

# A STUDY ON PERFORMANCE OF REGULATED AGRICULTURAL MARKET PERCEPTION OF FARMERS IN TIRUVANNAMALAI DISTRICT

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## Abstract

Agricultural Marketing is a vibrant subject for academics and administrators as our culture is agriculture. Though India is gifted with a competitive market, developed banking system and higher educational institutions, the marketers is yet to build on these strengths. Agricultural Marketing as a process starts with a decision to produce a saleable farm commodity and involves all aspects of market structure of a system. There are bottlenecks in agricultural marketing system like improper warehouses, inadequate market information, dominance of middlemen, lack of transport and communication. With faster changes in and through technology, agrarian issues are also becoming pertinent. Indian agriculture, despite reforms is vulnerable, not merely due to natural factors but also due to inadequate institutional strength and resilience. Agricultural marketing in India is undoubtedly growing and changing but neither in all places nor for all farmers. Although India has achieved self-sufficiency in food grain production (more than 230 million tonnes in 2011-12), but it is still characterized by low levels of productivity due to degradation of natural resources and lack of technological & infrastructural facilities.

**Keywords :** Saleabl Farm, Bottle, Necks, Productivity.

## 1. INTRODUCTION

India lives in its villages and the economy of villages depends on the prosperity of agriculture. A state like Tamilnadu also has 70 per cent of its population in rural area which depends on agriculture and other allied activities of either livelihood. Above 40 per cent of the national income is derived from the agricultural sector. Agriculture occupies an important place in the country's export trade also. It supplied raw-materials to a large number of agro based industries. Thus agriculture holds the key to the process of development of the whole economy. In India, agriculture is very backward on account of vagaries of monsoon, heavy pressure of population on land, small holdings, lack of good quality seeds, fertilizers and pesticides, inadequate irrigation facilities, scarcity of tenure and research, soil erosion and traditional outlook of farmers and the like. Production and marketing of agricultural produce has been and continues to be the burning problem of farmers in Indian villages. While the problem with reference to production is the lack of timely and adequate provision of inputs and credit, the facilities for marketing such as transport storage, market yards and the like. Without these facilities the farmers will be exposed to the exploitations of the traders and communication agents, who serve as middlemen between the farmers and the consumers.

## 2. STATEMENT OF THE PROBLEM

Marketing of agricultural commodity is more complicated than marketing of manufactured goods. Farmers are facing so many difficulties while marketing their produce. The farm problem is usually associated with unstable and relatively low farm price and thereby low income. Agricultural output comes from many small units operated independently. This study attempts to bring out the various aspects of the functioning and growth of regulated markets in Thiruvannamalai district. It shows the evaluation of the performance of regulated markets and analysis of factors which determine the effective performance and inter-relationship among them. The main purpose of forming regulated market is to eliminate the unhealthy trade practice, to reduce marketing expenses and to provide fair prices to the farmers. Several initiatives have been taken to promote agricultural marketing in pivotal role in fostering and sustaining the tempo of rural economic development. The scope of this study extends to know how the agriculturists are utilising the facility of the market will minimise the cost and maximise the profit to the farmers after the recommendations and the suggestions have been successfully implemented in the market.

### **3. SCOPE OF THE STUDY**

For the efficient working of regulated markets, field studies analyzing the deficiencies in the present institutional system is necessary. The present study looks at the problems from the producers' angle. Although the open market operations and regulated markets are established for the purpose of helping the farmers, the farmers are not getting the real benefit. They receive for their produce the price offered by the consumers. The middlemen are enjoying the benefits. Moreover, part of the farmers are not utilising the regulated markets. Further, the study examines the factors responsible for the response received by the regulated market, such as size of holdings, the distance of the market and educational status and others.

#### **Limitations of the Study**

1. Two hundred respondents were only interviewed to examine the factors influencing the utilization of the regulated markets.
1. As the study is based on the primary and secondary data (collected from administrative reports of regulated markets) the accuracy depends on the corrections of the opinion given by the respondent and the administrative reports of regulated markets.
2. The study reflects the performance of the selected regulated markets only.
3. As the farmers do not maintain detailed accounts of farm operations, the information is given out of their memory only.

### **4. RESEARCH METHODOLOGY**

The study is based on primary data and secondary data. Secondary data was collected from various sources and the primary data was collected through structured questionnaire. The questionnaire has been prepared according to the objective of the study. Before preparing the questionnaire I have collected little information from the company web sites, newspapers, periodicals and different textbook of marketing. Here the sample size is 120 and the research has been conducted in Thiruvannamalai District. In this study simple stratified random sampling method has been used to select respondents. However the collected data have been summarized by the tabulation sheets according to the objective of the study. The summarized data have been analyzed by using graphical statistical tools and techniques like bar charts and pie charts.

#### **Statistical tools used for the study**

The statistical tool used in the project is percentage analysis.

Percentage refers to a specific kind of ratio. It is used to describe the relationship comparison of absolute figure that is difficult to compute. Percentages are used to make comparison between two or more series of data.

## 5. REVIEW OF LITERATURE

With modernization of existing post-harvest processing, establishment of suitable infrastructural facilities, huge amount of countries exchequer can be saved and further helps in feeding the teeming population in the country (**Sivanappan, 2000**).

(**Johnson, 2000**) stated that diversification and commercialization of agriculture are often regarded as essential preconditions for rural income growth and poverty reduction.

(**Vaswani, et al., 2003**) in their study concluded that the changing task environment is leading to change in priorities of Indian agriculture in the 21st century. In the emerging scenario, the core concern has to shift from food security to productivity and diversification. In this (**Ramkishen, 2004**) argued that because of the lack of food processing and storage, the grower is deprived of a good price for his produce during the peak marketing season while the consumer needlessly pay a higher price during lean season.

**Bhattacharaya, et al., 2005** analyzed that marketing of agricultural products is exhibiting many symptoms, which were not prevalent in commodity selling. Apart from addition of basic uncertainty, production fluctuation and unorganized activities are making it a more uncertain game. So an institutional intervention is therefore necessary to meet these problems.

### Historical Development of Regulated Market

After independence, the need to protect the interest of farmers and to provide them incentives to augment the production of agricultural commodities was also felt. Recognising the defects in the agricultural marketing system the government introduced several regulations. These can be divided into two broad groups viz., (a) regulation and development of primary wholesale agricultural produce markets called regulated markets; and (b) promulgation of a series of legal instruments aimed to regulate the conduct of market functionaries.

### Regulation of Agricultural Produce Markets

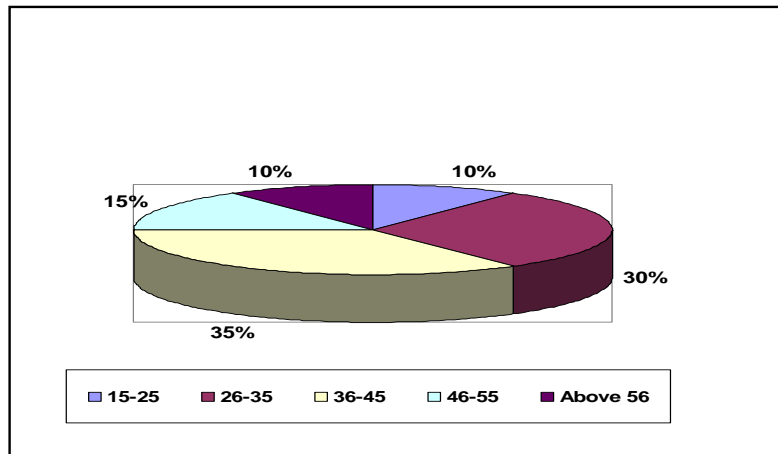
Regulation and development of primary agricultural produce markets were taken up as an institutional innovation and construction of well laid out market yards was an essential requirement for regulating the practices in the primary wholesale markets. As the programme was a development-cum-legal measure, it took considerable time to extend it on a wider scale. History of agricultural produce market regulation programme in India was traced to the late nineteenth century.

AGE GROUP	FREQUENCY	PERCENTAGE (%)
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Below 25	12	10
26-35	36	30
36-45	42	35
46-55	18	15
Above 56	12	10
<b>Total</b>	<b>120</b>	<b>100</b>

Source: Primary data

### Interpretation



From the above table it shows that 10% of the Respondent belongs to the age group of below 25, 30% of the Respondent belongs to the age group of 25-35, 35% of the Respondent belongs to the age group of 35-45, 15 % of the Respondent belongs to the age group of 45-55, and 10% of the respondents belongs to the age group of above 56

### Family Annual Income of the Respondent

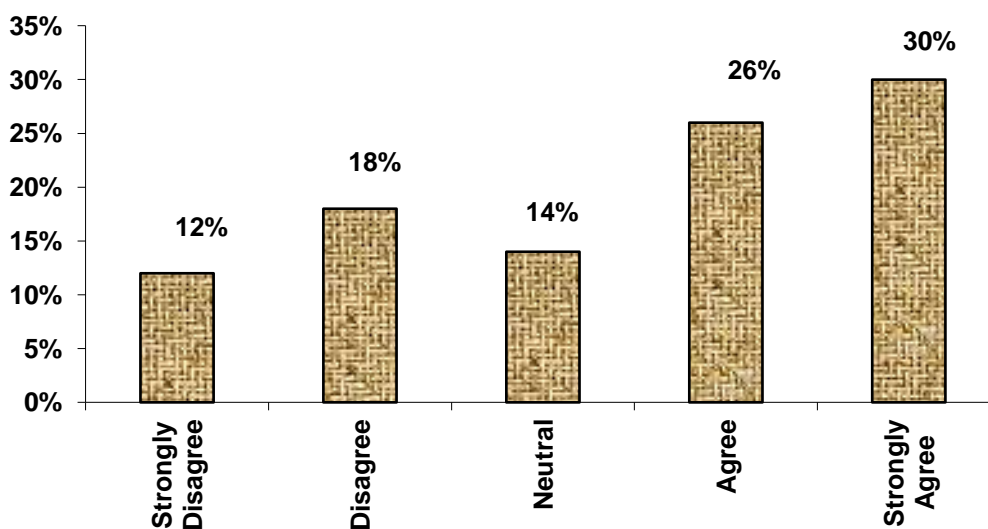
Source: Primary data

### Interpretation

From the above table it shows that 35% of the Respondent annual income belongs to below Rs.60000, 30% of the Respondent annual income belongs to Rs. 60000-120000, 20% of the Respondent annual income belongs to 120000-200000, and 18% of the Respondent annual income belongs to above Rs.200000.

## Interpretation

From the above table it shows that 12% of the respondents are strongly disagree with most of people depends on agriculture, 18% of the respondents are disagree with most of people depends on agriculture, 14% of the respondents are neutral with most of people depends on agriculture, 26% of the respondents are agree with most of people depends on agriculture and 30% of the respondents are strongly agree with most of people depends on agriculture.



## Findings, Suggestion and Conclusion

Agricultural regulated market is a key component of the economy where agriculture forms a resource base of economy. Agricultural regulated market also helps in increasing social contact and serve as centers of diffusion of innovation and ideas and become focus for political and other activities. Agricultural regulated market not only performs the functions of service but also they play very important role in economic development of the region. Agricultural marketing is the performance of all business activates involved in the flow of goods and services from the point of initial agricultural production until they are in the hands of the ultimate consumer.

## Suggestions

The following suggestions are put forward to improve the conditions of Thiruvannamalai District regulated markets.

1. As the annual growth rate of arrivals of turmeric, cotton, maize, paddy, groundnut and coconut of various markets presented negative trend, all the possible steps should be taken in improve the situation by encouraging the farmers to sell their produce through regulated markets. More

incentive can be given to the farmers by offering them attractive price and other facilities like free and economical transportation, storage and warehousing etc.

2. As negative annual growth rate was presented in the arrivals of chillies, millet, ragi and gingelly, the government should take the necessary steps to improve the situation.
3. As low level satisfaction was derived from female respondents the reason for the same should be enquired and corrective action should be taken.

## CONCLUSION

The agricultural farmers suffer due to existence of middlemen. When they dispose their surplus in the market. Most of the farmers sell their land holdings to free them from the clutches of local moneylenders. So the urgent need emerges in the market it also paves the way for organized market to dispose their produce at right price. Though the Regulated market helps the farmers by eliminating the middleman, it renders various facilities like storage, right weight and proper payment. The study reveals various findings with respect to differential growth rate of different markets..

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