



## Market committees a solo marketing platform for farmers in AP-an empirical study

V. Krishna Teja, Chaganti Vari Steet, Tanuku- 534211, West Godavari District, Andhra Pradesh

**Abstract:** The paper investigate on the farmers marketing capacity in this hipper changing business environment ,by understanding the position of the poor farmers our government had established market yards through Market committees to facilitate the farmer with a platform to market his crop. But due to many reasons Market committees where disable to aces formers in finding best price for their crop. Through this research i am determined to find out the areas where our Market Committees are lacking behind to attain good storage and marking facilities for formers and their produced crop and suggest my views on improving capacities of agriculture market committees.

**Key words:** Investigate Empirical, Aces, Lacking, Determined, Capacity, Facilities.

### Introduction

What so ever a man do for his livelihood either he is poor or rich, educated or illiterate, Employed or unemployed everybody need to finally satisfy his stomach with something. Eating something neutrinos is a mandatory action to sustain the life. In my point of view people who are working to provide as food are needed to be appreciate and Facilitated with great respect and support in society. This paper discusses about farmers, who were called as backbone of our country by father of our nation Mahatma Gandhi. India is an agricultural county most of the rural population depends on it. About 49% of labor force in country engaged in agriculture. Most of the rural economy depends on agriculture. Our County is a second largest producer in farming output. Current agricultural practices are neither economically nor environmentally sustainable and India's yields for many agricultural commodities are low. Though i am from a educated family with professional careers, we have most of our relatives are from framing background.

By this access of understanding about agriculture, I am aware about their hard work in cultivation and their incapability in marketing there crop. After bifurcation of old Andhra Pradesh. New state has two regions Costa Andhra and Rayalaseema. Due to geographical advantage costal trip is agriculturally richer than Rayalaseema, consisting with four districts in which Ananthapuram, Kadapa, Kurnool are heavily effected districts followed by chittoor. These districts are economically backward in the state. In costal trip Krishna and both west & east districts were well known for high productivity with the help of perianal rivers Krishna and Godavari and there well channelized canal system. These districts makes deserving this statement "Andhra Pradesh the bejeweled rice bowl of India",Paddy is highly cultivated crop

in Andhra Pradesh with huge cultivation in West Godavari, East Godavari, Nellore, Ongole, Prakasm Districts..

### Agriculture Marketing Importance



High agricultural production itself cannot make farmer happy and Earn him what he disservices for his hard work. The critical part of converting his handwork in to money are two other stages ahead ,starts from that point. These are processing and Marketing stages. They both are the stages decides the faith of the famer. Hence Production ,Processing, Marketing are the three pillars for building a sound agricultural economy. Marketing is critical for any business. But due to illiteracy and lack of external knowledge of marketing farmers are always been the victims of marketing gap. In India, there are several central government organizations, who are involved in agricultural marketing like, Commission of Agricultural Costs and Prices, Food Corporation of India, Cotton Corporation of India, Jute Corporation of India, etc. There are also specialized marketing bodies for rubber, tea, coffee, tobacco, spices and vegetables. Agricultural Markets in most parts of the Country are established and regulated under the State APMC Acts. The whole geographical area in the State is divided and declared as a market area wherein the markets are managed by the Market Committees constituted by the State Governments. Once a particular area is declared a market area and falls under the jurisdiction of a Market Committee, no person or agency is allowed freely to carry on wholesale marketing activities. The monopoly of Government regulated wholesale markets has prevented development of a competitive marketing system in the country, providing no help to farmers in direct marketing, organizing retailing, a smooth raw material supply to agro-processing industries and adoption of innovative marketing system and technologies.

An efficient agricultural marketing is essential for the development of the agriculture sector as it provides outlets and incentives for increased production, the marketing system contribute greatly to the commercialization of subsistence farmers. Worldwide Governments have recognized the importance of liberalized agriculture markets. Task Force on Agricultural Marketing Reforms set up by the Ministry has suggested promotion of new and competitive Agricultural Market in private and cooperative sectors to encourage direct marketing and contract farming programs, facilitate industries and large trading companies to undertake procurement of agricultural commodities directly from the farmer's fields and to establish effective linkages between the farm production and retail chains. There is a necessity to integrate farm production with national and international markets to enable farmers to undertake market driven production plan and adoption of modern marketing practices.

#### **Government Role**

Government had allotted a separate ministry for agriculture due to its importance and Support needed to provide after independence. Even after a long period. As more than 60 percent of people in state are directly and indirectly associated to farming Few years back in view of importance and To allot funds and flow them in transparent and more easy way the state government of Andhra Pradesh had introduced separate budget for agriculture and allotting separate funds for its growth and assistance through different departments and Support programs. A separate Department of Marketing was established on 01-02-1962 in Andhra Pradesh bifurcating from the Agriculture



Department to enforce the provisions of the Agricultural Produce Markets Act and other schemes of the Department. The Commissioner Director of Marketing is the Head of the Department. It is under the administrative control of the Agriculture and Cooperation Department. Every district is headed by an Assistant Director of Marketing functioning as a District Officer with regional Joint Directors and Deputy Directors of Marketing in the State. All the field Officers supervise and monitor the enforcement and implementation of the provisions of the A.P. (Agrl, Produce and Livestock) Markets Act 1966 through the Agricultural Market Committees in the State and other programs of the Department.

**Historical Background of A.P. Market Act:** Legislation on agricultural marketing has come into the State on the recommendations of the Royal Commission on Agriculture of 1928. The Nizam Government enacted the Hyderabad Agricultural Produce and Livestock Markets Act in 1930 and was enforce in Telangana area of the State. The Madras Commercial Crops Act of 1933 was in force in other parts of the State. These two market legislations were in force till 1966. A comprehensive Markets Act has come into force from 18-11-1966 in the State of Andhra Pradesh called the A.P. (Agrl, Produce and Livestock) Markets Act, 1966. Markets Rules were framed under this Act called the A.P. (Agrl Produce and Livestock) Markets Rules, 1969 with Bye-laws for each Market Committee in the State. The objective of the Markets Act is to protect the interests of farmers in the sale of agricultural produce and to ensure remunerative price to them and to protect them from the clutches of unscrupulous traders.

If agricultural markets are to be developed in private and cooperative sectors and to be provided a level competitive environment vis-à-vis regulated markets, the existing framework of State APMC Acts will have to undergo a change. The State has to facilitate varying models of ownership of markets to accelerate investment in the area and enable private investment in owning, establishing and operating markets. Working of existing Government regulated markets also need to be professionalized by promoting public private partnership in their management. Appropriate legal framework is also required to promote direct marketing and contract farming arrangements as alternative marketing mechanism. Therefore, there is a need to formulate a new model law for agricultural market.

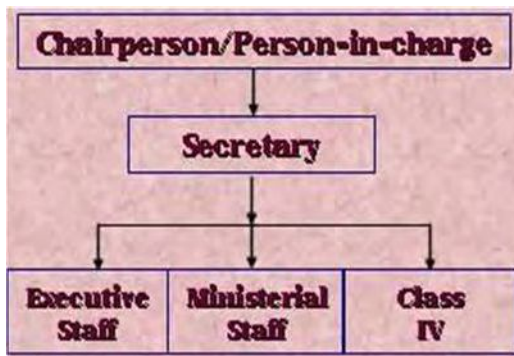
#### **Agricultural Market Committees**

- There are 186 Agricultural Market Committees constituted in the State to enforce the provisions of the Markets Act.
- All the market committees have spent large portion of their income for construction and development of market yards and creation of facilities to both farmer and traders for sale and purchase of agricultural produce in the State. The details of the amount spent for the creation of infrastructure in the market yards.
- Constitution of Market Committees to each notified area. Each Market Committee consists of 14 members headed by a Chairman.
- All the members are nominated by the Government. The term of Market Committee is 3 years.



- The objectives of the Committee is to enforce the provisions of the Markets Act, Markets Rules and the Bye-laws

#### Structure Of Market Committees



#### Structure of Authority

- The Commissioner and Director of Marketing, Hyderabad, Andhra Pradesh, is the controlling authority and coordinates the administration and proper working of Agricultural Market Committees.
- The Chairman/Person-in-Charge is the chief controlling and supervising authority of the Market committees.
- All employees of the Market Committee works under the control of the Secretary. He is the chief executive officer of Market committees.

The Secretary has to carry in to effect of the provisions of the Act, Rules and Byelaws and instructions of the Government and Commissioner and Director of Marketing, Hyderabad, Andhra Pradesh and the decision of the Committee and of the Chairman/Person-in-Charge consistent with the provisions of the Act, Rules and Byelaws.

#### Activities

Goal-setting & Planning

and manage the markets in regulating the trade of notified agricultural produce.

#### Budgeting

Formulation of programs,schemes and projects

Recruitment/hiring of personnel

Release of funds

Implementation/ delivery of service /utilization of funds

Monitoring & evaluation

Gathering feedback from public

Undertaking improvements

#### Salient Features Of The A.P. Market Act

Declaration of notified area to regulate the sale and purchase of agricultural produce and livestock and its products

Market Committees are empowered to issue licenses to persons trading in the notified agricultural commodities and the licensed traders shall make their transactions in the markets / market yards only.

Market Committees are empowered to levy market fees at the rate of 1% advolerum from the purchasers of agricultural commodities. Markets Fee is the major source of income to the Market Committees besides license fees. The income is self-generating to market committees.

All the market fees and other income are called Market Committee fund. It is spent for development and maintenance of markets in the State and other ancillary activities related to agricultural production and farming community.

Each Market Committee contributes 10% of its annual income to a Fund called Central

Market Fund. This fund is utilized for grant of loans and grant-in-aid and other purposes of the Market Committees.



No trade allowance is permitted in the sale and purchase of agricultural produce except prescribed in the Rules and Bye-laws.

Markets Act provides powers for search and seizure of the books of accounts etc. of the licensed traders.

There is a mandatory punishment of not less than six months of imprisonment which may extend upto one year and with a fine up to Rs. 5,000/- and both for violation provisions of the Markets Act

### **Schemes to uphold farmers through Market Committees**

#### **a) Rythu Bandhu Pathakam ( Pledge Loan Scheme )**

To prevent farmers from resorting to distress sales, Rythu Bandhu Pathakam has been introduced in the Agriculture Market Committee to provide finance to the farmers against pledge of their produce.

#### **Features**

- 1) There is no budgetary restriction for giving advances under Rythu Bandhu Pathakam.
- 2) The Advances are limited to 75 % of the value of goods pledged subject to a ceiling of Rs.50,000/- per farmer.
- 3) Every farmer shall be eligible for the Pledge Loan subject to a maximum of Rs.50,000/- or 75% of the value of the produce pledged whichever is less.
- 4) Interest will not be charged on the loans sanctioned under Rythu Bandhu Pathakam for the first 90 days.
- 5) From 91st day onwards, simple interest is to be charged on the loans.

Pledge loan is sanctioned to farmers who store their produce in the

godowns of State/Central Warehousing Corporation where Agriculture Market Committees do not have their own godowns or due to non-availability of space in their godowns. The Warehousing Corporations concerned shall have to give an undertaking to the Agricultural Market Committee that they will not allow the farmers to remove or sell the stocks without the specific and prior approval of the concerned Agricultural Market Committee.

#### **b) Sale of Inputs**

To make available the quality seeds, pesticides and fertilizers to the farmers in the Market Yards, the Agricultural Market Committees have been permitted to take up the sale of quality seeds, pesticides and fertilizers on no-loss-no profit basis.

#### **c) Cold Storage Units**

A.P. Capital Intensive Subsidy Scheme for Cold Storages has come into force from 1-7-1999 and was in operation for a period of 2 years i.e., up to March 2001. Subsidy was given to the private entrepreneurs to the extent of 25% of the fixed capital investment subject to a maximum of Rs.50 lakhs per unit of the cold storage set up by them. Under the scheme applications were received from 70 Cold Storage Units. The State Level Committee after thorough scrutiny has sanctioned subsidy to 39 units. By construction of 39 cold storage units under the scheme, an additional cold storage capacity of 1,79,390 MTs. was created in the private sector of the State. A total amount of Rs.12.80 cores was spent as subsidy.

#### **d) State Grading Laboratories on Agmark**

The Marketing Department has established grading laboratories in the





State for undertaking grading in Agmark under the supervision of a Chief Chemist at Guntur.

The following places are having the laboratories:

- Guntur
- Vijayawada
- Samarlakot
- Proddutur
- Hyderabad

**e) Soil Testing Laboratories**

Government have sanctioned 55 Soil Testing Laboratories in the Market Yards in the State in the Revenue Division Headquarters at a cost of Rs.6.21 Crores. Out of 55 Soil Testing Laboratories, 52 are functioning in various Agricultural Market Committees with the staff of Agriculture Department and 3 in the premises of Agriculture Department. The respective Agricultural Market Committees are meeting the cost of the chemicals etc., to test the soil samples.

**f) DAATT Centers**

One DAATT (District Agricultural Advisory and Transfer of Technology) Center is established at District Head Quarters market committee (except Hyderabad District) in collaboration with ANGRAU for the benefit of farmers between 1995-96 and 2001-2002. Necessary accommodation is provided by Agricultural Market Committees to these centers for the scientists.

**g) Market Interventions**

Though the Agricultural Market Committees cannot do market interventions directly when there is a glut in the markets, the Department is providing funds to agencies like A.P.

MARKFED, A.P.OILED, A.P .TOBACCO GROWERS UNION, District Collectors and so on for undertaking market interventions to commodities like Maize, Chillies, Tobacco, Tomatoes, Onions etc., to protect the interest of farmers.

**h) Assistance to other Departments for the benefit of the farmers**

Government provided AMC funds to several sister-departments to assist the farmers.

- PR & R&B Departments were provided with Rs.200.00 crores for laying and strengthening of rural link roads.
- About Rs.90.00 crores were given to water conservation programs under Neeru-Meeru
- APCOB was provided with Rs.207.00 crores towards interest waiver of loans of the farmers.

**i). Training Programmers**

Training classes are organized to farmers at all Market Committees to educate the farmers on the crops to be raised, application of manures and pesticides, storage problems of food grains and other allied subjects with the cooperation of other concerned departments such as Agriculture Department/APAU/. So far, 6.50 lakhs of farmers have been trained. The training is basically on agricultural operations in Kharif and Rabi seasons. The number of programs are 4 per year. These programs are being conducted every quarter to educate the farmers on crop pattern with the help of Agriculture Department to impart training for 300 farmers at a time in the jurisdiction of every Market Committee.



Each market committee is permitted to spend Rs.95,000/- per year for conducting four training programs i.e., pre-khariff, 1st interaction, pre-rabi and 2nd interaction. The total expenditure for all these programs is Rs.2.77 crores is met by the market committees. This programs is organized in collaboration with Agriculture Department. As a part of Human Resources Development, a Training Institute of the Department is functioning at Hyderabad to meet the training needs of the staff and other functionaries throughout the year.

j). **Rythu Bazars:** In order to serve the interests of both producers and consumers, the Government have set-up Rythu Bazars through the Department. It aim to avoid middle men in the sale of Vegetables. 107 Rythu Bazars with structures established spending Rs.11.13 crores. Each Rythu Bazars has an Estate Officer, Horticulturist with minimum staff.

#### **COMPUTERIZATION OF AMCS :**

The details of computerization programs of the Department are :

- 82 Market Committees have been computerized in 1st phase by ECIL.
- 54 more Market Yards were computerized by DMI, Govt. of India in collaboration with NIC.
- The details of arrivals and prices of various commodities are being reported to Head Office through this network.
- The information received is being daily updated in the departmental website [http:// market.ap.nic.in](http://market.ap.nic.in) " The site also contains information pertaining to Department.

- 50 major market yard are provided with Automatic Audio Video Display Announcement System which displays the arrivals and prices of commodities of different market yards.
- Other information benefiting the farmers such as education, health, soil conditions, etc., is also displayed through the above Announcement system.
- It is proposed to computerize all the 186 Agricultural Market Committees in the State.

#### **Findings**

- Lack of minimum infrastructure in the many market yards.
- Modernization/ computerization is present days business trend need to modernize the market yards is needed to hold the opportunities in the world.
- Lots of mischiefs have been identified by my farmers in weeing the product in major market yards;
- Coverage area of some market committees is too larger than facilities provided.
- Linkage of roads for transportation of products to yards is a hug problem for farmers .
- The political influence became higher and It became a major obstacle in running the committees in right way.

#### **Suggestions**

- Frist thing need to do in many market committees is to introduce



- electronic weighing machines to avoid many mischiefs in weighing process and safeguard farmers rights.
- Development and strengthening of market yards and to bring more market yards under regulation.
- To attain equipment Daily collection and display of price data through web based technology.
- Interactive Voice Response System (IVRS) to provide data on Market Yard information to be developed with the help of N.I.C.
- Touch screen KIOSKs to be installed at major market yards for dissemination of information for the benefit of farmers.
- To develop infrastructure for fertilizer's and Companies, Actually farmers are using outdated or fake fertilizer companies and losing a lot of crop.
- Should contact with exporters in detail and Establish a help center to act as a connecting channel between farmers and exporting agencies at least in important marketing yards.
- To organize contract farming for developing medicinal plants, hybrid vegetable etc.
- coverage of more villages under link roads scheme
- Extension of Rythu Bandhu Scheme to cover small and marginal farmers; the spread of Rythu Bazaar facilities; and creation of awareness of FAQ standards among farmers; and formulation of a micro-level plan on area, production, marketable surplus and value.
- To develop infrastructure for prawns and Fish marketing.

#### References

- The successes and failure of commodity exchange", *Journal of Legal Studies*. Vol. 24(1), pp. 229-55.
- Rehman, S., Selvaraj, M. and Ibrahim, M.S. (2012) "Indian Agricultural Marketing-A Review", *Asian Journal of Agriculture and Rural Development*, Vol. 2 (1), pp. 69-75.
- Rehman, S., Selvaraj, M. and Ibrahim, M.S. (2012) "Regulated Agricultural Marketing in India A Review", *International Journal of Management and Administrative Sciences*. Vol. 1 (7), pp.36-44.
- Sengupta, J., Nag, R. N. and Goswami, B., (2011) "Reforms and terms of trade volatility in an agriculture dependent economy", *Journal of Economics and International Finance*. Vol. 3 (6), pp.337-351.
- Vaswani, L.K., Venkatakrishnan, V., Upadhyay, R. and Talati, J., (2003) "Agriculture-Market Linkages: Evaluating and Evolving a Conceptual Framework in Indian Context", *National Bank for Agriculture and Rural Development, Occasional Paper – 28*.
- Zivenge, E. and Karavina, C., (2012) "Analysis of Factors Influencing Market Channel Access by Communal Horticulture Farmers in Chinamora District, Zimbabwe", *Journal of Development and Agricultural Economics*. Vol. 4 (6), pp. 147-15