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**CHAPTER FIVE**  
**CONCLUSIONS AND SUGGESTIONS**

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**PART - I**  
**CONCLUSIONS**

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**SUGGESTIONS**

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## CHAPTER FIVE

### CONCLUSIONS AND SUGGESTIONS

This Chapter, being the concluding Chapter of the Dissertation, has also been divided into two Parts: **Part-I** containing the **Conclusions** that have been arrived at after careful consideration of the theoretical base of this research and its application in the collection, analyses and interpretation of the data; **Part-II** containing **Suggestions**, which the researcher ventures to say would help, in some measure, to further improve the performance and the effectiveness of the Kolhapur Agricultural Produce Market Committee, and in a larger perspective, in the interests specifically of the farmers in the notified area of Shree Shahu Market Yard, and generally of the society as a whole.

#### PART - I

#### CONCLUSIONS

##### 1. Working of Shree Shahu Market Yard.

Shree Shahu Market Yard, Kolhapur, has now grown to the status of a key-market for important agricultural produce in the region. Presently, there is a slight depreciation in the arrivals of jaggery and groundnut at the market due to the changing pattern of crop production. However, despite all the handicaps and the initial constraints, Shree Shahu Market Yard has taken great strides forward in its endeavour of protecting the interests of the farmers.

##### 2. Benefits of Shree Shahu Market Yard.

Shree Shahu Market Yard has provided various benefits like open auction sale, correct weighment, scientific grading, well-formed

market practices, prompt payments, settlement of disputes, storage facilities, market intelligence, convenient transportation and other benefits incidental thereto for the economic upliftment of the producer-sellers in the notified area. Besides these, within the market yard itself, it has provided water, electricity and compound wall with manned security gates at six different points and such other infrastructural facilities for the use of the beneficiaries and visitors to the market yard.

**3. Sub-Market Yards in the Notified Area.**

Shree Shahu Market Yard has a notified area of six and half talukas of Kolhapur District and has established nine sub-markets in this area. Out of these nine sub-markets, seven are located in the city itself and one each at Malkapur and Kagal.

**4. Market Management System at Shree Shahu Market Yard.**

The Chairman is the head of the market committee and the Secretary is the head of the administrative staff; other officers being the Assistant Secretary, Accountant and Market Inspector. These officials between themselves control and supervise the functioning and the activities of Shree Shahu Market Yard.

**5. Regulated Commodities.**

The Kolhapur Agricultural Produce Market Committee has brought about 32 commodities within the purview of regulation since its inception in 1945. Jaggery and groundnut are the major commodities arriving at the market yard, others being grains, cattle, sheep and goats, fruits and vegetables, onion, potato, etc. Majority of the commodities being grown/raised in the notified area of the market have been covered by regulation by the market committee.

#### 6. Functionary System.

The day-to-day marketing activities are being looked after by about 587 functionaries like commission-agents, traders, brokers, processors, warehousemen, cartmen, weightmen, assistants, coolies, etc., each one separately licensed for a specific work by the market committee. The licence fee for these functionaries varies between Rs.3/- to Rs.100/- per annum.

#### 7. Selling System.

All the commodities arriving at the market yard are sold by open auction sale method on weekdays between 8.30 AM to 1.00 PM. It is, however, found that a majority of the farmers come from far off (10 to 80 kms) places to the market and usually have to return to their homes the same evening. Hence, it becomes very difficult for them to complete the sale of their commodities and other formalities associated with it within the above time period.

#### 8. Weighment System.

The market committee has stipulated the use of metric system of weights and measures for the weighment of the commodities in the market yard and the weighment is done by the licensed weightmen only. The market committee has also constituted a special weighment sub-committee for supervising the weighment system and its inspector frequently checks and inspects the weights in use. Majority of the farmers were found satisfied with the weighment system being used in Shree Shahu Market Yard.

#### 9. Grading System.

The groundnut producers have been greatly benefitted due to the special grading unit set up by the market committee, with a

special grader looking after the job. All the commodities are commercially graded before they are offered for auction sale, except jaggery. Jaggery is commercially graded by the commission agents themselves, who take into consideration such basic features as taste, colour, etc. Most of the farmers expressed their confidence in the grading system in use at Shree Shahu Market Yard.

#### **10. Payment System.**

According to the provisions of the Market Act, payment of the sale proceeds has to be made to the producer-seller within 24 hours of the auction sale of his produce having been completed by the agent. But during interviews, majority of the farmers reported that actually the payment is made within 8 to 15 days. In order to overcome this delay, the market committee has set up a clearing house, which helps the farmers in getting the payment of their sale proceeds within a reasonable time.

#### **11. Market Information System.**

It is a very important function of the regulated market. The main idea behind the market information system is to keep the parties involved abreast of the current market situation by providing timely information. As a result, the farmer is expected to get remunerative price for his produce. For a truly beneficial exploitation of the market intelligence system by the farmers, the market committee regularly provides all the necessary information about the prices and fresh arrivals of various commodities on the notice boards in the yard premises. It also forwards daily market intelligence to a central market information processing unit at Delhi for broadcasting over Delhi and Bombay stations of All India Radio and also submits weekly and monthly statistical returns to the concerned Departments of the State and Central Governments. However,

inspite of the daily and weekly availability of market news, the farmers themselves show very little interest in it. Evidently, the farmers need to be educated in the area of the use of market intelligence.

## 12. Co-operative Marketing Societies.

About 24 co-operative marketing societies function as commission agents in the market yard. Their activities have considerably contributed to the overall turnover of the market committee, e.g. during 1987-88, out of the total arrivals of jaggery and groundnut, 26% and 27% arrivals respectively, were handled by these co-operative societies alone. Such a market share is quite impressive and its cascading effects are beneficial both to the co-operative movement and to the society as a whole.

## PART - II SUGGESTIONS

### 1. Market Area.

The notified area of Shree Shahu Market Yard is 6½ talukas of Kolhapur district. The principal market yard is situated at Kolhapur and one sub-market yard each at Kagal and Malkapur. Seven other sub-markets dealing in specific commodities and produce are located in Kolhapur city itself. The farming community, the sole purpose and the target beneficiaries, however, is spread all over the notified area, in places as far away as 80-100 kms. If the benefits of regulated marketing are indeed to be reaped by the smallest of the farmers, it is necessary to establish additional sub-markets at block/tahsil level in keeping with the Panchayati Raj system.

**2. Regulated Commodities.**

The market committee, so far, has regulated about 32 commodities. The market committee should promptly regulate the remaining commodities like cereals, dairy-products, maize, etc. being grown/raised in the notified area. It is further suggested that the present Market Act should be amended suitably to govern all first sales of the regulated commodities in the notified area, including the first-sales in factories and villages. Village sales cannot be altogether prohibited but all village markets could be brought under regulation and supervision of the market inspectors.

**3. Market Yards.**

The market committee's Shree Shahu Market Yard has since become well developed and now it is necessary to ensure the development of the sub-markets. Also, there is a need to establish additional sub-markets together with infrastructural facilities at various places in the notified area.

**4. Composition and Constitution  
of the Market Committee.**

The market committee is constituted of 18 members elected/nominated to it. It is, however, necessary to have on the committee one member each from the administrative staff and the Central Warehousing Corporation, the two vital links entrusted with the implementation of the market committee's various policies and decisions.

**5. Administration of the Market Act.**

The administration of the Market Act should be entrusted to an independent Marketing Department of the State Government. Recently, a State Marketing Board has been constituted in Maharashtra, which is a step in right direction. This Marketing Board should be given

more powers to control all the regulated markets in the State; as has already been done in Karnataka, Uttar Pradesh and Andhra Pradesh. Further, the rules and regulations governing the Agricultural Produce Market Committees should be uniform throughout the country. The Market Committees should also be given more legal powers to punish the erring traders.

**6. Training to Market Committee Staff.**

In order to improve the efficiency of the marketing operations, proper training has essentially to be imparted to all the market committee staff. In this direction, the Directorate of Marketing of the State Government has been organizing certain training programmes so as to training the administrative staff of regulated markets in the State. About 50 per cent of the total 87 employees of the market committee have attended these training courses, but it is necessary to impart training to each and every employee.

**7. Co-ordination of Activities.**

There should be a close co-ordination between the activities of the market committee, co-operative marketing societies functioning in the notified area and the Central Warehousing Corporation. On the other hand, there is also a need of proper co-ordination between the activities of the cultivators, traders and the co-operative societies.

**8. Provision of Adequate Infra-structural Facilities.**

Appropriate measures should be initiated to provide necessary and adequate infrastructural facilities to the farmers, e.g. proper link-roads between the market and villages to ensure quick and steady flow of produce. The market committee should also make provision for adequate and competitively priced transport facilities for the use of the producers.



**9. Development of Marketing Information System.**

The market committee should develop the machinery for an effective dissemination of marketing news about the current prices, arrivals, etc. The committee has already taken certain steps in this connection, but the cultivators either were not interested in it or did not know how to use it. Therefore, it is very necessary to provide them with this information in a way they can understand it and also educate them in the proper use of the regulated marketing machinery, through media like radio, television and press.

**10. Provision of Additional Amenities at the Market Yard Premises.**

At present, roads, godowns, various buildings, water, electricity, etc., have been provided by the market committee. In addition to these, there is also a need to provide a Dispensary in the market premises for the use of the workers, drivers, market functionaries and the farmers.

**11. Improvement in Selling System.**

The Market Act should be suitably amended to make the first sale of the specified commodities compulsory at the regulated market alone, for which only the open auction sale system and/or tender system should be adopted. The general consensus of the farmers was that the market committee should reduce the number of holidays, as well as increase the number of working hours in a day, by which measures, the activities of the market yard could be continued with least interruptions.

**12. Improvement in Weighing System.**

At present, Pan Balance weighing system is used at the market yard for agricultural produce. For ensuring correct and speedy weighments, however, use of Weighbridges and Platform scales should be

adopted by the market committee.

**13. Expansion of Grading Facilities.**

At Shree Shahu Market Yard, cent per cent commercial grading of groundnut and some other commodities is carried out. Additional grading centres should be set up within the market yard and progressively, grading of all the commodities should be made mandatory. The market committee already has in its employ trained graders, whose services should be more extensively used to help the producers, sellers and the co-operative societies.

**14. Provision of Adequate Storage Facilities.**

Proper storage facility is a pre-requisite of a successful integrated marketing, as it assures the safety of the agricultural produce from rains, floods, pilferage, etc. Moreover, adequate storage facilities can solve the problems arising out of the seasonal gluts. The market committee has good dry cargo storage capacity for the benefits of the farmers, with approximately 250 godowns in principal and sub-market yards. However, there is not a single cold-storage for fruits and vegetables in all these markets. Adequate storage facilities under different categories like (i) cold-storage, (ii) transit-godowns, and (ii) warehousing, should be created according to the estimated shortfalls.

**15. Prompt Payment of Sale Proceeds.**

Correct weighment and prompt payment are the backbone of effective and beneficial regulated marketing of agricultural produce. Under law, the payment of the sale proceeds is to be made to the producer-seller within 24 hours of weighment of the produce. In practice, however, payment is made within 8-15 days. The market committee should initiate necessary measures for the release of payments to the farmers within a

reasonable time of weighment.

**16. Reduction in Expenditure.**

The market committee's two main items of expenditure are: staff-salaries and development of market yards. The market committee can certainly minimise the expenditure on staff either by reducing the excess staff or by discontinuing further recruitment. At present, almost 35 per cent share of the market committee's income is spent on staff salaries, which could be reduced and the funds so saved spent on further development of the existing market yards and establishment of new market yards.

**17. Continuous Vigilance against Malpractices.**

The market committee's inspectors should maintain continuous vigilance against numerous malpractices which could be easily slipped into the sale and weighment systems in the market yard and should impose stiff penalties, including debarment, against culprits.

**18. Government Aid to Regulated Markets.**

It is amply clear that in the absence of help from the Government, regulated markets would not operate smoothly. The State government should grant subsidies to new market committees in initial stage for meeting their managerial expenses and also advance long-term loans for capital expenditure. It should further accord priority consideration for the acquisition of lands for setting up new regulated markets.

**19. Improvement in the Activities of  
Co-operative Marketing Societies.**

Co-operative marketing has already attained an important status in the Indian economy and now the time has come to incorporate modern and futuristic concepts in their organizational, managerial and financial aspects.

In Shree Shahu Market Yard, 34 co-operative marketing societies are already functioning. But these societies work merely as commission agents, which is rather playing it safe. As the co-operative movement has now come of age, these societies should explore the vistas of trading also. This would introduce an element of added competitiveness in the regulated markets; and as the co-operative societies are more broad-based, enjoy more resource-mobilization powers, could be relied on to follow clean marketing practices and have a fine-tuned sense of consumer and social welfare, their entry into the fray would actually help in controlling the prices of the regulated commodities on more healthier lines, for the ultimate benefit of the producer-sellers, who themselves belong in the co-operative movement in way or other. For such a daring venture, of course, these societies would initially need certain financial assistances which the Government should not hold back.

#### **20. Identification of Intervention Points.**

The market committee should take necessary steps to identify specific points in the existing commodity-wise marketing structure, at which intervention by the market committee would work in the interests of the concerned parties. After an in-depth study and proper planning in this behalf, careful implementation of appropriate machinery for monitoring of market activities and intervention is necessary to be set up to generate positive benefits to the producer-sellers in real terms.

#### **21. Extension of Market Committee Functions.**

The market committee should widen the scope of its activities through an option of direct intervention by it in the transaction process. The regulated market must be developed as an effective instrument to prevent distress-sale.

**22. Introduction of Proper Management within the Market Yard.**

Immediate steps should be taken to introduce proper management and administration to control the transactions taking place in a haphazard manner within the principal market yard.

**23. Development of a Link with Producer-Seller.**

A regulated market should strive to develop a direct link with the farmers, by arranging group meetings, both in the villages, in the notified area and in the market yard itself, to discuss the problems related with the marketing of the agricultural produce; the solution of which would help the market committee to offer effective marketing extension services. This process would require a forceful and aggressive public relations approach and, if necessary, the market committee should entrust this work to an outside agency specializing in such assignments.

**24. Extension of Marketing Facilities and Functions of Sub-Markets.**

Various marketing facilities are offered by the market committee in the principal market yard. These facilities should be extended effectively to cover the growers residing in the remote villages through construction of sub-markets. The market committee should provide all the facilities at the sub-markets as are presently available in the principal markets.

**25. Development of Banking Facilities.**

Specialized banking facilities like linkage between storage and bank credit should be developed immediately to expedite credit flow and prompt payments to the farmers.

In India, the institution of Regulated Markets has proved to be the singularly vital link in the chain of agricultural marketing, which begins with a farmer deciding on an idea of producing a marketable commodity and ends with that commodity being purchased ultimately by the consumer. It was known all along that the producer-seller was the most exploited individual in this chain, but an earnest effort to protect his economic and social interest could begin only recently with the setting up of regulated markets. Although initially the farmers had some reservations about the idea of regulated markets, they responded to it with gusto and fervour once the monetary benefits that could be reaped had become evident.

As of today, regulated marketing is a boon to the Indian farmer with regard to a fair deal for his toils. It is also a powerful agent to protect primarily the interests of the cultivators and secondarily of all those involved in the now specialized discipline of agricultural marketing. The welfare and prosperity of the farmers was foremost on the minds of the planner when the idea of regulated markets was first mooted. True to the trust reposed in them, the regulated markets have created a feeling of confidence among the cultivators, who, in turn, have endeavoured to take the country's agricultural production to unprecedented heights.