

Golden Research Thoughts



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Abstract:-

In developing countries, economic development necessarily implies improvement in agricultural economy. Agriculture has changed worldwide dramatically and particularly in India in recent times mainly due to technological innovation, use of chemical, fertilizers and specialization. The first and foremost problem in India is the raising of agricultural productivity. This depends on various factors like physical, material, institutional and technological. The role of agricultural marketing in this sphere is more crucial. Marketing helps in reducing the changes for marketing services by eliminating the middlemen and to have the minimum difference

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AGRICULTURAL MARKETING IN KARNATAKA: WITH SPECIAL REFERENCE TO DHARWAD APMC.

between the buying and selling prices.

Keywords:

Agricultural Marketing , Dharwad APMC , economic development , chemical, fertilizers and specialization.

INTRODUCTION

Marketing of agricultural produce is considered as an integral part of agriculture. Thus, there is an increasing awareness that it is not enough to produce a crop or animal product; that must be marketed as well. Till mid 1960s agricultural marketing was almost full control of private sector. After 1960s, the government has taken active participation in development of agricultural marketing infrastructure and trade. The state now is playing an important role in agricultural marketing. Agricultural price policy, setting up of Regulated Markets, the purchase of products directly by the government through Food Corporation of India, etc. An efficient marketing system is essential for the economic development of a nation. Agricultural marketing becomes an important instrument in improving the income of the producers of all categories, apart from meeting the requirements of the customers.

The government in its effort to develop and modernize the agricultural marketing system for rural area is mainly in three directions.

- ☒Facilitating the agricultural marketing by the formation of co-operative marketing societies;
- ☒Eliminate unfair trade practices; and
- ☒Direct involvement of the State government in the marketing of certain agricultural products.

In order to improve the agricultural marketing system these three direction/steps have been taken as encouraging co-operative marketing, establishment of regulated markets, grading, storage and warehousing.

Agricultural markets in most parts of the country are established and regulated under the state APMC Acts. The agricultural produce marketing committee is a marketing board established by the State governments of India in order to facilitate sale of farm produce by farmers/producer-sellers. Most of APMCs have market yard where commission agents are provided godowns and shops for purchase of agriculture produce from farmers. Farmers can sell their produce to commission agents or traders under supervision of APMC.

OBJECTIVES OF THE STUDY:

The major objectives of the study are:

- i)To study the status of Regulated markets in Karnataka.
- ii)To find out the perceptions of the farmers about the performance of the APMC;
- iii)To examine the inadequacies in the concerned APMC

METHODOLOGY:

The study is based on both primary and secondary data. The primary data were collected from the selected producer-seller and commission agents through structured interview schedules and secondary data were collected from Government Reports and Journals. The study is confined to Dharwad APMC. The purposive random sampling method is adopted. The total sample size of the study was about 120 producer-sellers.

PERFORMANCE OF AGRICULTURAL MARKET COMMITTEE IN KARNATAKA

The state of Karnataka has highly diversified cropping patten varying from high value export oriented spices to completely home market focused foodgrains. Agricultural produce at the primary level in the state is routed mainly through four channels i.e. direct to consumers; through private wholesalers and retailers; through public agencies and through processors. Marketing structure of the agricultural produce and the share of different channels in total marketed surplus vary from commodity to commodity and across regions. However, regulated markets are an important link in the movement of agricultural produce as a large quantity of produce is transacted through them mainly the foodgrains.

The institutional arrangement in place for marketing of various commodities consists mainly of different commodity specific boards and market cooperatives. These Boards usually covered plantation crops like coffee, tea, cardamom, spices, etc. Other commercial crops like cotton and tobacco are also controlled by commodity boards. The functioning of the boards involves procuring, marketing, price fixation, export, dissemination of technical knowledge and other support to the farmers. The other important institutional arrangement is the network of regulated markets spread throughout the state. A total of 152 principle market yards with 352 sub-yards were operational in the state during 2010-11 (Table-21). In addition, there are 730 rural primary markets to facilitate the movement of agricultural commodities from farm gate to the consumer.

Table-1. Status of Regulated Markets in Karnataka

Year	Main Markets	Sub Markets	Total Markets
2000-01	141	343	484
2001-02	141	342	483
2002-03	144	343	487
2003-04	145	350	495
2004-05	145	347	492
2005-06	145	350	495
2006-07	146	352	498
2007-08	146	352	498
2009-10	146	355	501
2010-11	152	352	504
2011-12	153	354	507

Source: Agricultural marketing Department

The agricultural marketing in the state is practiced under the Karnataka Agricultural Produce Marketing (Regulation) Act 1966. The Act has been enacted to provide a uniform law relating to the better regulation of buying and selling of Agricultural Produce and the establishment of Markets for Agricultural Produce throughout the State. The Act has been enacted & given effect to from 1st May 1968 by repealing and replacing the following Acts which were in force in the several areas in the state.

Dharwad: Agricultural Produce Market Committee:

Dharwad district geographically occupies a central place in Karnataka State. It is surrounded by Belgaum in the north, and Gadag in the east, Haveri in the south, North Canara in the west.

Dharwad is famous as educational centre consisting of many schools, colleges and 2 universities (one being the Agricultural University) professional institutions, engineering and medical colleges etc. it is considered as backward as far as agricultural and industrial development is concerned. The government of India and the Government of Karnataka have taken measures to develop backward areas including Dharwad. Before the re-division of districts, Dharwad was the one of the biggest district of North Karnataka area wise as well as population wise. Dharwad district now has 5 talukas.

Dharwad APMC was established in the year 1947 and started functioning from 1949 covering Dharwad taluka and 8 villages of Navalgund. The main market yard land hold is 10 acres and 34 guntas and is called Mrutyunjaya Market. In 1986, 14 acres of land was purchased under the developmental programme and the building of compound wall, road, street lights, weighbridge and godown is over. It is the extension market for cotton and groundnut. In 1975 Alnavar was declared as sub-market yard. In the year 1990, Navalgund area was separated from Dharwad and was attached to Annigeri APMC. Dharwad APMC covers about 29 commodities the important among them are – cotton, groundnut, jawar, wheat, onion, potato, chilly, paddy and jaggery etc. commodities are sold through tender open auction or mutual agreement. Grading facility is available for cotton and groundnut and only 40-60 percent is graded. There is separate ghee, honey and butter grading unit. Two electronic weighing machines are installed. Godowns of 2,500 mt capacity are provided. Facilities like shops, guest house. Quarters, cattle market, office, internal roads, weighbridge, ryot bhavan, sanitation, water facility, fruits and vegetable market, canteen, banks, post office, merchants association office, insurance office etc.

Performance of Dharwad APMC:

To know the performance of the Dharwad APMC, the selected producer-seller were asked their perceptions about the performance of the APMC.

Table 2: perceptions about the performance of Dharwad APMC

Sl No.	Preferences	Percentage	Total Respondents
1.	i. Regulated market ii. co-operative market	87 13	120
2.	Views about Procedures i. Satisfied ii. Dissatisfied	92 08	120
3.	Views about Supervision i. Satisfied ii. Dissatisfied	75 25	120
4.	Payment to the Farmers i. Within 24 hours ii. 7 to 15 days	88 12	120
5.	Infrastructural Facilities i. Satisfied ii. Dissatisfied	77 23	120

Source: Primary data (Field Survey)

It is clear from the above table that, 87 percent of the respondents have preference for regulated markets, followed by co-operative markets with 13 percent. Regulated markets have many positive points as compared to other markets. Almost 92 percent of the respondents are happy with the procedures followed in the APMC. About 75 percent of the respondents are satisfied with the supervision in the market. With regard to the payment made to the producer-sellers, 88 percent of them say they got payment on the same day and 12 percent of them opined that payment varies in between 7-15 days. About 77 percent of them are happy with the facilities provided by the APMC.

Problems in APMC of Dharwad:

During the last few decades, several steps have been taken to improve the efficiency of agricultural marketing in India as well as Karnataka, but there is a long way to go. The problems of the Dharwad APMC are taken from producer-sellers. The problems of Dharwad APMC are shown in Table 3.

Table 3. Problems faced by producer-seller in Dharwad APMC

Sl No.	Problems of Producer-seller	Percentage
1.	High Transportation cost	60
2.	Inadequate storage facility	20
3.	Lacks of market intelligence	18
4.	Costly and inefficient labour	22
Total		120

Source: Primary Data (Field Survey)

Table 3 depicts that majority of the producer-seller are facing the problem of transportation (60%) of agricultural produce from their village to the APMC, because of poor road connectivity and poor transportation and the producer-seller have small quantity of marketable produce which leads to increase in the cost of transportation, other problems faced by the producer-sellers are inadequate storage facility (20%), costly and inefficient labour (22%), and lacks of market information (18%). These problems can be solved by committee through providing facilities to the producers.

SUGGESTIONS:

- 1.The functioning of APMC markets needs to be improved to enhance their cost efficiency so that producer could realize better prices.
- 2.It is necessary have open auction system to improve buyer competition in markets.
- 3.Provide better facilities such as cold storage and improve farmers’ access to market information.

CONCLUSION:

Production, processing and marketing are the pillars of the agricultural economy in India. In marketing policies, it is necessary to throw some light on the peculiarities of the agricultural produce. Infrastructure facilities such as roads, transport, storage, etc, are very much inadequate in rural areas. An efficient agricultural marketing is essential for the development of the agriculture as it provides incentives for increased production, the marketing system contribute greatly to the commercialization of subsistence producer.

The performance of the Dharwad APMC is satisfactory but there is need for providing certain facilities needed for the further improving the performance of the APMC. Proper storage facility should be provided to the farmers, the measures has to be taken to improve the transportation facilities, existing grading facility is inadequate further improvement is need in the grading facility, farmers need financial support through commercial banks and proper information should be provide to the farmers. It may be concluded that Dharwad APMC is working efficiently and effectively and helping a numerous of producer-seller and commission agents and other market functionaries.

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