Internal trade of the District is developing on a large scale. Fireworks, matches, polythene products, calendars, posters, diaries and the like are manufactured in Sivakasi. These products are marketed throughout the country. Market Committees are functioning in the District for the purchase and sale of cotton, groundnut, jaggery, chilli and other products. A number of studies have been conducted in the District at various places for helping the rural folk to purchase and sell their products such as food grains, vegetables, groceries, textiles, cattle and the like.

There are two warehouses in this District, one at Virudhunagar and the other at Rajapalayam. The commodities of the chief wholesale trading in the District are pulses, cotton, groundnut and coffee (Virudhunagar block), cotton and groundnut (Rajapalayam block) and chilli (Sattur block).

CHAPTER – IV

REGULATED MARKETS – AN OVERVIEW

4.1 Introduction

4.2 History and Development of Regulated Market

4.3 Government Initiatives and Support Programmes

4.4 The Royal Commission

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CHAPTER – IV

REGULATED MARKETS – AN OVERVIEW

4.1 INTRODUCTION

This chapter presents the plethora of predicaments faced by farmers and thus forming a strong case for the need for Government intervention in the regulated markets.

4.2 HISTORY AND DEVELOPMENT OF REGULATED MARKETS

Government of India took several initiatives to influence the structure and conduct of the market to improve the performance of agricultural marketing system. With the establishment of Central Marketing Committee in 1935, which is presently known as Directorate of Marketing and Inspection, government intervention in agricultural marketing is recognised. The Directorate instructed the States to enact legislations for the regulation of markets for agricultural produce and the process of regulation started with the inception of regulated markets. The regulated markets were established to regulate effectively sale and purchase of agricultural produce and establish market yards for marketing of agricultural produce.

In the process of liberalisation and increased market access, the future trading in agricultural commodities is being undertaken. The government also regulates futures trading in agricultural commodities and initially permitted futures trading in commodities like jaggery, black pepper and turmeric. The ‘Kabra Committee’ appointed by the Government in 1993 to look into futures trading and suggest measures, recommended futures trading in 17 major agricultural commodities such as cotton kapas, jute and jute goods, all major oil seeds and their oils and cakes, rice bran oil and coffee.

There were 6,528 wholesale assembling markets and 6,052 regulated markets – 2,149 principal markets and 3,903 markets as on 31st March 1988 (Dantwala, 1991) and the number of
wholesale markets increased to 7,169 of which 7,001 are covered under the market regulation programme.

According to Thakur and Shandil (1993) the regulated markets, which were established in different parts of the country, showed a massive increase in their numbers from 150 to 6,251 between 1947 and 1990. In 1991 there were 10,000 rural primary markets in the country, which cater to the requirements of vast majority of small and marginal farmers and the number increased to 17,040 in 1992. Agricultural commodities worth Rs.62,000 crores were traded in these wholesale markets during 1992-93.

A number of societies like marketing societies, milk supply societies, poultry societies, livestock products societies, farming societies, cotton ginning and processing societies, other agricultural processing societies and fisheries societies were established to exercise intervention effects of various forms on the structure, conduct and performance of the marketing system. These societies exercise a significant and positive impact on the market prices through procurement providing post harvest services like storage and credit facilities. There is an enormous increase in the number and membership of such societies in India.

4.3 GOVERNMENT INITIATIVES AND SUPPORT PROGRAMMES

Recognising the importance of scientific storage, particularly to small and marginal farmers, the Government of India launched a scheme for the establishment of a national grid of rural godowns in 1979-80 with the twin objectives of preventing post harvest losses due to pests and insects by providing scientific storage for agricultural produce and prevention of distress sale of food grains and other produce immediately after harvest by providing advances against the produce storage in the godowns. The scientific storage capacity which was negligible at the time of independence went upto 591 lakh tonnes at the end of March, 2006.

Grading of agricultural commodities under Agmark for domestic market has remained voluntary and is carried out for a number of commodities like vegetable oils, ghee, rice, wheat flour,
potatoes, fruits, pulses and the like. A network of central and regional laboratories was established by the Directorate of Marketing and Inspection for certification of 157 commodities under AGMARK. The State Governments were also encouraged to establish such laboratories. At present there are about 700 laboratories and 400 authorised packers for AGMARK products. Grading facilities were also created at about 1,014 markets to encourage the farmers to grade their farm produce before sale, to ensure quality and better price.

There is a significant growth in the processing industry particularly food processing industry, which is regarded as ‘Sunrise Industry’ due to concerted efforts taken up by the government through liberalisation and investment promotion. These industries generated sizeable employment opportunities and contributed for reducing post harvest losses and increase in farm income. The government has also been implementing the Huller Subsidy Scheme in various States to promote modernisation of the small huller units.

At present, there are about 34,000 modern rice mills processing approximately 65 per cent of the paddy production. More than 75 per cent of pulses produced in the country are converted into dhal in about 10,000 mills of varying capacity all over the country. India is the second largest producer of fruits and vegetables in the world after China and its existing installed capacity is at about 17.5 lakh tonnes.

Physical and communication infrastructure development like transport and other facilities affects structure, conduct and performance of the marketing system. The length of surface roads went up from 1.6 lakh km. to 15.0 lakh km. between 1950-51 and 2006-07. The number of goods carriers went up from 0.8 lakh to 18.0 lakhs, route length of electrified railways went up from 44 billion km. to 277.6 billion km during the above period. The increase in telephones, telegrams and postal facilities both in quantity and quality contributed for an efficient marketing system.

4.4 THE ROYAL COMMISSION
The Royal Commission on Agriculture was appointed by the British Government under the chairmanship of Lord Linlithgow (later, Viceroy of India) in 1928 for an overall survey of the Indian agrarian scene. With regard to the marketing of agricultural produce, the Commission recommended the establishment of regulated markets on the Berar pattern as modified by the Bombay Cotton Market Act, 1927, with special emphasis on:

(i) The application of the scheme of regulation to all agricultural commodities, instead of cotton only.

(ii) The establishment of market committees everywhere under a single all-pervading provincial legislation,

(iii) The taking of initiative by the provincial governments in establishing regulated markets,

(iv) The grant of loans by the provincial governments to the market committee for meeting initial expenditure on land and buildings,

(v) The provision of administrative machinery in the form of Boards of Arbitrators for the settlement of disputes,

(vi) The prevention of brokers from acting for both the buyers and the sellers in the markets,

(vii) The encouragement for organising co-operative sales societies and Virudhunagar,

(viii) The standardisation of weights and measures.

The Royal Commission (1928) had done a thorough job, it had identified defects that needed rectification, lacunae which needed filling up and in general laid stress on the need for improvement of agricultural marketing in India. In its report, it stated that the marketing of produce is such an
important matter from a cultivator’s point of view. An expert marketing officer should be appointed to the agricultural departments in all major provinces.\textsuperscript{101}

The Commission realised that the Indian producer was not getting adequate returns commensurate with the investment and labour he had put in, because of the intervention of middlemen and the prevalence of malpractices in marketing.\textsuperscript{102} The farmer did not know either the price he was to receive for his produce or the prevailing prices.

If the farmer decides not to sell his produce on a particular day, he has no facility to store his produce. This facility was provided only by the commission agent who, though he was supposed to look after the interests of the producer, did actually collude with the wholesaler and acted against the interest of the producer. The farmer did not find even basic amenities like drinking water for his cattle in the market place.

The worst of it all was that the cultivator, being dependent entirely on the commission agent for his cash needs, was usually under an obligation to sell his produce only through him. In these circumstances, the farmers found it difficult to sell their produce in the urban market. In the case of perishables like fruits and vegetables, the disadvantages were much more. “In Jalgaon, bananas are transported from orchards to pucca roads by head loads for want of better roads on which carts or trucks could move conveniently”.\textsuperscript{103}

A real piece of yeoman service done by the Royal Commission was to call attention to the unduly dominant position occupied by middlemen in market transactions. In the words of the Royal Commission the key note to the system of marketing agricultural produce in the state “is the


\textsuperscript{102} Ibid., P. 383.

predominant part played by the middlemen and it is the cultivators’ chronic shortage of money that has allowed the intermediary to achieve the predominant position he occupies".104

In times of need, the poor cultivator has to borrow money from the middlemen and the result is that, in addition to paying exorbitant interest on the loan, he is compelled to sell his produce to or through the middlemen creditor at a price far lower than the market price. The Commission recognised the need to protect the farmer against this exploitation.

Discouraged from bringing his produce to the assembling markets in the urban areas, if the farmer decided to sell his wares in the villages, he came across a different set of difficulties. In the villages, the number of traders was much limited. In many villages, there was only one trader, who not only bought all the produce available in the village but also met the credit needs of the farmers, besides providing them with consumer goods and agricultural inputs needed by the village population.

Such a trader tended to pay low prices for the produce he bought and charged high prices for the inputs he sold. As a result, in most of the markets in the country, the proportion of the produce brought by the cultivators themselves was very little as compared to the total arrivals in the market. The producer was thus practically removed from the marketing operations. He could not understand the implications of the various procedures he was obliged to follow in the assembling markets.

The traders by virtue of the strategic position they occupied between seller and buyer, acquired considerable market power and introduced procedures and practices, which were to their advantage and against the interests of the producers. The result was that he was able to pocket a large portion of the profit and pass on only a fraction to the producer. Any programme to liberate the farmer-producer out of this sad situation, necessarily involved the breaking up of the monopoly power of the trader and taking measures to get the producer directly involved in the marketing of his produce. This could be done by creating a situation where the cultivator will have greater confidence

104 Regulated Markets in Tamil Nadu, Discussion Paper presented by Assistant Secretary, State Agricultural Marketing Board on 11.2.1977, Programme for the XXII Batch of Training Course conducted by the State Agricultural Marketing Board, Madras, P. 97.
in his ability to sell his produce in the market by getting his interests protected. Moreover, the maximum share of the consumer’s money could be had by the producers, if conditions for orderly marketing were created.\textsuperscript{105}

It has been established that a cultivator obtains a better price for his produce when he disposes of his produce in a market rather than in a village. The importance of a well regulated market lies not only in its services but also in its ability to inspire confidence in the farmer regarding a fair deal. It also creates in him a mood in which he is ready to receive new ideas and to strive for betterment. The Royal Commission remarked that “unless the cultivator can be certain of securing adequate value for his produce an improvement in these will not be forthcoming”.\textsuperscript{106}

**4.5 LEGISLATION ON MARKET REGULATION**

In the history of regulated marketing in India, the Royal Commission’s Report and the actions that followed, form an important landmark. In 1932 the Central Banking Enquiry Committee endorsed the recommendations made by the Royal Commission and the result was the enactment of Agricultural Market Regulation Acts by various States to provide for a legal framework for introducing orderly marketing of agricultural produce and fair trade practices.

In 1938, a model Bill was prepared by the Central Agricultural Marketing Department (now the Directorate of Marketing and Inspection) on the lines of which several States drafted their own Bills. But the progress in the field of regulation of markets remained slow. However, after independence it gained some momentum, when the Planning Commission in their First Five-Year Plan laid stress on regulation of markets and emphasised the need to introduce market legislation by the States, which had not done it so far. But there was a great deal of variation between the Acts of the different States.

\textsuperscript{105} Report of the Royal Commission on Agriculture, 1928, P. 382.
\textsuperscript{106} Ibid., P. 382.
In order to bring uniformity to the basic structure of such legislations, the Government of India set up a Working Group to draft a model Agricultural Produce Markets Act, so that the States could enact uniform legislations with suitable modification to meet their local requirements. The Working Group submitted its report, which along with the Model Act was circulated among all the States and Union Territories for their comments before a final view in the matter was taken at the Government of India level.\textsuperscript{107}

Although legislation provides for the regulation of all types of products, in actual practice only some important commodities have been brought so far within the purview of the Act. However, it would be advantageous to the producer-seller if all the commodities grown in the market area are brought within the orbit of regulation. This will enable the producer-sellers to dispose of their entire marketable surplus in one and the same market. Such were the recommendations made by several Committees.

The Royal Commission itself noted that the Berar system and the Bombay Act applied only to cotton and recommended that “the system of regulated markets should be extended to producers other than cotton also”.\textsuperscript{108} The Regulated Markets Enquiry Committee in Mysore State was also of the opinion that the application of the Act should be extended to all the agricultural commodities dealt within a particular market.\textsuperscript{109}

One of the main problems of marketing of agricultural produce in India is “the multiplicity of market charges and their heavy incidence on the producer – sellers”.\textsuperscript{110} In the course of transacting a sale or a purchase, a number of operations are involved which cannot be attended to by the sellers or the buyers themselves and necessarily have to be done by their respective functionaries.

\textsuperscript{107} Ranveer Singh, B.K. Sikka and R. Swarup, loc. cit., The working group report.
\textsuperscript{110} Report of the Royal Commission on Agriculture, P. 413.
To pay their functionaries for their services, market charges are collected from the growers or buyers at prescribed rates. In practice numerous unwarranted deductions are made and even authorised market charges are high.

Disputes arise over matters such as the quality of the product, adulteration, weighment, trade allowances, market charges, delivery of goods sold, terms of payment and the like. It should be recognised that since many of the producers-sellers come to the market from distant places and are anxious to return home as soon as the sale is completed, they are not much inclined to enter into any litigation unless they feel that they are being exploited beyond ‘tolerance limits’.

However, it is expected that they will come forward to ventilate their grievances, if they know of the existence of machinery for the speedy and impartial settlement of disputes. The creation of such machinery in the market yards has been regarded as an essential requisite of market regulation.

In constituting market committees it should be borne in mind that the farmers should be at least 50 per cent strong, since the farmers are scattered over a vast area and most of the time pre-occupied with farm work. This was one of the recommendations made by the Royal Commission and reiterated by the Bombay and Hyderabad Expert Committees. The seminar on regulated markets held at Mysore also recommended that the growers’ representatives should not be less than 50 per cent of the total strength in a Market Committee.\(^\text{111}^\)

4.6 REGULATED MARKETS IN INDIA

Regulated markets constitute a widely accepted system of organising the marketing of agricultural produce in India through a form of intervention in the markets is no longer an issue to be debated. It is recognised that intervention is required in developing countries and the question often raised is the kind of intervention. Here, the concept of ‘Market Regulation’ is unique.

\(^{111}\) The seminar on regulated markets held at Mysore, 1959.
Unfortunately, it is only now that the developing countries have increasingly recognised that the agricultural marketing system plays a crucial role in economic development, not only by physically distributing increased production through incentives but also distributing the benefits of growth. As a result, many governments have now tried many approaches to develop the marketing system, with varying degrees of success. Many efforts made in the past have underestimated the role of marketing and the large number of people who are marginally employed in the system.

Agricultural marketing should have been viewed in terms of the following:

(i) The role markets play in providing surplus for industrialisation.

(ii) The importance of markets in meeting the needs of the poor, particularly food at low cost.

(iii) The linkage that markets can establish between various segments of the economy.

(iv) Accelerating the process of urbanisation and commercialisation.

(v) The possibility of markets in disintegration of traditional ties and monetisation of the economy.

(vi) The important role markets can play in accumulation of capital for further development.

4.7 MARKET REGULATIONS UNDER PLAN PERIODS

The First Plan (1951-56) accorded the highest priority to agriculture. Accordingly as much as 15.9 per cent of the plan outlay was allocated to agriculture and community development and 28.1 per cent to irrigation and power as against 7.6 per cent to industry and mining. Consequently agricultural production began to increase steadily and the output of food grains in 1955-56 was 4 million tonnes more than the target of 65 million tonnes. Consequently, there was an increase in

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112 A Draft Outline, Government of India, Planning Commission, the Fifth Five-Year Plan, New Delhi, 1950, P. 44.
marketable surplus and the planners visualised the regulation of new markets throughout the country. In November, 1955, an All India Conference on Marketing and Co-operation was held at Hyderabad. It made many recommendations for accelerating the progress of regulation during the Second Five-Year Plan and for effecting improvements in the working of the markets already established.

During the Second Plan period (1956-61) the planners diagnosed that low standard of living, unemployment and inequality of incomes are manifestations of an economy dependent mainly on agriculture. So the Planning Commission laid emphasis on rapid industrialisation with special stress on the development of basic and heavy industries. Accordingly the share allocated to industry and mining was raised while that allotted to agriculture, community development, irrigation and power was reduced. Although the overall performance of agriculture in the Second Plan period might appear satisfactory, food shortages emerged at various stages during the period, partly due to defective marketing. The Conference on Marketing and Co-operation held at Jaipur in February 1956, while endorsing the major recommendations of the Hyderabad Conference, stressed the need for accelerating the pace of regulation of uncovered marketing centres during the Second Plan period.

The Third Five-Year Plan (1961-66) contemplated the regulation of markets in different parts of the country and the consideration of the working of the markets already established by the end of the Second Plan. The number of Regulated Markets increased from 450 in 1955-56 to 700 in 1960-61 and from 3631 in 1975-76 to 4446 by March 1980.

The Fourth Plan was delayed due to many factors, such as the Indo-Pakistan conflict, two successive years of severe drought, devaluation of the rupee, etc. However, between 1966 and 1969 three annual plans were formulated to fill the interregnum. The size of the development outlay during this period was kept down because of the state of the economy and the non-availability of financial

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A new strategy for agricultural development was adopted in 1966-67 to facilitate greater application of science and technology for increasing agricultural productivity.\textsuperscript{116}

The strategy included the introduction of high-yielding varieties of seeds, pest control, short-term varieties and intensive cultivation.\textsuperscript{117} It was also proposed to take up a programme of multiple cropping in areas having sufficient irrigation potential.\textsuperscript{118} After adopting these measures there was great improvement in the agricultural situation. The index number of agricultural production for all commodities showed improvement and the rate of growth of food grains was much faster than that of other commodities.\textsuperscript{119}

After the interregnum of three years covered by three annual plans, the Fourth Plan (1969-74) was finalised and put into effect. It aimed at accelerating the tempo of development in conditions of stability and at reducing fluctuations in agricultural production as well as the impact of uncertainties of foreign aid. The Plan laid particular emphasis on improving the conditions of the less privileged and weaker sections of the society especially through provision of employment and education.\textsuperscript{120}

The Fifth Plan (1974-79) targeted a growth rate of 4.2 per cent for food grains with an outlay of Rs.4,730 crores. This was less ambitious than the target set out in the Fourth Plan (5.6 per cent). But judged from the point of view of absolute increases, the Fifth Plan target, in respect of most of the crops, represents a bigger task than what was actually accomplished in the Fourth Plan. In determining these targets the Fifth Plan clearly stated its objectives. It was envisaged that the fulfilment of these targets will make the country not only self-sufficient in respect of food grains, but also leave a cushion for building a buffer stock. The dimensions of growth in commercial crops

\textsuperscript{115} India 1985-86: A Reference Annual, Publication Division, Ministry of Information and Broadcasting, Government of India, P.332.
\textsuperscript{118} Ibid., P. 125.
\textsuperscript{120} India: 1988-89, loc.cit.
envisaged in the Plan are such as to take care of export requirements in addition to meeting indigenous needs by way of industrial raw materials.\textsuperscript{121}

The Sixth Plan (1980-85) provided for a total outlay of Rs.5,685 crores for agriculture and almost an equal amount for rural development programmes, while for irrigation and flood control projects Rs.12,160 crores were allotted. The growth envisaged took into account the needs for domestic consumption and export. The main objective was the consolidation of the gains already achieved, accelerating the pace of implementation of land reforms and institution building for beneficiaries, extending the benefits of new technology to more farmers, promoting greater farm management efficiency through concurrent attention to cash and non-cash inputs and the like.\textsuperscript{122}

A number of steps that had been taken during the previous thirty years aimed at regulating the marketing practices, standardising weights and measures, developing suitable infrastructural facilities in assembling markets, introducing quality standards through ‘AGMARK’ certification and the like. Though the legal framework had been provided by the various Market Acts, progress in the development of markets and in the enforcement of the Act had been slow, and unfair trading practices continued in various States. This was especially so, where the States Agricultural Marketing Board were not equipped with the necessary machinery for acquisition of land, for planning and supervising the development of markets and for enforcing the market regulations. The main thrust of the Sixth Plan, therefore was on-

a) further expansion of the regulated market system in terms of more markets and commodities to be brought within the scope of regulation,

b) strengthening the arrangement for enforcement and inspection to ensure a regulated system of open auctions, trading practices and margins of intermediaries and

\textsuperscript{121} Government of India, Planning Commission, Draft of Fifth Five-Year Plan (1974-79), Part II, New Delhi, P. 6.
\textsuperscript{122} Government of India, Planning Commission, Sixth Five-Year Plan, 1980-85, P. 98.
c) development of rural markets and shandies and establishment of rural markets in areas where such a facility is not available within a reasonable distance.\textsuperscript{123}

The Seventh Five-Year Plan (1985-90) aimed at accelerating growth in foodgrain production and employment opportunities. In envisaged a growth rate of 5 per cent over the five-year period and agricultural production was projected to grow as an annual rate of 4 per cent over the period. Agriculture and irrigation were given a 22.9 per cent share of the outlay.

In the field of agriculture, the major thrusts in the Seventh Plan were (i) Special Rice Production Programme in the Eastern Region, (ii) National Oilseeds Development Projects, (iii) National Watershed Development Programme for rainfed agriculture, (iv) Development of Small and Marginal Farmers and (v) Social Forestry. Among the many factors calling for special attention, one was recognised to be farmers’ participation.\textsuperscript{124}

There was a mid-term appraisal of the works under the Seventh Plan, and the Planning Commission warned that the overall growth rate was not satisfactory and called for more attention to the agricultural sector to reach the 5 per cent overall growth rate in the remaining years. A sluggish growth or fall in agricultural production affected income and employment of a large section of the population particularly that below the poverty line.\textsuperscript{125}

Hence the Eighth Plan document relating to agricultural marketing emphasised that “the augmentation and streamlining of the marketing infrastructure becomes necessary if diversification envisaged under the new agricultural policy succeed and the primary producers are to realise a fair share of the price paid by the consumers.”\textsuperscript{126}

\textsuperscript{123} Government of India, Planning Commission, Draft of Sixth Five-Year Plan, New Delhi, 1981, P. 112.
\textsuperscript{124} Ibid., P. 856.
\textsuperscript{125} Ibid., Pp. 857-858.
The Ninth, Tenth and Eleventh Five year plans aimed to consolidate the gains made in the earlier plans, so as to ensure a fair price for agricultural produce. They also aimed at strengthening the agricultural marketing system.

Recent changes in the economic and industrial policies envisage a marked growth and the farm sector cannot remain aloof from this trend. Taking note of this observation, the Government of India set up a high power committee on agricultural marketing to review the enactments and working of various marketing bodies and recommended measures to strengthen them. Major recommendations are:

1. At least 15,000 rural primary markets out of over 30,000 markets in the country must be brought under the ambit of market regulation and taken up for development.

2. The term ‘agricultural marketing’ in the State Acts should be defined so as to include all activities.

3. All commodities should be brought under regulation except the ones for which Commodity Boards exist.

4. Agricultural Produce Markets Act should be enacted by all the States covering all regions.

5. A separate Ministry for Agriculture Marketing should be set up.

6. A separate bank should be established to provide finance like pledge loan and the like.

Thus, the regulating system is sought to be expanded because it is expected to (i) lead to the creation of new marketing centre, (ii) the elimination of non-functional middlemen, (iii) make the structure more competitive and (iv) improve agricultural productivity through improved physical infrastructure in the market yards.

**4.8 MARKET REGULATIONS IN TAMIL NADU**

Agricultural development in Tamil Nadu has been quite remarkable during the last few decades, thanks to the Green Revolution, White Revolution, improved
techniques of cultivation and irrigation and the like. The marketable surplus increased significantly due to increased output and rural agricultural markets assumed greater importance with the commercialisation of agriculture.

The average size of an agricultural holding in Tamil Nadu is about 1.25 hectares. The total number of operational holdings is about 61,000 of which 98 per cent are less than 5 hectares each. The break up is: holdings up to one hectare constitute 65 per cent of the total; one to two hectares 18 per cent; two to five hectares 13 per cent; about 4 per cent of holdings are in the size class of more than 5 hectares. (Agricultural Census, 2006-07). Nearly 50 per cent of the State’s cropped area is under irrigation, a good deal of which is met by the five major rivers, Cauvery, Pennar, Palar, Vaigai and Thamirabarani and some smaller rivers which are not perennial. Tanks, tubewells and regular wells also play an important role in catering to the irrigation needs of the State\(^{127}\).

Paddy is the most important crop grown in the State, constituting about 79 per cent of cereals produced in 2009-10, followed by sugarcane. Next in importance are oilseeds like groundnut, sesame and castor. The total oilseed production was 1.08 million tonnes during the same period. The production and productivity have risen on an average by 3 per cent per annum during the last ten years.\(^{128}\)

The marketable surplus has been found to be in the range of 30 to 35 per cent for paddy, 10 to 25 per cent for coarse grains and for commercial crops like cotton,  

\(^{127}\) C.Aruptharaj, “Problems and Potentials of Rural Marketing in Tamil Nadu”, Regional Director, Agricultural Economics Research Centre, University of Madras, Chennai. 2006.  
\(^{128}\) Ibid., P.69.
sugarcane, oilseeds and the like, it is around 90 to 100 per cent. The marketing of fruits and vegetables in the State is largely confined to the unorganised sector.¹²⁹

4.9 REGULATED MARKETS IN VIRUDHUNAGAR DISTRICT

The Virudhunagar Marketing Committee, constituted in 1952, was initially entrusted with the task of regulating trade and establishing regulated markets for cotton only. Later in 1964, chilli was notified in the district for regulation. In 1965, two more crops, paddy and groundnut were taken up by the Market Committee for regulation. In 1968, notification of blackgram and coriander was made. Currently, the Market Committee is enforcing regulation on an area of 2,47,500 hectares. It works out to 48 per cent of the gross cropped area of the district.

The Virudhunagar Market Committee has established seven regulated markets at Watrap, Srivilliputtr, Rajapalayam, Virudhunagar, Sattur, Arupukottai and Vembakottai.

In addition to the six commodities now notified for regulation in the district, it is proposed to notify and entrust with the Market Committee the regulation of trade over gingelly, cashewnut, greengram, redgram, bengalgram, tobacco, turmeric, horsegram and castor.

4.10 FACILITIES PROVIDED IN THE REGULATED MARKETS AT VIRUDHUNAGAR

¹²⁹ Ibid., P.70.
The facilities made available by the regulated markets in the Virudhunagar district include among other things transaction sheds, drying floors, market offices, payment counters, growers’ sheds, cattle sheds, chawkidar, quarters, fire fighting arrangements, lighting arrangements, roads, weight platforms, public announcements system, lorries, tractors and other vehicles.

Thus the regulated markets in Virudhunagar district provide the farmers with all modern facilities for ensuring a good system of marketing. The Government has embarked on this venture with the sole aim of augmenting the material well-being of the farmers.

Establishment of regulated markets in Virudhunagar district is presented in Table 4.1.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Place</th>
<th>Date of Establishment</th>
<th>Own Land and Building (in acres)</th>
</tr>
</thead>
</table>

**TABLE 4.1**

**ESTABLISHMENT OF REGULATED MARKETS IN VIRUDHUNAGAR DISTRICT**
Table 4.1 shows that Virudhunagar and Rajapalayam markets are the oldest markets. It was established in 1963 in an area of 7.34 and 4.77 hectares respectively to regulate the marketing of the six notified crops namely paddy, cotton, chilli, groundnut, blackgram and coriander. The Watrap, Srivilliputtur and Vembakottai markets of Virudhunagar District function in rented buildings. In addition to the six notified crops, non-notified commodities like coconut, some oil seeds are also marketed through these 7 Regulated Markets.

Table 4.2 gives the growth of regulated markets in Virudhunagar District.

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Year</th>
<th>No. of Regulated Markets</th>
<th>Cumulative Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1963</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>2.</td>
<td>1964</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>3.</td>
<td>1972</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>4.</td>
<td>1974</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>

**Source:** Annual Administrative Reports (Various Issues), Virudhunagar Market Committee, Virudhunagar.
Table 4.2 furnishes the growth of regulated markets operating in Virudhunagar District over a period from 1963 to 1984. It indicates that initially there were only two markets started in the year 1963. The period 1963 to 1984 indicates a slower and steady increase in the number of regulated markets. Initially there were only two markets which has increased to seven within a span of twenty one years.

4.11 FINANCIAL ASPECTS

Funds for functioning is essential for the sustained development of any progressive organization and regulated markets are no exception to this fact. Hereunder the details of income and expenditure of regulated markets are furnished.

4.11.1 The Market Fee of the Regulated Markets (Crop-wise)

Finance is the life blood of any institution and the regulated markets are no exception to this. Steady income ensures smooth functioning of the markets and the income essentially comes from the market fee collected by the regulated markets. Market fee could be levied not only for the quantity transacted in the regulated markets but also for that transacted outside the regulated markets. It is collected only from the first purchaser. The crop-wise market fee collection from notified crops and its percentage share in total collection are given in Table 4.3.
### TABLE 4.3
MARKET FEE COLLECTED – (SELECTED CROPS)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Year</th>
<th>Paddy (in Rs.)</th>
<th>Chilli (in Rs.)</th>
<th>Cotton (in Rs.)</th>
<th>Others (in Rs.)</th>
<th>Total Collection (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>2000-01</td>
<td>6,76,005 (10.94)</td>
<td>11,19,857 (18.13)</td>
<td>34,77,640 (56.30)</td>
<td>9,03,781 (14.63)</td>
<td>61,77,283 (100)</td>
</tr>
<tr>
<td>2.</td>
<td>2001-02</td>
<td>10,02,140 (15.11)</td>
<td>12,00,232 (18.09)</td>
<td>30,05,494 (45.31)</td>
<td>14,25,539 (21.49)</td>
<td>66,33,405 (100)</td>
</tr>
<tr>
<td>3.</td>
<td>2002-03</td>
<td>9,48,505 (13.36)</td>
<td>7,02,217 (9.89)</td>
<td>41,70,144 (58.75)</td>
<td>12,77,606 (18.00)</td>
<td>70,98,472 (100)</td>
</tr>
<tr>
<td>4.</td>
<td>2003-04</td>
<td>12,15,253 (6.51)</td>
<td>12,60,717 (6.75)</td>
<td>1,32,09,349 (70.72)</td>
<td>29,92,161 (16.02)</td>
<td>1,86,77,480 (100)</td>
</tr>
<tr>
<td>5.</td>
<td>2004-05</td>
<td>10,97,824 (7.35)</td>
<td>19,42,131 (13.01)</td>
<td>1,11,00,618 (74.36)</td>
<td>7,86,726 (5.28)</td>
<td>1,49,27,299 (100)</td>
</tr>
<tr>
<td>6.</td>
<td>2005-06</td>
<td>23,66,397 (24.54)</td>
<td>15,82,180 (16.41)</td>
<td>51,60,576 (53.51)</td>
<td>5,34,332 (5.54)</td>
<td>96,43,485 (100)</td>
</tr>
<tr>
<td>7.</td>
<td>2006-07</td>
<td>27,46,367</td>
<td>12,74,130</td>
<td>46,59,206</td>
<td>13,63,118</td>
<td>1,00,42,821</td>
</tr>
<tr>
<td></td>
<td>2007-08</td>
<td>2008-09</td>
<td>2009-10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>29,63,189</td>
<td>41,04,632</td>
<td>32,08,418</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(29,20,909)</td>
<td>(21,49,440)</td>
<td>(18,64,225)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(19.38)</td>
<td>(14.93)</td>
<td>(15.43)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>71,69,520</td>
<td>50,99,695</td>
<td>59,34,780</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(22,34,151)</td>
<td>(30,43,424)</td>
<td>(10,74,909)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(46.90)</td>
<td>(35.42)</td>
<td>(49.12)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>1,52,87,769</td>
<td>1,43,97,191</td>
<td>1,20,82,332</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(1,20,82,332)</td>
<td>(1,20,82,332)</td>
<td>(1,20,82,332)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(100)</td>
<td>(100)</td>
<td>(100)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Note: Figures in parentheses indicates percentage to Total

The selected crops traded through the regulated markets in the study area are paddy, chilli and cotton. From the Table 4.3 it could be inferred that the market fee collected for paddy over a period from 2000-01 to 2009-10 had increased to Rs.10.97 lakhs (7.35 per cent) in 2004-05 from Rs.6.76 lakhs (10.94 per cent). From 2004-05 to 2008-09 the market fee collected for paddy has increased to Rs.41.04 lakhs (28.51 per cent) in 2008-09 from Rs.10.97 lakhs (7.35 per cent) in 2004-05, but in the year 2009-10 it had come down to Rs.32.08 lakhs from Rs.41.04 lakhs in the year 2008-09.

Regarding chilli, the market fee was the highest in the year 2007-08 nearly Rs.29.20 lakhs (19.11 per cent). In the period from 2000-01 to 2002-03 had come down to Rs.7.02 lakhs (9.89 per cent) in 2002-03 from Rs.11.19 lakhs (18.13 per cent) in 2000-01. In the year 2004-05 increased to Rs.19.42 lakhs, in 2007-08 it increased to Rs.29.20 lakhs (19.11 per cent).

Cotton is the highest revenue yielder of the three notified crops. Even though there had been small fluctuations over the period, the maximum fee collected was during 2003-04, that is, Rs.132.09 lakhs (70.72 per cent). Regarding the percentage
share in total collection, cotton stood first in almost all the years. The highest percentage of contribution is 74.36 during the year 2004-05.
4.11.2 Licence Fee

Licensing of the functionaries is an important feature of regulated markets in order to enforce the proper conduct of business and behaviour. The link between the markets and the functionaries who work throughout the year is greater than that between the markets and the producer-sellers who make an occasional visit. The success lies in their honesty, outlook, co-operation and understanding. Market Committee enforces regulations through such functionaries. The non-observance of regulation invites suitable action from the Market Committee.

Licences are issued to all qualified applicants as per norms. Issue of licences is a matter of routine affair eventhough there is provision in the Acts to grant or refuse licences. Licence fee is just adequate to meet the cost of supervision that is to be exercised by the Market Committees over the functionaries who are willing to practice business in the market area. The rule-making authority usually determines a limit regarding the licence fee to be charged. It is the Marketing Committee which prescribes the licence fee to be collected within the area of jurisdiction. In cases where no such ceiling is prescribed by Acts or rules, the Market Committee some time charges licence fee in excess.

Table 4.4 gives details of the number of licences issued in Regulated Markets in Virudhunagar Market Committee and the licence fee.

**TABLE 4.4**
NUMBER OF LICENCES ISSUED IN REGULATED MARKETS IN

VIRUDHUNAGAR DISTRICT

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Year</th>
<th>Total Number of Licence</th>
<th>Licence Fee (in Rs.)</th>
<th>Weighmen Fee (in Rs.)</th>
<th>Total (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Rs.300</td>
<td>Rs.75</td>
<td>Rs.25</td>
<td>1,44,065</td>
</tr>
<tr>
<td>1.</td>
<td>2000-01</td>
<td>170</td>
<td>562</td>
<td>1950</td>
<td>1,44,065</td>
</tr>
<tr>
<td>2.</td>
<td>2001-02</td>
<td>72</td>
<td>577</td>
<td>1922</td>
<td>1,86,135</td>
</tr>
<tr>
<td>3.</td>
<td>2002-03</td>
<td>554</td>
<td>485</td>
<td>1711</td>
<td>2,49,510</td>
</tr>
<tr>
<td>4.</td>
<td>2003-04</td>
<td>202</td>
<td>506</td>
<td>1644</td>
<td>1,42,837</td>
</tr>
<tr>
<td>5.</td>
<td>2004-05</td>
<td>125</td>
<td>441</td>
<td>1498</td>
<td>1,11,075</td>
</tr>
<tr>
<td>6.</td>
<td>2005-06</td>
<td>581</td>
<td>414</td>
<td>1518</td>
<td>2,43,275</td>
</tr>
<tr>
<td>7.</td>
<td>2006-07</td>
<td>193</td>
<td>431</td>
<td>1893</td>
<td>1,37,950</td>
</tr>
<tr>
<td>8.</td>
<td>2007-08</td>
<td>65</td>
<td>178</td>
<td>175</td>
<td>36,825</td>
</tr>
<tr>
<td>9.</td>
<td>2008-09</td>
<td>526</td>
<td>399</td>
<td>1593</td>
<td>2,27,950</td>
</tr>
<tr>
<td>10.</td>
<td>2009-10</td>
<td>316</td>
<td>233</td>
<td>1322</td>
<td>1,46,525</td>
</tr>
</tbody>
</table>


From the Table 4.4 it is found that the fee for the licenses issued by the Regulated Markets in Virudhunagar Market Committee has increased from Rs.1,44,065 in 2000-01 to Rs. 2,49,510 in 2002-03 showing an increasing trend, again it is decreased to Rs.1,11,075 in 2004-05. Licence fee was the highest in the year 2002-03 i.e., Rs.2,49,510.
The weighmen fee in the year 2000-01 was Rs.3,62,146 and it has varied from Rs.2,01,448 in 2001-02 to Rs.59,325 in 2009-10. The weighmen fee was the highest in the year 2004-05 Rs.19,00,463 and it was very low in the period 2007-08. (Rs.11,775)

4.11.3 Sources of Income for Regulated Markets

Market Committees are expected to be self-supporting institutions. The major source of revenue to these committees is the market fee and the licence fee. The Committee also has other sources of income such as grants-in-aid, interest on investment, rents of plots or stalls, etc.

Table 4.5 illustrates the receipts of income from licence fee, market fee and others.

<table>
<thead>
<tr>
<th>Year</th>
<th>Licence Fee (in Rs.)</th>
<th>%</th>
<th>Market Fee (in Rs.)</th>
<th>%</th>
<th>Other Income (in Rs.)</th>
<th>%</th>
<th>Total Income (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>1,44,065</td>
<td>2.15</td>
<td>61,77,283</td>
<td>92.43</td>
<td>3,62,146</td>
<td>5.42</td>
<td>66,83,494</td>
</tr>
<tr>
<td>2001-02</td>
<td>1,86,135</td>
<td>2.65</td>
<td>66,33,405</td>
<td>94.48</td>
<td>2,01,448</td>
<td>2.87</td>
<td>70,20,998</td>
</tr>
<tr>
<td>2002-03</td>
<td>2,49,510</td>
<td>3.25</td>
<td>70,98,472</td>
<td>92.22</td>
<td>3,48,892</td>
<td>4.53</td>
<td>76,96,574</td>
</tr>
<tr>
<td>2003-04</td>
<td>1,42,837</td>
<td>5.65</td>
<td>1,86,77,480</td>
<td>71.29</td>
<td>5,82,275</td>
<td>23.06</td>
<td>1,94,02,592</td>
</tr>
<tr>
<td>2004-05</td>
<td>1,11,075</td>
<td>0.66</td>
<td>1,49,27,299</td>
<td>88.14</td>
<td>19,00,463</td>
<td>11.20</td>
<td>1,69,38,837</td>
</tr>
<tr>
<td>Year</td>
<td>Total Income</td>
<td>Market Fee</td>
<td>Licence Fee</td>
<td>Other Income</td>
<td>Licence Fee Share</td>
<td>Total Income</td>
<td>Licence Fee Share</td>
</tr>
<tr>
<td>----------</td>
<td>--------------</td>
<td>------------</td>
<td>-------------</td>
<td>--------------</td>
<td>-------------------</td>
<td>--------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>2005-06</td>
<td>2,43,275</td>
<td>2.44</td>
<td>96,43,485</td>
<td>96.90</td>
<td>0.66</td>
<td>99,52,035</td>
<td>0.66</td>
</tr>
<tr>
<td>2006-07</td>
<td>1,37,950</td>
<td>1.34</td>
<td>1,00,42,821</td>
<td>97.94</td>
<td>0.72</td>
<td>1,02,54,231</td>
<td>0.72</td>
</tr>
<tr>
<td>2007-08</td>
<td>36,825</td>
<td>0.24</td>
<td>1,52,87,769</td>
<td>99.68</td>
<td>0.08</td>
<td>1,53,36,369</td>
<td>0.08</td>
</tr>
<tr>
<td>2008-09</td>
<td>2,27,950</td>
<td>1.62</td>
<td>1,43,97,191</td>
<td>97.91</td>
<td>0.47</td>
<td>1,46,91,591</td>
<td>0.47</td>
</tr>
<tr>
<td>2009-10</td>
<td>1,46,525</td>
<td>1.19</td>
<td>1,20,82,332</td>
<td>98.23</td>
<td>0.58</td>
<td>1,22,88,182</td>
<td>0.58</td>
</tr>
</tbody>
</table>

**Source:** Annual Administrative Report (Various Issues) Virudhunagar Market Committee, Virudhunagar.

Form the table 4.5 it is understood that the major share of revenue is from market fee and its share to total income during 2000-01 to 2009-10 varies from 71.29 per cent (at the lower end) in 2003-04 to 99.68 per cent (at the higher end) in 2007-08. The percentage share of licence fee and other income are the lowest because large number of market functionaries is not approaching the Market Committee.
4.11.4 Expenditure of Regulated Markets in Virudhunagar District

The revenue of the Market Committee is paid into the Market Committee Fund and the funds are used for acquisition of sites for market yards, maintenance and
improvement of market yards, provision for water supply, guest-house construction and repair of offices and other buildings, market news service, payment of salaries, payment of audit fees, municipal taxes, interest on loans, electric charges, traveling allowances to members, postage and printing of forms and the like. In Tamil Nadu where the Act provides for holding of election of growers’ representative to Market Committee the expenditure for such elections is also met from the Market Committee Fund.

The following Table 4.6 contains details of expenditure pattern of regulated markets for a period of 10 years from 2000-01 to 2009-10.

<table>
<thead>
<tr>
<th>Year</th>
<th>Salary (1)</th>
<th>Share to Marketing Board (2)</th>
<th>Miscellaneous Expenditure (3)</th>
<th>Total Expenditure (4) (1+2+3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>17,02,441 (64.32)</td>
<td>3,73,732 (14.12)</td>
<td>5,70,156 (21.56)</td>
<td>26,46,329 (100)</td>
</tr>
<tr>
<td>2001-02</td>
<td>77,80,523 (59.61)</td>
<td>19,99,624 (15.32)</td>
<td>32,72,232 (25.07)</td>
<td>1,30,52,379 (100)</td>
</tr>
<tr>
<td>2002-03</td>
<td>99,05,588 (65.23)</td>
<td>20,06,022 (13.21)</td>
<td>32,74,022 (21.56)</td>
<td>1,51,85,632 (100)</td>
</tr>
<tr>
<td>Year</td>
<td>Total Sales</td>
<td>Value of Sales</td>
<td>Quantity of Sales</td>
<td>Total Revenue</td>
</tr>
<tr>
<td>------------</td>
<td>-----------------</td>
<td>----------------</td>
<td>-------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>2003-04</td>
<td>2,21,38,486</td>
<td>43,72,761</td>
<td>50,61,036</td>
<td>3,15,72,283</td>
</tr>
<tr>
<td>2004-05</td>
<td>3,15,07,955</td>
<td>52,37,201</td>
<td>56,27,025</td>
<td>4,23,72,181</td>
</tr>
<tr>
<td>2005-06</td>
<td>2,80,42,239</td>
<td>44,74,518</td>
<td>33,65,785</td>
<td>3,58,82,542</td>
</tr>
<tr>
<td>2006-07</td>
<td>3,26,85,974</td>
<td>35,42,008</td>
<td>30,83,355</td>
<td>3,93,11,337</td>
</tr>
<tr>
<td>2007-08</td>
<td>3,58,52,793</td>
<td>44,03,826</td>
<td>40,25,662</td>
<td>4,42,82,281</td>
</tr>
<tr>
<td>2008-09</td>
<td>3,61,12,861</td>
<td>43,99,154</td>
<td>37,00,595</td>
<td>4,42,12,610</td>
</tr>
<tr>
<td>2009-10</td>
<td>4,06,37,928</td>
<td>45,59,136</td>
<td>40,90,901</td>
<td>4,92,87,965</td>
</tr>
</tbody>
</table>

**Source:** Annual Administrative Report (Various Issues) Virudhunagar Market Committee, Virudhunagar.

Figures in brackets represent percentages to total.
Table 4.6 shows the statement of expenditure of regulated markets. Salaries to the staff account for more than 80 per cent of the total expenditure from 2006-07 to 2009-10. Share of Tamil Nadu Agricultural Marketing Board and miscellaneous expenditure account for less than 10 per cent of the total expenditure during the last three years.
The estimated values of trend, growth and coefficient of variation of the total expenditure and receipts of the regulated markets during the period 2000-01 to 2009-10 are presented in Table 4.7.

**TABLE 4.7**

TREND, GROWTH AND CO-EFFICIENT OF VARIATION OF EXPENDITURE AND RECEIPTS OF REGULATED MARKETS

Linear Trend Equation: \( Y = a + t \)

<table>
<thead>
<tr>
<th>Period</th>
<th>Particulars</th>
<th>Trend Co-efficient</th>
<th>Growth Rate (in Percentage)</th>
<th>Co-efficient of Variation (in Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01 to 2009-10</td>
<td>Expenditure</td>
<td>15.67 573247.30 0.243* (3.982)</td>
<td>23.12</td>
<td>47.74</td>
</tr>
<tr>
<td>Receipts</td>
<td>15.83 579100.48 0.227* (3.64)</td>
<td>15.53</td>
<td>45.07</td>
<td></td>
</tr>
</tbody>
</table>

Figures in brackets represent t-values.
* Indicates significant at 5 per cent level.

It has been observed from the Table 4.7 that the trend coefficient is higher in the case of expenditure compared to the receipts. It indicates that the expenditure of the regulated markets grows faster than the receipts. The growth of expenditure has increased at the rate of 23.12 per cent whereas in the case of receipts, the rate of growth is only 15.53 per cent. Regarding the stability, the coefficient of variation (C.V.) is higher in the case of expenditure than the receipts. The coefficients of variations are 47.74 per cent in expenditure and 45.07 per cent in receipts. It indicates that the expenditure has more fluctuations than receipts during the period under study.

It may be observed that one of the reasons for the fluctuations in the expenditure is due to the share given by the Virudhunagar Market Committee to the Tamil Nadu Agricultural Marketing Board has more variations due to administrative delay and also
the share amount varies depending upon the amount collected by the Virudhunagar Market Committee as fees namely Market Fee, Licence Fee and Weighmen Fee.

It has been observed that these fluctuations in the expenditure are mainly due to the increase in the salaries of the employees of the Virudhunagar Market Committee from time to time. From the expenditure statement, one can notice that there have been variations in the percentage-wise calculations of the salary of the employees during 2000-01 to 2009-10. The employees became government servants and as a result there was a substantial increase in their salaries and allowances.

**TABLE 5.11**

**PRICE RATIO BETWEEN REGULATED MARKET AND OPEN MARKET**

(Rs. per quintal)

<table>
<thead>
<tr>
<th>Year</th>
<th>Paddy</th>
<th>Chillies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Price in RM</td>
<td>Price in OM</td>
</tr>
<tr>
<td>2000-01</td>
<td>419.51</td>
<td>335.11</td>
</tr>
<tr>
<td>2001-02</td>
<td>441.15</td>
<td>346.11</td>
</tr>
<tr>
<td>2002-03</td>
<td>481.11</td>
<td>341.10</td>
</tr>
<tr>
<td>2003-04</td>
<td>489.15</td>
<td>366.66</td>
</tr>
<tr>
<td>2004-05</td>
<td>499.61</td>
<td>399.16</td>
</tr>
<tr>
<td>2005-06</td>
<td>516.11</td>
<td>399.15</td>
</tr>
<tr>
<td>2006-07</td>
<td>549.61</td>
<td>425.15</td>
</tr>
<tr>
<td>Year</td>
<td>RM</td>
<td>OM</td>
</tr>
<tr>
<td>---------</td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td>2007-08</td>
<td>551.15</td>
<td>431.11</td>
</tr>
<tr>
<td>2008-09</td>
<td>591.15</td>
<td>441.41</td>
</tr>
<tr>
<td>2009-10</td>
<td>611.21</td>
<td>531.46</td>
</tr>
</tbody>
</table>

Source: Annual Administrative Reports (Various Issues), Virudhunagar Market Committee, Virudhunagar.

D = Difference between RM and OM.
RM = Regulated Market
OM = Open Market

CHAPTER - V

PRODUCTION AND MARKET ARRIVALS OF CROPS

5.1 Introduction

5.2 Year-wise Production and Yield of Major Crops

5.3 Trend, Growth, Production and Yield of three Notified Crops

5.4 Cost and Returns Structure

5.5 Determinants of Market Arrivals