
CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

1.2 OBJECTIVES OF THE STUDY

1.3 HYPOTHESES OF THE STUDY

1.4 METHODOLOGY

1.5 LIMITATIONS OF THE STUDY

1.6 CHAPTER SCHEME.

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1.1 Introduction.

As is wellknown, India is an under-developed country and is predominantly dependent on agriculture. In India, 75% of its population is dependent on agriculture for its survival. This, in real terms, means that agriculture is a tool for an overall development of the country. Evidently, increase in agricultural production supports and sustains the economic development of our country in numerous ways. In ancient times, agriculture was the only avenue open for the gainful utilization of the available manpower, but with the dawning of industrial age, agriculture sector became a source of essential supplies for maintaining and raising the level of the industrial production.

In last three decades, India has registered tremendous advancement in agricultural production techniques due to the use of high yielding varieties of seeds, use of fertilizers and pesticides and also due to the Government's policy of encouragement towards agricultural production; with the result that the quantum of farm produce has been raised to such an extent that the surplus volume of produce is being made available for marketing. In fact, the quantum leap in agricultural production that has taken place in India since 1964-65 is the direct result of the introduction of hybrid crop varieties. Consequently, there is a qualitative and quantitative increase in agricultural production and the surplus volume has become available for commercial marketing.

Naturally, therefore, the farmers seek to market their produce in the nearest market at competitive prices. Prior to the passage of the Bombay Agricultural Produce Market Act in 1939, there were none other agencies set up with the express purpose of agricultural marketing and the marketing of agricultural produce used to be conducted by private traders and trading agencies. These people used to purchase agricultural produce at very low prices during harvest season and sold the same at exorbitant prices during off-season, thereby earning enormous profits.

In 1926, the British Government of India appointed a Royal Commission on Agriculture for an overall survey of the Indian agriculture. The Commission submitted its report in 1928, suggesting that the anomaly of hoarding and profiteering could be removed only with the establishment of regulated markets for agricultural produce. The Commission also expressed that the prosperity of an individual agriculturist and the improvement in general of the agriculture depends, on a large degree, on the facilities provided for advantageous marketing of the farm produce.

The institutional, technological and developmental changes that have taken place in the Indian agricultural sector were due more to the implementation of successive Five Year Plans. Consequently, the agricultural production increased to a very high degree but the development of the agricultural marketing facilities did not keep pace with the changed circumstances, particularly the increased output of the farm produce. Hence, the farmers were being deprived of the competitive prices for their produce and the gap between the price received by the producer and the price paid by the consumer kept on widening.

Many a time, the quantity of the produce being offered for sale is not large enough to warrant its transportation all the way to a big market place. Hence, the farmer tries to sell it to the village merchants or in the nearby villages where weekly markets (Bazaars) are held.

A farmer is forced to sell his produce to the traders in his own or in the nearby villages because he is not free to sell it at his will and discretion, as he has already availed loans from such traders and under the circumstances, he does not have a chance to get even remunerative, much less competitive, price for his produce. A farmer can hope to get a good price when he is free to sell his produce in the nearby regulated market. The farmers, however, are seriously handicapped in this behalf due to the lack of adequate transport and road facilities.

Regulated markets represent a part of the agricultural marketing system in India. It is, therefore, necessary to know as to how this system actually functions, before we attempt to analyse the working of the regulated markets. Regulated market is supposed to be a powerful tool for controlling the marketing of agricultural produce. Various State Governments, therefore, adopted a policy of promoting and developing the regulated markets.

Under this investigation, an attempt has been made to judge the effectiveness of a regulated market with special reference to Shree Shahu Market Yard, Kolhapur.

1.2 Objectives of the Study.

The following are the main objectives of the study:

1. To study the pattern of regulated marketing in Shree Shahu Market Yard, Kolhapur;
2. To know the regulated marketing practices actually implemented in Shree Shahu Market Yard, Kolhapur;
3. To study the administrative pattern of Shree Shahu Market Yard, Kolhapur;
4. To study the different problems faced by Shree Shahu Market Yard, Kolhapur, in providing various services to the farmers.

1.3 Hypotheses of the Study.

The following hypotheses have been formed to give a specific direction to and to aid the present investigation:

1. A regulated market helps the market committee to exercise proper control and in decision-making;
2. It helps the market committee in the expansion of and improvement in the market place;
3. It helps the market committee to solve different problems in marketing;
4. It is useful to the farmers in getting fair prices and the correct weighing of their produce;
5. It helps the farmers in getting up-to-date knowledge of the market and provides adequate facilities and amenities at the market place.

1.4 Methodology.

The following sources of information have been used for conducting this study:

1. Primary Data.

A sample of 50 farmers was selected by using Stratified Random Sampling Technique. The sample consists of all the categories of the groundnut farmers (i.e. large, medium and small). The collection of the primary data from this sample group of farmers was done with the help of a structured questionnaire (see Appendix A). In addition to this, discussions with the office-bearers and the employees of the Kolhapur Agricultural Produce Market Committee were also held from time to time, with a view of supporting the data collected in the field survey.

2. Secondary Data.

The secondary data was collected from the records of the Market Committee, that is, by referring to the Annual Reports, Notes, as well as the books and journals being published by the market committee. In this case also, and with a view to make the study more meaningful and result-oriented, the actual working of the market committee was observed.

Later on, the information obtained from different sources was cross-checked against the explanations obtained from the concerned authorities in respect of the variations, which were natural due to the quality of the information sources, and then included for final analysis. For getting clarifications on the issues connected with the administrative set up of the Market Yard, its financial operations and the impact of marketing regulation, the Market Secretary and the Members of the Market Committee were interviewed personally.

1.5 Limitations of the Study.

This study is limited only to the Agricultural Produce

Market Committee, Kolhapur, Maharashtra State. Hence, the findings of the study are applicable only to such market committees which are having similar socio-economic, administrative, financial and market-regulatory conditions as that of the Kolhapur Agricultural Produce Market Committee, Kolhapur.

The study is again limited to only 50 respondents randomly selected from whom the primary data were collected and the findings are based on the expressed responses of these 50 respondents only.

1.6 Chapter Scheme.

The study has been divided into five Chapters. **First Chapter** covers the topics of general introduction, objectives, hypotheses, methodology and limitations of the study. **Second Chapter** deals with the agricultural marketing system in India, history and growth of the regulated markets in India and Maharashtra, meanings and definitions of agricultural marketing and regulated markets along with a description of the advantages of the regulated markets. **Third Chapter** gives the history and details of the growth of Shree Shahu Market Yard, Kolhapur, together with the description of its actual working, administrative set up and the problems being faced by it. **Fourth Chapter** presents the analysis and interpretation of the data collected from the selected farmers who market their produce in Shree Shahu Market Yard, Kolhapur. **Fifth Chapter** records the conclusions arrived at and suggestions made for improving the performance of Shree Shahu Market Yard, Kolhapur. The structured questionnaire used for the data collection is given in **Appendix** and a comprehensive **Bibliography** concludes the Dissertation.