78,739 in 2001-02.

Expenditure on amenities is the maximum in 2001-02 at 58.41 p.c. of total expenditure followed by administrative expenditure 19.20 p.c., contribution to state consolidated fund was 18.66 p.c., and contribution to KSAM Board was 3.73 p.c. of the total expenditure in 2001.02.
Total income of the APMC, Yallapur has shown a continuous rise during the first eleven years from 1990-91 to 2000-01. The total income was Rs. 15,35,021 in 1990-91, Rs. 16,85,106 in 1991-92, Rs. 21,59,858 in 1992-93, Rs. 23,12,914 in 1993-94, Rs. 29,79,185 in 1994-95, Rs. 36,29,305 in 1995-96, Rs. 40,62,321 in 1996-97, Rs. 60,14,374 in 1997-98, Rs. 64,22,645 in 1998-99, Rs. 61,27,367 in 1999-2000, Rs. 67,22,342 in 2000-01 with a slight decline to Rs. 49,17,888 in 2001-02.

The maximum amount of 82.08 p.c. of income in 2001-02 was generated from market fees followed by income from assets 8.63 p.c. interest from deposits 6.28 p.c., license fees 1.30 p.c. other source was 1.20 p.c., penalty 0.36 p.c. and sale of books and forms was 0.15 p.c.

The total expenditure of Yallapur APMC has shown a continuous increase during the first year 1990-91, a decline in 1991-92 and an increase in 1992-93 to 2000-01. Again 2001-02 decline in the year.

The total expenditure was Rs. 11,78,369 in 1990-91, Rs. 7,44,614 in 1991-92, Rs. 14,03,735 in 1992-93, Rs. 15,13,627 in 1993-94, Rs. 15,64,806 in 1994-95, Rs. 29,38,204 in 1995-96, Rs. 34,96,686 in 1996-97, Rs. 49,82,960 in 1997-98, Rs. 37,34,741 in 1998-99, Rs. 65,72,636 in 1999-2000, Rs. 84,92,021 in 2000-01 with a slight decline to Rs. 78.80, 747 in 2001-02.

Expenditure on amenities was 67.97 p.c. contribution to state consolidated fund was 16.57 p.c. administrative expenditure was 12.70 p.c. and contribution to KSAM board was 2.76 p.c.

Income position of APM, Kumta shows that the total income fluctuated between 1990-91 and 2001-02. It came down from Rs. 20,18,414 in 1990-91, Rs. 19,22,667 in 1991-92, Rs. 27,09,777 in 1992-93, Rs. 24,55,635 in 1993-94, Rs. 27m02m294 in 1994-95, Rs.

The maximum contribution of 59.74 p.c. came from market fees in 2001-02, followed by interest from deposits 28.94 p.c. income from assets was 8.32 p.c. from license fees 1.74 pc., from others source was 1.00 p.c. and penalty was 0.26 p.c.

Expenditure position of APMC, Kumta shows that Administrative expenditure is the maximum item of expenditure during the period of 12 years, followed by expenditure on amenities, state consolidated fund, contribution to KSAM Board, donation to chief ministers medical relief fund. The total expenditure in 1990-91 was Rs. 1153436 which came down to Rs. 10,67,081 in 1991-92, further there has been a continuous rise with Rs. 12,21,879 in 1992-93, Rs. 15,46,674 in 1993-94, Rs. 7,48,433 in 1994-95, 24,35,751 in 1995-96, 21,71,813 in 1996-7, 22,03,110 in 1997-98, 23,07,513 in 1998-99, 33,03,835 in 1999-2000, 51,64,619 in 2001-01 and 60,45,658 in 2001-02.

The maximum contribution of 83.09 p.c. came from market fees in 2001-02, followed by license fees 4.65 p.c., sale of books and frams 3.74 p.c. interest from deposits from 2.77 pc., other source form 2.57 pc., penalty is the 1.8 pc. And income from assets 1.13 p.c.

Expenditure position of APMC, Honnavar shows that expenditure on amenities is the maximum item of expenditure during the period of 12 years, followed by administrative expenditure, state consolidated fund, and contribution to KSAM Board.

The total expenditure in 1991-92 was Rs. 2,16,192 which increase from to Rs. 3,19,531 in 1992-93, Rs 3,69,506 in 1993-94, Rs. 4,43,343
in 1994-95, Rs. 6,67,126 in 1995-96, Rs. 23,85,366 in 1996-97, Rs. 10,45,417 in 1997-98, Rs. 10,4,510 in 1998-99, further there has been a continuous rise with Rs. 32,27,121 in 1999-2000, Rs. 40,89,421 in 2001-01 and again decline in Rs. 29,37,594 in 2001-02.


The maximum amount of 80.50 p.c. of income in 2001-02 was generated from market fees followed by interest from deposits 12.15 p.c. license fees 4.51 p.c. income from assets 1.53 p.c., penalty 1.27 p.c., and other source was 0.04 p.c.


Contribution to state consolidated fund is 45.28 p.c. of total expenditure in 2001-02, followed by administrative expenditure 33.59 p.c., contribution to KSAM board 15.09 p.c. and donations to chief ministers medical relief fund 6.04 p.c.
Expenditure by APMCs on Amenities

Providing of amenities and facilities to the sellers and buyers and other functionaries is on important function of the APMCs.

Expenditure on amenities y the 8 APMCs covered by the study show some interesting Trends.

The highest amount of money was spent on amenities during the 12 years period form 1990-91 to 2001-02 by the Sirsi APMC, followed by APMC Yallapur APMC, Honnavar APMC, Siddapur APMC, Kumta APMC, Haliyal APMC, Mundod and Karwar APMC there no develop the market.

The highest percentage of money in relation to total income is spent on amenities by APMC, Mundgod and Karwar though it happens to have the lowest income in relation to other 6 APMCs and its expenditure in absolute terms on amenities is the lowest compared to other 6 APMCs.

The highest income of APMC, Sirsi was r. 1,64,59,994 on 1998-99 and expenditure on amenities 12.11 p.c. of the total income.

The highest income of APMC, Kumta was Rs. 48,34,088 in 1999-2000 and expenditure on amenities 15.84 p.c. of the total income,

The highest income of APMC, Honnavar was Rs. 20,11,761 in 1999-2000 and expenditure on amenities 25.32 p.c. of the total income.

The highest income of APMC, Siddapur was Rs. 45,63,474 in 2000-01 and expenditure on amenities 7.30 p.c. of the total income.

The highest income of APMC, Yallapur was Rs. 67,22,342 in 2000-01 and expenditure on amenities 15.98 p.c. of the total income.

The highest income of APMC, Haliyal was Rs. 34,80,546 in 1998-99 and expenditure on amenities 13.57 p.c. of the total income.
The highest income of APMC, Mundgod was Rs. 16,35,407 in 2001-02 and the expenditure on amenities 0.00 p.c. of the total income.

The highest income of APMC, Karwar was Rs. 7,36,868 in 1999-2000 and the expenditure on amenities 83.97 p.c. of the total income.

**Suggestions**

1. The government should hold elections to the APMCs immediately after the tenure of the members of the APMCs is over and hand over the powers to the members elected by the people.

2. The surplus income of the APMCs should be utilised for purchase of transport vehicles and for construction and improvement of rural link roads, this will help the rural farmer to bring more of their agricultural produce to the regulated market for better prices.

   Co-operative marketing societies and processing societies should utilize their surplus funds for purchase of Transport vehicle. The APMCs should try to find out ways and means to provide cheap and efficient rural transport facilities.

3. The APMCs should increase the number of weighmen so that the weighment of farmers produce is done promptly. It is also necessary that the concerned state government should introduce electronic weighment system.

4. Scientific grading system should be introduced in each regulated market, trained and qualified graders should be appointed.

5. Proper storage and ware housing facilities should be provided by the government in each regulated market.

6. It is necessary to enthuse the farmers to make frequent use of market information centres.

7. The APMC should take necessary measures to develop a machinery for disseminating market news starting from price
and arrival trends of agricultural output in local as well as terminal markets.

8. The government should formulate policies to enable the APMCs to spend a fixed sum from their income for providing amenities and facilities. Government should give financial help to APMCs with limited income for providing amenities and facilities.

The management of the APMC at Mundgod and Haliyal, should try to follow suit and provide the needed facilities and fall in the line with the other markets.

9. The APMCs should take stern action against persons who resort to malpractices in the market yards.

10. It is necessary to control the collection of unauthorized charges from the farmers by the commission agents. It is necessary to reduce market changes to some extent to attract more farmers to the regulated markets.

11. Direct selling system should be encouraged by the APMCs.

12. Amenities should be provide in Mundgod and Karwar APMCs

13. Scientific grading should be implement in Sirsi, Kumta, Siddapur, Yellapur, Honnavar and Karwar APMCs

14. Market yards should be create and creation of amenities for arrival of agricultural products in Karwar APMC

15. Comparing to other APMCs in North Kanara district, Mundgod, Honnavar and Karwar APMCs were not development in marketing activities.