This chapter presents a brief narration of the salient features of Agriculture sector in India. Secondly, the need for and scope of Regulated Markets has been brought out. The reason for undertaking the present study has also been explained. Thirdly, a comprehensive review of literature has been made. Finally, objectives of the study, methodology, sources of data and limitations of the study have been clearly stated.

Agriculture occupies an important place in Indian Economy. Its contribution to the national economy in terms of generation of employment and supply of inputs to other industrial units especially agri-based is commendable. Its contribution in providing employment directly and indirectly is estimated at more than 75%.

NEED AND SCOPE OF THE STUDY

One of the economic objectives of India is to make optimum utilisation of scarce resources and, thereby, accelerate the economic development. To achieve this objective it has adopted a policy of encouraging agriculture and industrial sector. A sound policy of agricultural development requires concurrent analysis of not only the technical / production efficiencies in agriculture but also its marketing/distribution efficiencies. This was a recognised fact right from the time of Mahatma Gandhi which was very much clear from his statement that, ‘We want to organise our national power not just by adopting the
best methods of production but by the best methods of both production and distribution’.

In fact at present marketing efficiency is considered more important than production efficiency, especially in developing countries where manifold market imperfections often nullify the hard earned achievements of production front. The maintenance of equilibrium between agri-production and distribution results in economic stability. The accelerated growth in food grain production consequent to adoption of new strategies for agricultural development has placed added burdens on marketing strategies and system and raised several questions. However, the surplus that is generated by the farmers is meagre and there are so many anomalies while selling the agricultural produce. Thus agricultural marketing is one of the several problems that are to decide the destiny, prosperity and progress of poor cultivators who are the backbone of Indian Rural areas.

Agricultural Marketing involves all operations and processes essential to move the raw material from the farm sector to ultimate consumer. This system which is designed to meet the purpose must be such that it pays proper return or reward for the efforts of the tiller of the soil. Unfortunately in Indian Scenario, the Agri-Marketing is defective, ineffective and inelastic to the ill-luck of farmers and consumers. The imperfections in agricultural marketing have been extensively studied, discussed and researched, thus making available a spate of literature on the subject. Reacting positively to suggestions/recommendations of committees, commissions and experts, Government has undertaken several measures to improve marketing conditions. In spite of that there are so many drawbacks in Indian Agricultural Marketing which are glaring, mention may be made of lack of organisation, forced village sales because of indebtedness of farmers,

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lack of proper transportation system, excessive middlemen, multiple marketing charges, inadequate storage facilities, absence of grading and standardisation, lack of market information, lack of financial facilities at cheaper rates etc.

As a result, the farmers in our country are left to themselves, became the scapegoats of middlemen and money lenders. It is high time, the present system of agricultural marketing should undergo thorough change and the whole marketing mechanism needs to be reshuffled. That is why number of remedies have been suggested and proper steps are been taken by Government of India. Ministry of Agriculture has been giving much emphasis on commercialising agricultural production in the country. Sufficient food production and distribution have been considered high priority area and global issue. However all said and done, problem stays. Even today marketing continues to be a great challenge, an arduous task involving stress and strain, tension, risk and uncertainty, large majority of farmers is reported to be more worried of marketing especially of remunerative price rather than production. After appointing various committees, the Government decided to establish ‘Regulated Markets’. It has been felt that the defects and the pathetic conditions that are prevailing in the marketing of agricultural goods could be removed only by the establishment of Regulated Markets. The prime aim of establishing the Regulated Market is to give solution to, and remove the defects which are clear cut present in the agri-marketing system.

However, results achieved conspicuously showed that it has failed to attain the desired objective. This gap between the attainments of the objective on which fond hopes of development have been placed needs to be probed and ratified. The role of the
researcher in this regard can be very illuminating as one can dispassionately analyse the obstructing problems and offer logical and meaningful suggestions to rectify deviations. It is not unreasonable to hypothesise that the formation of very agri-market yards might have been confronted with so many problems.

The chief purpose of this study is to probe functioning of selected regulated market in Guntur District of Andhra Pradesh, Duggirala and thereby suggest measures for its better performance. This is an attempt to evolve the latest marketing situation in a district with specific reference to a primary producing crop, turmeric, to help appropriate policy making and its effective execution.

REVIEW OF CURRENT LITERATURE

Jain (1971)\(^2\) had studied the system of agricultural marketing and made a comprehensive review of practices prevailing in India for the marketing of agricultural produce. He made a thorough study of factors affecting the general level of prices of agricultural commodities and the specific prices in different markets over different time periods. His analysis into the various factors determining the extent of marketing costs and their impact on profitability of agricultural operations provides an excellent theoretical framework for enquiries into this important aspect of marketing.

Desai (1982)\(^3\) has made a study of the changes in the Indian Economy during the last two centuries with specific reference to the development of the market forces in the agricultural sector. His views on the various factors encouraging the transition of Indian


agriculture from subsistence farming to market-oriented farming provide us with a framework for understanding the dynamics of market forces propelling Indian agriculture into the 21st century.

Mamoria (1987) had made a detailed study of the agricultural marketing system in India. In his study, he had highlighted the problems faced by the Indian farmers in getting a fair and equitable price for their produce and the various steps taken by individual farmers, Co-operative societies and the Government to rectify the maladies prevalent in the marketing system. His study includes a very thorough review of practices pertaining to the collection of produce, grading, packaging, transportation and storage.

Prabhakara Rao (1985) had studied the marketing of agricultural products in Guntur district in Andhra Pradesh. His study includes a thorough review of existing arrangements for marketing, an appraisal of their effectiveness and suggestions for enhancing their efficiency. His study comprises an exhaustive appraisal of the functioning of regulated markets in the district.

Mahajan (1985) in his work on agricultural and industrial development in India had attempted an analysis of their agricultural policy of the Government on agricultural productivity, production, profitability and the diffusion of benefits among farmers. He concludes that the benefits of Government subsidies and initiatives have been cornered.

by the large farmers and vested interests have not allowed the small farmers to benefit from schemes which were intended for the small and marginal farmers.

Subba Rao (1989)\(^7\) had studied agricultural marketing and credit in rural areas and made a very thorough analysis of agricultural marketing operations in India. He developed tools for the measurement of market performance in the Indian context, using tools developed and used in the more advanced nations. He made a study of factors acting as stumbling blocks in increasing the effectiveness of marketing operations in the agriculture sector. Seasonal nature of arrivals of produce into the market, cornering of produce by a few well entrenched traders, the very small lot of marketable surplus, the lack of arrangements for storage of produce, lack of access to finance from the organised sector and the reluctance of banks to extend post harvest loans are some of the major shortcomings of the marketing system for the agricultural produce in India.

Misra and Puri (1990)\(^8\) had studied the arrangement for agricultural marketing in India with a specific reference to unorganised markets, their characteristic features, nature of operations, deficiencies and the impact of the deficiencies on the effectiveness with which marketing activities are performed. They made a study of various government initiatives in the direction of market improvement and the result of such initiatives on the performance of the market in the rural areas.

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\(^{7}\) Subba Rao, K. (1989). “Agricultural marketing and rural credit”, Indian council of social research, New Delhi, pp. 5-17.

Sahoo and Sahoo, S.C. (1991)⁹ had enlightened the role of co-operative banking in the economic development and stated that the strengthening of co-operative institutions could go a long way in ameliorating the sufferings of small and marginal farmers in India. Co-operative marketing institutions in their view could play an important role in eliminating the deficiencies in the arrangements for marketing of agricultural produce in the nation.

Radhakrishnan (1993)¹⁰ had reviewed the Indian agriculture and the efforts of the government over the last 50 years. He studied the impact of such efforts on the income of farmers in different regions of the nation. In addition, his analysis also includes a study of the impact of such initiatives on employment in the agricultural sector and the availability of food of the general public. He called for decentralisation in agricultural planning in view of the bio-diversity prevailing in the country and stresses the need for a more locality-specific approach to planning.

Acharya and Agarwal (1994)¹¹ had analysed the agricultural prices and the government intervention in pricing of agricultural products. They stated that intervention measures and strategies must take into consideration the economic structure of the country. They have studied the relative effectiveness of different forms of intervention like price support, administered prices, procurement efforts, maintenance of buffer stocks and restriction on movement of products, regulation of import and exports and restriction on the activities of traders. Their study also includes an in-depth enquiry of various

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factors affecting demand and supply in the farm produce sector and the implication of such factors on agricultural prices.

Cannon (1994)\textsuperscript{12} in his study of the marketing function provides a framework for analysing and understanding the structure and dynamics of marketing systems all over the world. He appraised the role played by the Governments in the regulation, control, direction and development of markets. His study of the dynamics of food marketing chains provides us with insights into the processes connected with retail marketing of agricultural products in United Kingdom.

Tyagi (1996)\textsuperscript{13} had made an extraordinary study on the role of the co-operative marketing institutions with reference to their structure, functions and management. Based on his enquiry into the functioning of such institutions he stated that their effectiveness has been curtailed and reduced by the presence of a number of shortcomings like the domination by large farmers, low capital base, unequal distribution of agricultural requisites and falsification of accounts by officials and the control of traders on their activities. He stressed the need to make available a variety of marketing services to the farmer at the village level by co-operatives through a more pro-active role in marketing of farm produce.


Choudary and Prasad Rao (1999)\textsuperscript{14} have attempted an evaluation of the policy guidelines of the Government of Andhra Pradesh as enunciated in Vision 2020 with reference to the agricultural sector and the likely impact of the Government decisions on the prices of agricultural products and profitability of agriculture in the state.

Lekhi and Singh (1999)\textsuperscript{15} had provided a framework for assessment of efficiency of agricultural operations in the Indian context with reference to operational efficiency, price efficiency and distributive efficiency. They have attempted an appraisal of functioning of agricultural markets with reference to the above indices of efficiency and conclude that there is ample scope for improvement in all the three areas of efficiency. Their study includes an assessment of the impact of inefficient marketing practices on different sectors of the economy and different sections of the society.

Radha Mohan \textit{et al.} (2001)\textsuperscript{16} undertook a study on functioning of regulated markets in Gorakhpur Division (UP). It revealed that with respect to market fee, the justified amount is not charged but on records only 25-50 per cent fee was entered and rest of the 50-75 per cent amount was taken away by the mandi workers without giving any receipt. It was crystal clear from observation that without properly knowing the implications of the provisions of the Act, there was a loss to the market committee by way of evasion of market fee.

Rangaswamy and Nama Kumari (2002)\textsuperscript{17} have made a comprehensive study of the prevailing marketing environment in India in the era of Globalisation. Their work includes a discussion on changing consumer preferences and the new challenges faced by marketers in India.

Habeebur Rehman (2003)\textsuperscript{18} in his treatise on rural marketing makes a study of the existing system of agricultural marketing. He also reviews the role of the Government in the areas of market research, market training, market extension and market improvement.

R.L. Pitale, Daya (2007)\textsuperscript{19} in his book India Rich Agriculture: Poor Farmers proposes to present design of the Income policy for farmers suiting India’s Agricultural sector. The profile of farms and farmers is presented to understand the agricultural economy and type of farmers for whom Income policy is designed. It also looks at Income level of farmers and limitations of data in this respect. Sheer number of different commodities is so large that it is a complicated task to have a homogenous approach. Main limitation in India’s Agriculture to increase farmers’ income in small size of farming through an incentive mechanism can bring small and large farmers together for the management of farms for increasing farmers income.

RESEARCH WORKS: NATIONAL ARTICLES

Sudhir Wanmali (1985)\textsuperscript{20} Research Associate, Centre of South Asian Studies, University of Cambridge opined in his paper that the Agricultural produce in rural India is mostly collected, distributed and resold through major channels, one consists of regulated markets which are established for the purpose by the State Governments and the other consists of periodic markets which have grown spontaneously and are not controlled, at least not in the same sense are regulated markets.

V.N. Reddy (1985)\textsuperscript{21} studied the pattern of Commercial Farming in Guntur District. The study lead with a notion that commercial farming occupies an important place in Indian Agriculture and that Guntur District in Andhra Pradesh is regarded as one of the leading areas in regard to the commercialisation of agriculture. The study also focused on agricultural changes in Guntur district from the beginning of this century.

Basavaraju Banakar and Shankaramurthy H.G. (1992)\textsuperscript{22} studied the investments in regulated markets and their impact on market arrivals and market intermediaries-An economic evaluation. They concluded that the market concentration was viewed from the relationship between arrivals and strength of intermediaries, there seemed to be oligopolistic activities operating even after the development of the markets (post investment period). Hence there is a need to keep a constant watch on such activities.


through legislation and thus giving the way for the emergence of competitive condition in the markets of Karnataka.

Baber V.S. and Lohar N.S. (1994)\(^{23}\) studied the arrivals and prices of jaggery in Sangli regulated market and found that the trends in arrivals and prices of jaggery in Agricultural Produce Market Committee, Sangli showed an increasing trend over the period of years. The seasonal indices of arrivals of jaggery were higher during the months of August to January.

Vani and Krishnaiah (1998)\(^{24}\) studied the price integration in marketing of chillies in Guntur market (A.P.) during 1996-97 to assess the price integration between two regulated markets. They selected Guntur and Tadikonda as control and local markets, respectively. Ravillion model was adapted to study the price integration. The index of market connection was 0.82 indicating high degree of market integration. The value of coefficient is 0.30 which implies that one rupee change in Guntur market price between the current and last year brings about Rs.0.30 increase in Tadikonda market price during same time period. Guntur market price will influence Tadikonda price with an increase of Rs. 0.63 during the same time period. While it would increase the difference by Rs. 0.63 in Tadikonda market price during last year.

Selvaraj, K.N. \textit{et al}. (1998)\(^{25}\) studied the farmers’ perception and functioning of regulated markets-an assessment. The study revealed that most of the farmers were not aware of the functioning of regulated markets. The results of awareness model indicated

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that the educational status of the farmers was found to be an important factor, which influenced the farmers’ awareness about the regulated markets. Hence efforts to be taken to disseminate the benefits of the regulated markets among all the farmers through publicity and propaganda activities.

Bhag Chandra Jain (2001)\(^\text{26}\) studied the market structure and performance of the regulated markets. The study suggested the need for imparting training in grading and standardisation to staff of the regulated market for efficiently integrating the market functions and functionaries.

Ravikumar K.N. \textit{et al.} (2001)\(^\text{27}\) studied the price response analysis of agricultural commodities in the selected regulated markets of Andhra Pradesh. It could be concluded from the study that the prices of competing crops in the previous year had significant positive influence on the prices of selected commodities in the current year and hence in the market arrivals.

Jairath (2002)\(^\text{28}\) studied institutional reforms- a case study of agricultural markets in India. Results indicated that the multiplicity of market fees system, existence of wide variation in the rates of market fees and its imposition on the buyers/sellers in different types of crop produce and livestock along with imposition of development fund/cess, substantial market charges and entry tax/octroi inflate the cost of produce and widen the gap between the consumer price and producer price. Study suggested that the policy


makers, administrators and planners for free flow of agricultural and horticulture produce and livestock throughout the country.

Pendnekar (2003)²⁹ highlighted bottlenecks in the efficient functioning of the markets, study revealed that during the peak seasons of marketing, the producer-sellers were observed to have been selling their produce at lower prices and middlemen used to take the advantage of the seasonal effect. Further, the godown facilities available in Goa market were observed to be inadequate and also delay in payment even after a period of 30 days particularly peak seasons of marketing, which suggests that it is essential that the Food Corporation of India, Cooperative Marketing Societies, Civil Supplies Corporation etc. It will not only help to create competition but also help the farmers to get remunerative price for their produce

Pochanna (2003)³⁰ had analysed the secondary data pertaining to the period 1970-71 to 1995-96 and concluded that the number of agricultural holidays and the total operated area has increased in the case of small and marginal farm households. His study also revealed that small and marginal farmers are dependent on the ground water resources within the land holdings as they have limited access to irrigation facilities.

Prasad and Venkateswara Rao (2003)³¹ had studied the potential that Andhra Pradesh has for building up a strong processed food industrial sector. They studied the difficulties faced by the processing units at present and have suggested measures for strengthening the processing sector.

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Ruchira Sharma (2003)\textsuperscript{32} had analysed the role of women in the agricultural sector and drew our attention to the fact that rural women are invisible farmers who play a significant role in agricultural operations and contribute substantially to meet the needs of the household. She called for recognition of the role of the women in the rural sector and advocated the need for empowerment of the rural women.

Kalai Rasi \textit{et al.} (2003)\textsuperscript{33} had drawn our attention to the important role played by women in the agriculture sector and the general failure to recognise this aspect by the researchers and government officials involved in developmental activities. In addition to the provision of unskilled labour on farmlands, they also are involved in the management of the farm units, upkeep of animal stock, stocking and maintenance of valuable agri-inputs and processors of final produce. They believe that with adequate support women folk can play a more constructive role in the rural sector.

Parminder Kaur \textit{et al.} (2003)\textsuperscript{34} study conducted to assess the progress and performance of regulated markets in Punjab with the object of ascertaining the role of regulated markets in the marketing development of the state. The results of the study revealed that over the years it is not only the numbers of regulated markets have increased but the infrastructure facilities required for orderly marketing of agricultural produce have grown at a faster rate with increased arrivals. Income of market committees have also increased significantly which is being flown back for further expansion of


\footnotesize{\textsuperscript{33} Kalai Rasi, Rajeswari, Malarvizhi (2003). Deepa Shankar and Manonkint, “Contribution of rural women needs an appropriate perception”, Swarna Sedyam (Telugu), Agri Gold Multimedia Publications, Vijayawada, March p.43.)}

infrastructure facilities including development of rural roads and other facilities which were conducive to the interest of primary producers and ultimate consumers.

Swaminathan (2003)\textsuperscript{35} had made a comprehensive analysis of the need for imparting a pro-nature, pro-poor and pro-women orientation to technological development and its dissemination for agricultural development. His study delineated the need for an articulation of concepts and operation strategies, which can help in reaching the unreached in knowledge skills and technical empowerment. He stressed the need for rural knowledge centres for knowledge management and diffusion. He stated that rural empowerment must be based on free access to technology, liberal credit and remunerative markets. He believed that the vernacular press can play a positive role in information dissemination in the rural areas.

Sabyasachi Das (2003)\textsuperscript{36} had studied the efficacy of micro-finance institutions in catering to the needs of the small and marginal farmers and entrepreneurs in rural India. He stated that these organisations working in tandem with banks and development agencies can effectively cater to the specific requirements of these target groups. He recommended the building up of strong linkages between Self-Help groups, Commercial Banks, NGOs and Micro-financing institutions.

Gupta (2003)\textsuperscript{37} had stressed the need to pay attention to the importance of using traditional media channels like community radio to end the isolation of rural

communities. He lauded the role played by newspapers published in regional languages which cater to the specific information needs of a given locality. Such newspapers inform and educate the rural folk on issues pertaining to the production and marketing of agri-products in addition to bringing to the notice of the farmers the various schemes proposed by the government for support to farming.

Mallikarjun (2003)\(^{38}\) had reported on the proposed panel to be constituted by the Central Government to the study of the phenomenon of farmer suicides in many states of the country including Andhra Pradesh. Making reference to a number of reports, he pointed out to lending finance at exorbitant interest rates from private financial sources as one of the aggravating factor. The recent reduction in interest rates on farm lending by commercial banks could mitigate the problems. Steps are also being taken up to ensure remunerative prices for the farmers.

Sukumaran Muralidharan (2003)\(^{39}\) had extensively covered the World Trade Organisation Deliberations at Cancun and reported on the reluctance of the developing countries to accept the proposals on agriculture and the concerted efforts of the third world countries to protect their interests in the area of agriculture.

Singh (2003)\(^{40}\) had called for reforms in the area of agricultural marketing sector which would help in ensuring better marketing opportunities for agricultural produce. He advocated the removal of various restrictions which are imposed on Inter-State

\(^{38}\) Mallikarjun (2003), “Farmers Suicides” The Hindu, Kasturi and Sons Ltd., Chennai, dated 6\(^{th}\) October.
\(^{39}\) Sukumaran Muralidharan (2003), “The Cancun Checkmate”, Frontline, Kasturi and Sons Ltd., Chennai, dated 6\(^{th}\) October.
movement and marketing of produce. In addition, a number of laws are restricting the
growth of the processing sector and standing as an obstacle to the growth of this crucial
sector. He stressed the need for a review of the decision to reserve a number of
processing activities exclusively for the small industries sector.

Parminder Kaur et al. (2003)\textsuperscript{41} study conducted to assess the progress and
performance of regulated markets in Punjab with the object of ascertaining the role of
regulated markets in the marketing development of the state. The results of the study
revealed that over the years it is not only the numbers of regulated markets have
increased but the infrastructure facilities required for orderly marketing of agricultural
produce have grown at a faster rate with increased arrivals. Income of market committees
have also increased significantly which is being flown back for further expansion of
infrastructure facilities including development of rural roads and other facilities which
were conducive to the interest of primary producers and ultimate consumers.

Kulkarni (2004)\textsuperscript{42} analysed the state wise number of principal markets and
submarkets in India and area and number of villages served by these markets. Results
revealed that, out of 2,253 principal markets, maximum number of markets were
established in Madhya Pradesh (292) followed by Tamil Nadu (270). Goa and
Chandigarh have only one principal regulated market. The states like Kerala, Tamil Nadu
and Tripura were having only principal markets. The data in respect of area covered by
regulated markets revealed that each principal market was 114 sq. kms and that for sub-
market was 57 sq. kms in Chandigarh, which ranked first place in the country, which

indicated developed marketing system. In case of number of villages served by the principal market, the lowest of 25 villages was observed in Chandigarh as against the highest of 2428 villages in Himachal Pradesh by each sub-market. As regard sub-markets in India, on an average 127 villages were served. The lowest, (12) villages were served by each sub-market in Chandigarh. The data pointed out that, there is a need for the establishment of more regulated markets so as to extend marketing facilities to large number of producer and seller

Sing et al (2004)\textsuperscript{43} undertaken study on a growth in marketing infrastructure and related economic benefits over the years in Haryana, based on the secondary data from various issues of statistical abstracts of Haryana. It was observed that the number of regulated markets has increased from 88 in 1981-82 to 106 during the year 2002-03. The regulated markets have regularized the market fee structure, commission agents and fairness in weighing of goods. The number of sub-yards has also increased from 92 in 1981-82 to 177 in the year 2002-03. The infrastructure development has taken place at a higher rate in relative terms, during the last two decades. The decline in number of villages and area covered per regulated market both in absolute and relative terms is a good sign for market infrastructure development. The cold storage facility created has benefited the state farmers as the storage of perishable agricultural commodities has been facilitated. The distress sale of some of the commodities just after the post harvest season has been reduced and farmers could reap the benefit of off-season price fluctuation. The

market infrastructure has benefited the farmers by providing remunerative prices through storage facilities and reducing malpractices in the transaction and weighing of the products. The marketing cost, margins and other charges has been regularised through regularisation of markets and thus, efficient marketing of agricultural products is being practised. Still there is a wide scope for further development of market infrastructure to reap the benefits of globalisation.

Pawar (2004)\textsuperscript{44} made an attempt to study the present status in respect of operational area, infrastructural facilities, and market arrivals with financial status of Parbhani Agricultural Produce Market Committee. The data were collected from annual reports published by Parbhani APMC for the year 2001-02. The study indicated that Parbhani APMC is the oldest one covering 125 villages as operational area along with three sub-markets. The main market is well developed with infrastructural facilities like market space, fencing, roads, lights, shetkari niwas etc., However, sub-markets are in need of creation of more marketing facilities. Zari sub-market is the most underdeveloped one. During 2001-2002, 3,72,668 qtl. of agricultural produce (excluding cotton) was arrived, amounting to Rs.37,68,80,720. The cotton worth of Rs.17,62,58,328 was procured in Parbhani APMC. The major means for transport of produce was through bullock cart. The total receipt of the APMC was Rs.44,22,895 through market and other fees. Thus, main market is well established while, other three sub-markets require further attention. Zari sub-market needs to be given prime attention for the benefit of producers in the area.

Barman et al (2004)\textsuperscript{45} in their study have mainly focused on the availability of marketing infrastructures in terms of market users, operational facilities, service facilities, market information, roads and transportation, in three selected regulated markets in Assam, situated in three different districts. The study revealed that despite the non-availability of required infrastructure, most of the farmers of Assam used to sell their produce in traditional “hattis” or weekly bazaar instead of carrying their products to the regulated markets. The organised and moneyed traders in the present system of agricultural marketing exploited the weak and unorganised peasant class. Further, the infrastructure facilities required for efficient working of regulated markets are lacking and hence the market regulation in Assam has failed to eradicate market imperfections, especially in the food grains marketing. Inadequate service facilities found in the regulated markets stand in the way of efficient marketing system. The minimum requirement of infrastructure facilities like storage facilities, auction platform, buying and selling complex, grading, drainage facilities, electrification, drinking water, and provision of parking loading and unloading space should immediately be provided by the respective market committees so as to strengthen the efficiency of regulated market.

Pant et al. (2004)\textsuperscript{46} examined the utilisation of infrastructural and other facilities by traders and farmers created in the primary regulated market yard in Nagaur district. Kurchamancity primary regulated market was purposively selected as it has sound position in respect of arrivals of commodities brought by producer-sellers among all the primary regulated markets of the district and possess most of the infrastructural facilities

and amenities. Fifteen per cent of market functionaries and 15 farmers, who came to the market for sale of their produce, were randomly selected to obtain the desired information. The utilisation of physical facilities such as shops, auction platforms, bank, communication facilities and post office, market committee office etc. by the traders was poor in some cases and moderate in others. There was less utilisation of shops as all the existing shops were not allotted to the traders (only 78% allotted). The existing godowns facility was fully utilised but considered inadequate. Rural warehouse was not utilized by any agency, which shows poor management of market committee. There was no proper canteen facility, toilets, urinals and bathrooms were not cleaned regularly. The awareness among the producer-seller about godowns and rural warehouses, bank facility, communication facility and post office, market committee, farmers rest house, cattle shed with rest house and dissemination of market news was 13.32 per cent, 13.32 per cent, 20.00 per cent, 40.00 per cent, 40.00 per cent, 53.00 per cent and 26.00 per cent respectively. The utilisation of these facilities by the farmers was very poor as they considered that these facilities were not helpful to them. This is probably due to illiteracy of the farmers and poor functioning of the market extension wing of the market committee.

Alka Singh et al. (2004) were of the opinions that physical infrastructural facilities as well as market information were not adequate in selected markets of Puri and Cuttack districts of Orissa. All these contribute to make the State’s agricultural marketing system inefficient, hence, the farm producers suffer. The farmers are deprived of reasonable/ remunerative price for their produce in the absence of or weak dissemination

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of marketing information among producers. Results on market integration analysis showed the importance of Bankura market for price formation of rice in local markets of Orissa as compared to Kakinada market of Andhra Pradesh. However, the extent of long run integration is the highest in Jeypore and the lowest in Balasore with Bankura market. The index of market connectedness shows low degree of short run market integration of local market of Orissa with respect to the reference market. Hence, there is a need to improve the efficiency of food markets through improvement of transport facilities, telecommunication and market information in the state to make the agricultural markets more efficient in the state.

Purushottam\textsuperscript{48} had assessed the potential of micro-food processing units located in the rural areas and small towns and stated that the economic planners had been neglecting this very successful sub-sector of the food market. The provision of facilities for the better organisation of these units and modernisation of operations could make them more profitable and self-sustaining.

Neelam Bharadwaj (2009)\textsuperscript{49} had stressed the need to ensure that agricultural research addresses the specific requirements of the farmers and taken into consideration the farmers resources and constraints. They also stressed the need for quality management of agriculture products and creation of certification facilities for Agro-

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Products. In their opinion, there is a need for area-specific consumer research in the area of agricultural marketing.

Nahatkar S.B. et al. studied the market arrivals and prices of wheat in Sehore regulated market of Madhya Pradesh and found that the arrivals of wheat in Sehore regulated market increased over time. The average annual arrivals during the last eleven years were 252.62 quintals while the average monthly arrivals were 58.81 per cent. The price of wheat in general had shown increasing trend. The variation in annual prices over the last eleven years was less than variation in arrivals. Similarly, model price of wheat showed less variation as compared to the variation in minimum prices. During the months of December, January, February, March, April, August and September, prices of wheat were higher as compared to average annual model price.

A study by Kshirasagar (2006) revealed that farmers faced formidable constraints in using marketing infrastructure facilities such as pre-cooling, cold storage, grading, packing, transportation and marketing. The study is based on primary data collected in four major states (Maharashtra, Karnataka, M.P and Punjab) of India covering 444 sample farmers. In Karnataka, results revealed that lack of adequate information was the major problem faced by farmers (92%) and 60 per cent of farmers complained about deduction of more charges in the form of commission by the commission agents from the proceeds. About 28 per cent farmers reported the constraint of delay in payments of proceeds. Finally, the paper concluded by suggesting policy measures to overcome the constraints faced by the farmers in using the market
information facilities and for developing and revitalising the Market Information (MI) system in the country. Public sensitivity towards resolving these constraints on priority basis through proper planning will have implications for not only enhancing the MI development and its use but also increasing the availability of horticulture produce in the country for domestic consumption and exports.

Kerur, N.M. (2007)\textsuperscript{51} in his abstract opined that, in agricultural sector reforms, agricultural marketing needs an urgent attention, which acts as a catalyst for agriculture sector growth in the country. There are many policy reforms undertaken in regulated markets of Karnataka from time to time, but the policies did not result in expected outcomes. Hence the present study is mainly concerned with the policy reforms and performance of regulated markets in Karnataka in general and north Karnataka in particular. The study brought into light the fact that the 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. In this instance the liberalisation of markets may lead to better competition and increase in number of traders and other functionaries which may result in equalisation of trade among the traders and increase in producers share in consumer rupee.

Swaminathan, M.S. (2007)\textsuperscript{52} in his report on “Serving Farmers and Saving Farming” the growth rate of Agriculture was about 2 per cent during the IX plan period


\textsuperscript{52} Swaminathan, M.S. (2007) “Serving Farmer and Saving Farming” Ministry of Agriculture, National Commission on Farmers, Government of India, 5\textsuperscript{th} and Final Report, 4\textsuperscript{th} October.
and is stated to decline to 1.8 per cent per annum during the X plan. The consequent declining of share of agriculture in total GDP without adequate shift of population shows that dependence on agriculture has worsened.

Valasamma Antony (2007) had analysed the functioning of Regional Rural Banks and stated that a network of well-managed RRBs can play a very constructive role in providing credit to the rural sector. Commenting on the present state of affairs, she pointed out that excessive control by sponsoring banks, unproductive competition between different RRBs providing the same services and serving the same constituencies, conservative approach to lending and a reluctance to modernise operations are standing as obstacles in their effective functioning. Reforms which could rectify these shortcomings are much needed to ensure their success in creating a vibrant rural economy.

Sahoo, B.B. (2008) in their article, ‘Indian Agriculture: Retrospect and Prospects’ opined that India is bestowed upon with diversity of soil and growing conditions and untapped production potential in addition to vast human resources. As a useful starting point and foundation for contemplating future possibilities, an attempt has been made in this paper to understand Indian Agriculture in retrospect, estimate future demand for and supply of agricultural crops/commodities, issues and the likely strategies to be addressed in the field of agriculture.

Hemalatha, B. Reddy, Y.V.R. and Prasad, M.S. (2008)\textsuperscript{55} in their article, ‘Problems and Prospects of Agriculture in India’ opined that Economic disparity between the poor and the rich has been rising. Farmers/cultivators have been losing their status in the society gradually. Employees are preferred first in the case of marriages of daughters of even farmers with sole idea that employee’s income is more secured in addition to their fringe benefits. They attributed the causes of insecurity to a number of problems prevailing with respect to agriculture and recommended certain changes to improve the agrarian situation through better policies and efforts.

Singh. L.P. (2008)\textsuperscript{56} in their article, “Changing Profile of Farm-Product Marketing, A Post-Globalisation perspective goes on to suggest:” we have seen the dismantling of mandis in last couple of years in various parts of the country. The primary force behind this was the corporate entry into the supply-chain management of food. It is true that this year they have paid better price to the farmers than the mandis. The study stressed the need of marketing the products of agricultural origin, keeping with the tenets of modern marketing management.

Arumugam, A. and Kanithimathinathan, S. (2009)\textsuperscript{57} opines that India can ensure much greater prosperity with improved market efficiency and policies in agricultural products. They required certain setbacks to be removed for which they suggested certain strategies for development of Agricultural Marketing. The study left with the conclusion

that the potential of the agricultural sector in contributing to the rural economic growth and poverty alleviation needs to be strengthened in India for which appropriate marketing strategies are essential to enhance the competitiveness of various crops to make the Indian agriculture market’s survival and growth.

Harendar Raj Gautam (2010)\textsuperscript{58} studied the path of Indian Agriculture and way ahead in 60 years of republic stating that Indian Agriculture has taken a big leap in the last 60 years. Agriculture which had the responsibility to feed 350 million in 1947 has now 1,100 million people to feed, which is a huge responsibility for which there is a need of Second Green Revolution for which certain future initiatives were suggested. The study further suggested that there is a need to revamp the research, teaching and extension network of the state agriculture universities for which it required to increase the funds to these universities linking with time bound objectives.

Meenakshi Khajuria and Khajuria, R.K.(2010)\textsuperscript{59} studied Second Green Revolution-Prospects and Challenges stating that the second green revolution must depend solely on the extensive and intensive use of integrated nutrient, pest and water management, revival of indigenous and locale specific seed and planting material, age-old tried farming technology and the use of biotechnology tools to meet effectively the future challenges for the survival and well being of the country’s population. The study reminded that second green revolution has emerged as the dire necessity for survival, which requires attending all the constraints and drawing backs of the first green

\textsuperscript{58} Harendar Raj Gautam, (2010). “60 Years of Republic-The path of Indian Agriculture and way ahead” in Kurukshetra, January, pp.7-10.

revolution and environment impact assessment studies to ensure that the program leads to the results which are environmental friendly.

Namasivayam, N. and Karuppuchamy, M. (2010)\textsuperscript{60} stressed upon the fact that unless the farmers who are the target group of regulated markets participate effectively the very purpose for which these markets were established would be defeated. They suggested that the propaganda machinery of the market committee should be geared up so as to make the farmers aware of the benefits of dealing in regulated markets. They argued that a sound marketing system ensures reasonable benefits to the producers and consumers.

**PUBLISHED WORKS: REGIONAL ARTICLES (ANDHRA PRADESH)**

Kodanda Ram (2000)\textsuperscript{61} had discussed the impact of recent changes in the policies of nationalised banks in granting loans to agriculturist on the agricultural sector. He stated that the stress on grant of loans on the basis of the asset base and financial strength of the borrower has lead to small and marginal farmers being deprived of funds from the organised sector.

Nageswara Rao (2002)\textsuperscript{62} had made a study of significant trends in agricultural sector in Krishna district over the past five decades. He analysed the impact of the green revolution on the socio-economic life of the farmers in the district. He had also calculated


\textsuperscript{61} Kodanda Ram (2000). “*Runa Pampini Vyavastha-Chinna Rythulu*” (Telugu), (loan sanction systems-impact on small farmers), Sundarayya Vignana Kendram, Hyderabad, November, p.79.

the capital requirements for the cultivation of important crops and had suggested steps that could lead to more fruitful results from agriculture in the district.

Mahati Rapol (2004) had analysed the new initiatives launched by the congress government in Andhra Pradesh and stated that the farmer is being robbed of all the benefits of the farming due to the family marketing system in the agricultural sector. He stated that the regulated markets have failed in protecting the interests of the farmers. He listed out the factors leading to the low prices for agricultural products in Andhra Pradesh and the disparities in prices across different regions of the state and called for better marketing arrangements.

Srinivasa Rao (2004) had drawn our attention to a number of defects in the process of agricultural marketing in India with specific reference to post harvest losses. The lack of a match between the forces of demand and supply, inadequate transport facilities and the absence of cold-storage facilities are the primary causes for the loss. The creation of value added products through a dynamic and healthy processing sector could go a long way in solving the problem of post-harvest loss.

Subramanyam and Satyasekhar (2004) had given an overview of agricultural development in the state of Andhra Pradesh over the last five decades. They stated that during the recent years there had been a perceptive decline in the productivity gains in the sector. According to them, the primary reason for the decline is the reduction in the

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government investment in agriculture development. They further stated that the proportion of financial assistance to the sector as a part of the state’s revenue which stood at 6 per cent during the 1970s declined to 1.5 per cent during the recent years. They advocated a more active role for the government in the development of agricultural sector.

Mallikarjun (2005)\textsuperscript{66} has made a thorough enquiry into the factors leading to farmer suicides in Andhra Pradesh. He opines that high production costs and the lack of marketing avenues assuring a fair price for the produce are the primary causes for farmer distress. He has also studied the various measures initiated by the Government to ensure that farmers get a fair and reasonable price for their produce. He calls for a more liberal approach by commercial banks in the provision of pre and post harvest finance.

\textbf{STATEMENT OF THE PROBLEM}

A sound marketing system ensures reasonable benefits to the producers and consumers. Regulated markets have been established with the objectives of consolidating the gains in the field of production by minimising the cost of distribution, reducing the seasonal price differences and by handling efficiently the increased marketable surplus. These markets generally assure producers an orderly and non-exploitative marketing system and fair business practices and try to equalise the bargaining power of the farmers and the traders. It is known that the farmers and traders over there are subject to certain problems. It is evident that there is no specific study on marketing of turmeric in Andhra

\textsuperscript{66} Mallikarjun (2005). “Samajika Avasaralanu Neraverchani Corporate Vyavasayam” (Telugu), Vaartha Daily, AGA Publications, Vijayawada, dated 9\textsuperscript{th} August.
Pradesh with reference to Duggirala Regulated Market in the very recent past. However, the Regulated market of Guntur District, Duggirala, Andhra Pradesh deserve social attention due to the less volume of trade transacted.

Thus due to proximity, convenience clubbed with requirement of the situation the researcher aims to concentrate on the specific regulated market, Duggirala in depth in order to excavate the problems and suggest possible measures useful for the successful functioning of the market yard.

UTILITY OF THE STUDY

The survival and growth of regulated markets depend on the healthy atmosphere for a co-operative trade. The Central and State Governments initiate various measures to strengthen the structure of regulated markets in the country.

Specific attempt was made by the researcher to mainly make the turmeric farmers and traders at Duggirala regulated market participate in the regulated market by making them aware of their specific problems. Further, the study was chosen to provide assistance to the machinery at the yard in enabling suitable policy measures for peaceful trade by briefing them of the existing situation through an analysis of the survey data which was obtained from the farmers and the traders.

FUTURE UTILITY OF THE STUDY

Agri-marketing is an attractive field of study for the researchers to come. The study is based both on Primary and Secondary data. Primary data had been collected by administering well structured interview schedules. This serves as a model for the
researchers to come on studies at specific regulated markets. The secondary data collected would serve as source of reference for the future researchers.

Conclusions given on the basis of data analysis give an in-depth understanding of the trade situation at Duggirala regulated market which enables the administrative machinery of the yard to build ideologies that enrich the trade atmosphere at the regulated market. Suggestions offered ease policy making which can be useful for the coming years.

**OBJECTIVES OF THE STUDY**

This study has been undertaken with the following objectives:

1. To outline Agriculture in India in general and Agriculture in Andhra Pradesh in particular.
2. To Depict Agricultural Marketing, its problems and prospects.
3. To study the formation and salient features of Regulated Markets in India.
4. To examine the role of regulated markets in Agri-Marketing in India in general and Andhra Pradesh in particular.
5. To examine the growth, the characteristic features, the organisation structure and manpower utilisation in the selected regulated market.
6. To analyse the pattern and trends of Arrivals of Agri-produce in selected regulated market yard.
7. Finally to suggest suitable measures for the improvement of regulated markets in general and also measures for the selected regulated market, Duggirala in particular.
METHODOLOGY

Period of the Study

The period of the study has been taken as one decade of 2000-2001 to 2009-2010. It is felt that a period of ten years will provide sufficient information to allow the pertinent analysis, help in drawing the relevant conclusions and be sufficient to study the main features and trends relevant to the objectives of the study.

Selection of Regulated Market Yard

One Regulated Market in Guntur district of Andhra Pradesh i.e., Duggirala Agricultural Market Committee has been selected for the study basing upon the proximity to the researcher. The reason for limiting the study to the one regulated market is to have a micro, in-depth study of the selected regulated market.

SAMPLE DESIGN

The stratified Random Sampling Technique is adopted for selecting farmers and traders, taking notified area Duggirala as the Primary Unit and farmers and traders as ultimate units. In Duggirala, Agricultural Market Yard 150 farmers and 75 traders were taken as sample of respondents for the study which covers nearly 2/3rds of the farmers and traders enrolled in the yard.

SOURCES OF DATA

The primary data relating to arrivals of agri-products, disposing them, administration and financial aspects are collected from records of selected regulated market.
Two questionnaires consisting queries on important issues were drafted separately for turmeric farmers and traders, which was translated into local vernacular (Telugu) at time of questioning. The researcher visited the selected regulated market and elicited information from respondent farmers and traders who were assured of confidentiality. Wherever necessary the assistance of the supervisors at trade was taken in order to overcome the problems arising out of hesitance of farmers in answering the queries. Thus in such a way the additional required information for analysis and tabulation has been collected from the respondent sample of farmers and traders with the help of the questionnaire.

The data so collected was edited for internal inconsistencies and reliable data was collected and classified. Percentage analysis has been applied for Data analysis and based on that data analysis, interpretations were made. However, along with percentage analysis applied for the purpose of Data Analysis, Pictorial Representation through Bar Diagrams, Pie-charts, Line charts was made to bring clarity.

Findings from primary information were co-related with personal observations of the researcher, literature on the topic and opinion of the experts were also taken into consideration in order to make relevant and suitable recommendations.

The secondary data are collected from the records of Directorate of Agriculture, Hyderabad, Bureau of Economics and Statistics, Hyderabad, Ministry of Agriculture, Government of India, New Delhi etc.
Further, Secondary data was collected from Government Publications, Circulars, Departmental orders, letters, circulars, government orders, compliance reports and appraisal reports submitted by the officers of the market yard.

Other sources of secondary data referred to were newspapers, magazines, memorandums submitted to government by different organisations, monographs, internal reports of organisations involved in agricultural marketing, pamphlets, brochures and bulletins issued by the government agencies, etc.

In view of the fact that the research project is confined to a phenomenon in the state of Andhra Pradesh, significant reliance has been made on sources of data in the vernacular. Data collected from secondary sources was appraised with reference to the parameters of objectivity and authenticity.

LIMITATIONS OF THE STUDY

Proximity, convenience and requirement of the situation compelled the researcher to confine the study to a single regulated market. However, the limitation is supported with the fact that it was a sequel to an in-depth micro study of single regulated market.

The researcher has not taken up a first hand study of farmer-operations at the farm level. The researcher has relied on statements made by the farmers with reference to farm operations.

Although this study covers a period of 10 years between 2000-2001 and 2009-2010, data pertaining the beginning years was not available.
HYPOTHESES

1. That the current agricultural marketing strategies and systems continue to exhibit traditional features like forced sales at village, unremunerative prices, lack of transportation and storage facilities.

2. That the institutional support to the farmers in marketing the agricultural produce is of little help to farmers.

3. That Regulated market is one means to remedy the problem.

4. That Regulated market is suffering with some constraints in operation and is providing little help to the intended farmer community.

PLAN OF THE STUDY

This study contains 8 Chapters.

Chapter I is devoted to a brief narration of Salient Features of Study, Review of Current Literature, Objectives of the Study, Methodology Used, Plan of the Study and Limitations of Study.

Chapter II deals with Agriculture in India in General and Agriculture in Andhra Pradesh in particular.

Chapter III deals with Origin, Growth and main features of Agricultural Marketing in India and Andhra Pradesh.

Chapter IV concerns itself with objectives, important aspects of Regulated Market Yard Activities, progress and working of regulated markets in India and Andhra Pradesh.
Chapter V is devoted to analyse the functioning of Selected Regulated Market, Duggirala. Besides the functionaries their roles in Administration have been attempted.

Chapter VI deals with Turmeric, its production, consumption and export.

Chapter VII deals with various problems confronted by the farmers and officials of the Regulated Markets.

Chapter VIII Summarises Conclusions and offers Recommendations