Chapter –III

Review of Literature

3.1 Introduction

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Chapter –III

Review of Literature

3.1 Introduction:-

Researcher’s topic for Research is “An analytical study of organization and management of agricultural produce market committee in Solapur District”

For the purpose of review of literature the researcher has visited to the various Research Centres in and around Solapur District.

A researcher visited:-

1. Department of Commerce and Research Centre, Pune University Campus, Pune-411007
2. Department of Commerce and Research Centre at Brihan Maharashtra Commerce College, Pune -411004
3. Agricultural College, Pune -411005
4. Arts, Commerce and Science College Pirangut Tal.: Mulshi, Dist.:- Pune
5. Solapur University, Solapur.
6. Department of Agricultural Statistical, Pune
7. Department of Statistical, Solapur
8. Agricultural marketing Board, Pune
9. Agricultural Produce Market Committee at Solapur

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The review of literature provides information to the researcher’s regarding the previous works done in their research neighborhood and thereby helps them in identifying the theoretical framework and methodological issues relevant to the study. It provides a proper direction to the researchers to carry out their research work and it enables them to arrive at meaningful results. Keeping these facts in view, the available literature, relevant to the objectives of the present study is reviewed and presented herewith under the following.

3.2 Review of Report on Agricultural:-

During the library work at Reserve Bank of India Mumbai there were number of Reports on Agricultural Commodities and Marketing. A “Report of the working Group on Warehouse Receipts
and Commodity Futures” by Prashant Saran, Chief General Manager and 10 Member of the Working Group of Department of Banking Operations and Development Reserve Bank of India, Mumbai in April 2005. In this report an amendment including the provision of the Banking Regulation Act, 1949 in regards to dealing commodities by Banks and the Negotiable Instrument Act, 1881 for imparting negotiable status to warehouse Receipt so as to enable the banks to play a meaningful role in developing commodity markets and extend necessary credit facilities.

The group also noted the restrictions placed on free market abilities of agricultural produce in terms of the state Agricultural Produce Market Committees Acts and the relief provided by the Model Agricultural Produce Market Committees Act which provides private marketing facilities.

Agricultural Produce Marketing is subject to State level Agricultural Produce Market Committee Acts. The existing act originates from pre-independence but marginal adjustments have occasionally been made by individual States.

This Act regulates marketing of “Notified Agricultural produce” including the operation of wholesale markets, and compulsory sale of produce through these markets. Notified Agricultural produce may be as many as over hundred products. Thus, the wholesaling of agricultural produce is governed by the Agricultural Produce Marketing Acts of various State governments. The specific objective of market regulation is to ensure that farmers are offered prices that are fair and transparent. The market committees have the authority to levy
and collect market fees on all transactions within regulated markets of which there are more than 7000 in the country.

Research Report on “Public Private Partnership in Agricultural Marketing – A case of Pune District, in Maharashtra” submitted to National Institute of Agricultural Marketing (NIAM) Jaipur Rajasthan, India, in 2010-11 by Dr. B.K. Paty, Deputy Director and Dr. Shelendra, Research Officer, NIAM.

In this report some views of Public private Partnership are as follows:

1. Private investment in agricultural marketing sector cannot be considered in separation. The Public Private Partnership organization in the system can only be evolved by removing glitches of the regulatory marketing system through introduction and promotion of reforms on the lines of model Act pictured by Government of India.

2. The major factors coming up as hindrance for private investment in the sector are very less awareness about various Government schemes, low return on investment, high degree of risk in the sector due to dependence on weather. Hence, there is a need to create awareness among the stakeholders regarding various Government Schemes. Moreover, to mitigate high risk in the sector, the investment proposal/schemes should include sufficient incentives to attract private entrepreneurs.
3. Single Window System needs to be introduced to facilitate faster clearance of infrastructure projects under PPP.

4. The various means should be explored by the Government to increase incentive to the participants like higher rate of subsidy, subsidy on interest on the finance availed, longer repayment period, rebate on the taxes on the equipment bought for the projects, etc.

5. Networking with ICAR and SAU for providing region specific and crop specific technical solutions to the farmers and entrepreneurs willing to invest in agricultural marketing infrastructure.

6. The marketing extension should be an integral part of all extension agencies to enlighten about potential of the sector and take care of the technical queries of the interested stakeholders.

7. Awareness about the initiatives of the Government to create infrastructure should be intensified through a proper marketing extension mechanism by the state governments including line department.

8. Comprehensive Crop insurance policy needs to be adopted by the Government covering a wide range of risk elements. It is also suggested to improve the present crop insurance policy.

Research Article on “Agricultural and Marketing System in Solapur District” Submitted by Dr. R.B. Gavakare and Dr. Y.S.Khan.
This article includes issues of the equity in bargaining power among the agriculturalists and traders and to prevent malpractices and to promote mutual confidence.

For this suggested that there are major ten markets centre in Solapur districts these are Barshi, Solapur, Akluj, Karmala, Pandharpur, Mohol, Kurduwadi, Sangola, Akkalkot and Mangalwedha. These are located in different parts of the district and serve as trading centers in Solapur districts. Some of the food grains from the region are sent to Tamil Nadu, Kerala, Karnataka and Andhra Pradesh in Peninsular India. These market centres have solved various problems of the cultivators in the district.

Report on the “workshop on WTO and Indian Agriculture: Implications for Policy and Rand D”. This workshop was arranged by the National Academy of Agricultural Science, New Delhi, 13th to 18th December, 2005 at that time the President of the executive council was Prof. M.S. Swaminathan and workshop coordinator was Prof. V.P. Gupta.

India has to counter the challenges in the export of traditional items from the developing countries. As regard, prioritization, enhancing production and processing efficiency, marketing and transport infrastructure, maintaining quality, stable supply etc. need immediate attention. And there is need to go whole hog in reforming domestic market as has been done by China. The constraints of multiplicity of laws in agricultural marketing, processing, storage and transport should be immediately addressed to impart simplicity, reduce
transaction costs and attract private investments in post harvest management. Further, enforcement of Model Agricultural Produce Market Committee Act which encourages direct Marketing and contract farming should be implemented in true spirit.

The deliberations of the workshop suggested the following policy initiatives and action points:

1. Export of high value products, horticulture products, processed products, marine products and rice should be promoted.

2. Agriculture needs to be brought under the Concurrent list of the Constitution.

3. There should be a merger of several related departments like irrigation, fertilizer, food and agriculture, etc. for better coordination and synergy.

4. Public investment in agriculture has to be raised, particularly in Research and Development including extension.

At the same time the Researcher has visited to the various Libraries and web sites for taking the review of research topic. These Libraries includes:-

1. Jaykar Library, Pune University Campus, Pune -411007.

2. Library of Department of Commerce and Research Centre, Pune University Campus, Pune -411007.

Royal Commission on Agriculture in 1928

The progress of the Agricultural Produce Market Committees in India under the Bombay Cotton Markets Act, 1927 was very slow. At the time, the Royal Commission on Agriculture investigated the whole question. There were Agricultural Produce Market Committees only in the central provinces. While entirely endorsing the principles underlying the Bombay Cotton Market Act of 1927, the Commission made some recommendations as to the functioning and constitution of the Agricultural Produce Market Committees.

It recommends:

1. That the Agricultural Produce Market Committees should be established in all territory in order to facilitate the marketing of all types of agricultural produce.
2. The primary expenditure on land and building incurred for starting such markets should be met from a loan out of local revenues.

3. The licensed brokers should be prohibited to stand for election from growers’ constituency.

4. The Agricultural Produce Market Committees should be empowered to elect its own Chairman and vice-Chairman.

5. That action should be taken to prevent brokers in the Agricultural Produce Market Committees from acting as both buyers and sellers as in all such cases, the broker had a natural predilection in favour of the buyers. The commission held very strong opinion on this point. It conclusively remarks as, “We would suggest that the license of any broker found contravening the provision should be cancelled for the season and on the repetition of the offence must be cancelled permanently.”

3.3 Review of Books, theses and Dissertations:-

During the library work of Agricultural College, Pune, there were number of books on Agricultural and Cultivations, but one of the book is ‘Acharya (2000) reviewed the subsidies in Indian agricultural and presented an assessment about who benefited from the subsidy. In the study various types of subsidy programmes such as food subsidy, input and output of agricultural produce are discussed.
It was reported that benefit of the subsidies had been shared by all the sections of the society together with farmers, landless labours, urban customers and the industry. The study concluded that price support policy would require being in area even in a liberalized surroundings in all the area of the country, an agency would be needed to undertake price support purchases, maintain food grain buffer stock and undertake public distribution of food grains at least for the families below the poverty line.

There are number of thesis in the subject of management of Agricultural Produce Market Committee where the various subjects like working of Agricultural Produce Market Committee, e.g. “A study of Management of Agricultural Produce Market Committee in Pune District with Special Reference to Khed, Ambegaon and Junnar Taluka”, A comparative analysis of market Performance of Agricultural Commodities- An Economic Approach etc. are considered. But in the topic of role of organization and management of Agricultural Produce Market Committee, there is no any thesis for Ph.D.

During the library work at University of Pune there were number of thesis on Marketing, though there was not any thesis on the research topic, one of thesis on “A study of Management of Agricultural Produce Market Committees in Pune District with Special Reference to Khed, Ambegaon and Junnar Taluka” by S.D. Takalkar completed in 2006 he states in his thesis, some of the problems of these APMC’s.

According to him the thesis Lack of infrastructure and arrivals of different commodity in APMC’s.

The researcher has suggested that – some of the Agricultural Produce Market Committees have good infrastructure for marketing and
the highest arrivals of different agricultural produce in Agricultural Produce Market Committees.

Though there was also a thesis on marketing as “पुणे मार्केट बाड़ खंडी विक्री पक्रियाएँ मध्ये मांजी विक्रेत्या माहिलांच्या सहभागात एक विकित्त्वाचक अस्थायी” by Anjali Deshpande under the guidance of Dr. Pratibha Joshi in September, 2009 she is suggested as the public transport buses should be suitably modified for carrying the vegetable, parcels and baskets, new sub markets should be established in different parts of the city to enable vendors from discounts city – areas to reach suitable market yards.

The farmers should be encouraged to sell directly to retail vendors. The price should be determined by farmers and not the commission agents. The commission agents should be adequately supervised and the timing for purchases in the market yard should be in the afternoon also.

Another study on “महाराष्ट्रातील दुर्बल घटकांतील विपणन समस्यांच्या अस्थायी” by Prof. Adhav Vilas under the guidance of Dr. R.S. Deshpande in Feb, 2005 in his thesis he has highlighted on some of the problems on Marketing Defects and agriculture produce price of these APMC’s.

He has suggested that the Agricultural Produce Market Committees need immediate interferences by Government and Farmers Organizations.

During the library work on the website at university of Agricultural Science, Dharwad there were number of thesis on Agricultural and Cultivations, though there was not any thesis on the research topic, except the thesis on “Policy Reforms and Performance of Regulated Markets in Karnataka” by N. M. Kerur under Guidance of Dr. Basavaraj Banakar in March, 2007 in his thesis he has mentioned some of problem on performance of regulated market in Karnataka are given.
He has suggested that, on the Regulated Markets of Karnataka’s, his study is mainly concerned with the policy reforms and performance of regulated markets in Karnataka in general and north Karnataka in particular. Number of traders and other market functionaries were not increased in accordance with the increase in arrivals; therefore, the absorption of trade was mainly in the hands of few traders and market functionaries. The liberalization of markets may lead to better competition and increase in number of traders and other functionaries which may result in equalization of trade among the traders and increase in producers share in consumer rupee. The amount lent to beneficiaries under pledge loan scheme as percentage of total turnovers of regulated markets in Karnataka was negligible throughout the study period. Awareness programme should be conducted for educating the policy changes because the previous study found through cluster analysis that beneficiaries such as farmers, traders and small markets functionaries are unaware of implantation procedures and benefits of pledge loan scheme, revolving fund scheme and Raitha Sanjeevini Scheme.

One thesis on “A Comparative analysis of market Performance of Agricultural Commodities – An Economic Approach” was found on website on internet, which was submitted by Punitha S.B. under the kind major Advisor of Dr. S.B. Hosamani for awarding M.Sc. (Agriculture) Degree in the year May 2007.

The some of the major findings of the study were follows:-

1. The seasonal indicates of arrivals indicated the heavy arrivals of maize during July - October in Davangere market and during September – December in Hubli market. Whereas in case of groundnut, heavy arrivals were noticed during January, February
and July in Davangere market and during July – August in Hubli market. So the Agricultural Produce Market Committee (APMC’s) should come forward to provide necessary storage facilities and other infrastructural facilities in order to avoid market surplus and price.

2. The impact of market arrivals on prices has been found to be negative in the selected markets. In the light of such finding if fluctuations in market arrivals are regulated through market extension, the risk of fluctuations in price would be minimized.

3. The analysis of market concentration for maize and groundnut revealed the dominance of a few large traders who controlled the major share of maize and groundnut in selected markets. This calls for financial institutions to provide working capital requirements at normal charges to the small traders in the yard so that dominance of large traders could be reduced.

4. The forecasted value of arrivals indicated the higher arrivals in the coming years. Therefore, the selected APMC’s need to plan for providing necessary infrastructural facilities to handle the situation.

5. There is a need to establish a few processing units to create value addition to the selected commodities. These would help the farmers to get better income on the one hand and reducing price fluctuation on the other hand.

At the same time considering all the above facts it is not possible for conclusion depending on only two APMCs.