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CHAPTER – IV

PROGRESS OF KRISHI UTAPANNA BAZAR SAMITI, PHALTAN

INTRODUCTION

This chapter deals with the progress of Krishi Utapanna Bazar Samiti, Phaltan in term of the transaction of agricultural commodities and other economic activities being carried out from 1990-91 to 1999-2000.

4.1 PROGRESS IN THE ARRIVAL OF AGRICULTURAL COMMODITIES

Among the cereal crops wheat, jowar, bajra were transacted in the Market Committee. There were other crops such as onion, khapali, pigeon pea, gram, groundnut, chilies, maize, sunflower and cotton, etc. among the processed goods jaggery occupies major share in the turnover in the Market Yard.

Table 4.1
Progress of Arrival of Agricultural Commodities 1990 to 2000
(Three Year Average)

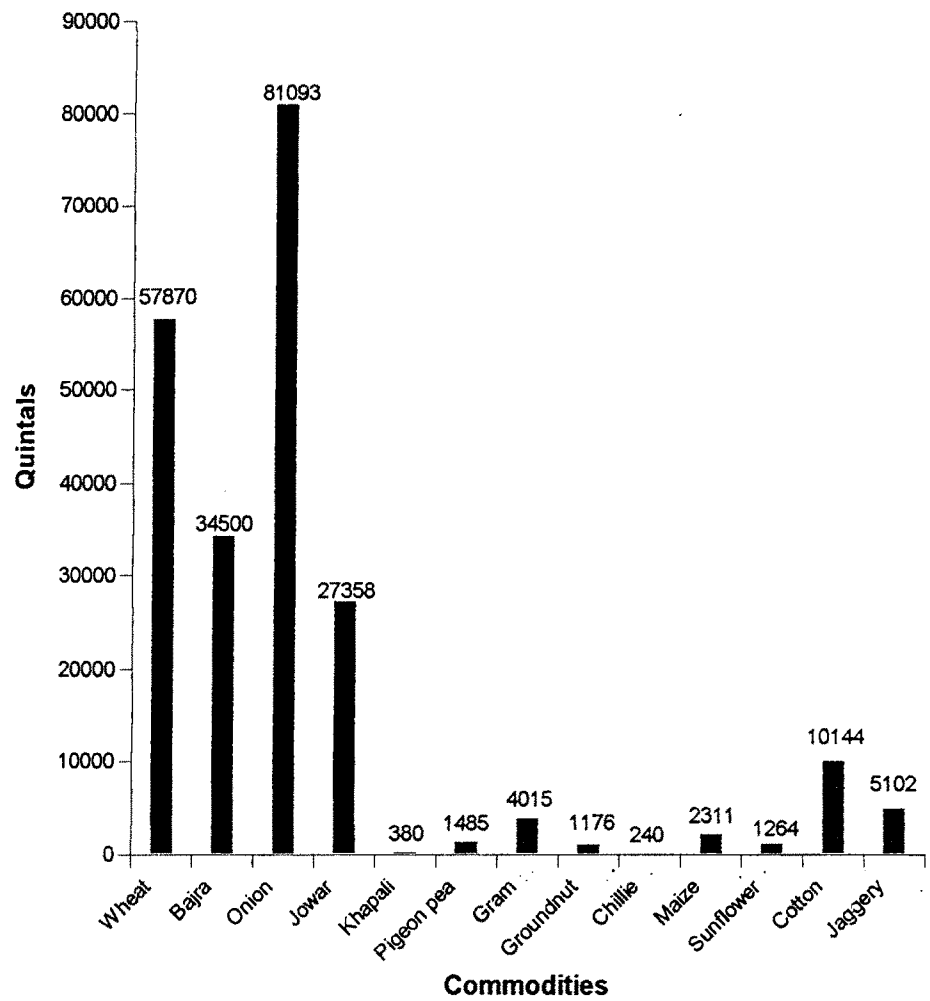
(Fig. in quintals)

Sr. No.	Commodities	1990-91	1994-95	1998-99	Percentage change		
					1990-91	1994-95	1990-2000
1	Wheat	22955	37986.67	57870	65.48	52.34	152.10
2	Bajra	30314	36054	34500	18.93	-4.31	13.80
3	Onion	98503	9085.67	81093.67	-7.81	-10.69	-17.67
4	Jowar	32708.67	23794.67	27358	-27.24	14.97	-16.34
5	Khapali	963	552	380.33	-42.67	-31.09	-60.50
6	Pigeon pea	3291	2003.66	1485.66	-39.11	-25.85	-54.85
7	Gram	2899	4345.33	4015.66	49.89	-7.58	38.51
8	Groundnut	18.36	1070	1176.33	-41.72	9.93	-35.92
9	Chilies	59.66	19	240	-68.15	1163.15	302.23
10	Maize	811.33	943.66	2311.66	16.31	144.96	18492
11	Sunflower	4974.66	3232.33	1264.33	-35.02	-60.88	-74.58
12	Cotton	37.40	13.27	10144	-64.17	664.43	173.86
13	Jaggery	5245.33	3902.33	5102	-25.66	30.74	-2.73

Source: Annual Reports of Krishi Utapanna Bazar Samiti, Phaltan

It is observed from Table 4.1 that Krishi Utapanna Bazar Samiti has been making progress in the arrival of agricultural commodities over a period of time. Thus, it reflects the fact that agricultural producers in the region prefer to sale agricultural commodities in the Market Yard. Because it ensure the reasonable price to their products. The arrival of wheat was recorded 22955 quintals in 1990-91, which raised to 37986.67 quintals in 1994-95 and further it increased to 57879 quintals in 1999-2000. Thus in relative term it shows arrival of wheat increased by 65.48 percent during the year 1990-94, which further declined by 52.34 percent during 1995-2000 and overlap change was recorded 152.10 percent during 1990-91 to 1999-2000.

**Progress of Arrival of Agricultural Commodities in
1998-99 (Three Year Average)**



Thus, arrival of wheat reflects good sign of progress of the Bazar Samiti. In case of maize progress seemed be quite satisfactory. During 1990-91 811.33 quintals of maize were arrived in the market, which raised to 943.66 quintals in 1994-95 and further increased to 2311.66 quintals in 1998-99. The jowar is a main crop in the region. Consequently in the total transaction of agricultural commodities, it occupies major share in the market. In 1990-91 32703.67 quintal jowar was arrived in the market, which reduced to 23794.67 quintal in 1994-95 and marginally increased to 27358 quintal in 1998-99. In fact, reduction in the arrival of jowar in the Market Yard is serious concern because agricultural producers might have preferred to sale jowar in the open market rather than in the Market Yard. In case of onion, it is observed ups and down trends in its arrival, 98503 quintal were arrived in 1990-91 and it reduced to 90805.67 quintals in 1994-95 and further reduced to 81093.67 quintals in 1998-99. During 1990-98 arrival of onion was declined by 17.67 quintals. The same behaviour was observed in case of khapali, pigeon pea, jaggery, groundnut and sunflower. The negative growth rates were observed during 1990-91 to 1999-2000. While arrival of cotton increased by 173.86 percent during 1990-1999.

4.1.1 Periodwise Annual Compound Growth Rates

We have seen the percentage changes based on three points of time, such as 1990-91, 1994-95, 1998-99 do not reflect the trend

behaviour accurately. Because intermediates years are omitted. Therefore, in this section annual compound growth rates are calculated based on time series data. Time series consist of ten years beginning from 1990-91 and ended with 1999-2000. Moreover, entire time series data is further sub divided into two sub period. Period – I consist of 1990-94 and Period – II consist of 1995-2000. Annual growth rates give the direction and the magnitude of change in the arrival of agricultural commodities in the market. Annual compound growth rates are measured by using semi log function.

Table 4.1
Compound growth Rate in Arrival of Agricultural Commodities

Sr. No.	Crop	Period – I 1990-94	Period – II 1995-2000	Period – III 1990-2000
1	Wheat	16.42	16.33	15.69
2	Bajra	-8.05	-0.90	2.42
3	Onion	-7.04	-1.99	-2.21
4	Jowar	-24.44	5.77	-1.39
5	Khapali	-8.14	-10.84	-11.86
6	Pigeon pea	11.38	7.95	-11.50
7	Gram	8.10	-1.77	4.83
8	Groundnut	5.78	-9.02	-16.49
9	Chillies	-42.43	136.97	15.58
10	Maize	0.83	41.32	15.69
11	Sunflower	6.57	-43.96	-25.0
12	Cotton	5.79	41.49	5.09
13	Jaggery	2.48	19.97	-1.24

Table 4.2 gives annual compound growth rates in arrival of agricultural commodities. It is observed from the Table 4.2 that the arrival of bajra and gram only two crops increased by per annual during 1990-91 and 1999-2000. On the other hand arrival of cotton reduced by 5.09 percent per annum followed by jaggery (1.24 percent) Chilies (15.58 percent), wheat (15.69 percent). Thus, it shows that the total number of arrival of agricultural commodities, some crops had showed negative trend during 1990-91 to 1999-2000.

The sub periodwise position show the arrival of wheat, pigeon pea, maize, gram, groundnut, sunflower, cotton, jaggery. These crops showed positive growth rates while other crops namely bajra, onion, jowar, khapali, chilies have registered negative growth rates during 1990-94. The position of arrival of agricultural commodities during Period – II showed some improvement in respect of some agricultural commodities viz. chilies and jowar are the negative growth rates during Period – I maintained positive growth rates during Period – II of special significance were the facts that maize and wheat recorded annual compound growth rate of 15.69 percent followed by chilies (15.58 percent, gram (4.83 percent) and bajra (2.42 percent) while annual compound growth rates were negative with jowar, onion, groundnut, sunflower. Surprisingly chilies had recorded 136.97 percent growth rate in the earlier Period – II went into disfavour.

4.2 PROGRESS IN THE VALUE TRANSACTION OF AGRICULTURAL COMMODITIES

In this section an attempt is made to examine the progress in the value of transaction of agricultural commodities. The value transaction ultimately takes care of the price of agricultural commodities realised to producers in the Market Yard. Infact there is positive relationship between arrival of agricultural commodities and the price of commodities. Higher price of agricultural commodities creates incentive in the mind of agricultural producers to sale large quantities of agricultural commodities in the Market Yard. Higher quantities accompanied with higher prices ultimately reflect the economic prosperity of agricultural producers. Value transaction of commodities takes into account the quantities of commodities being transacted and prices of commodities realised in the Market Yard.

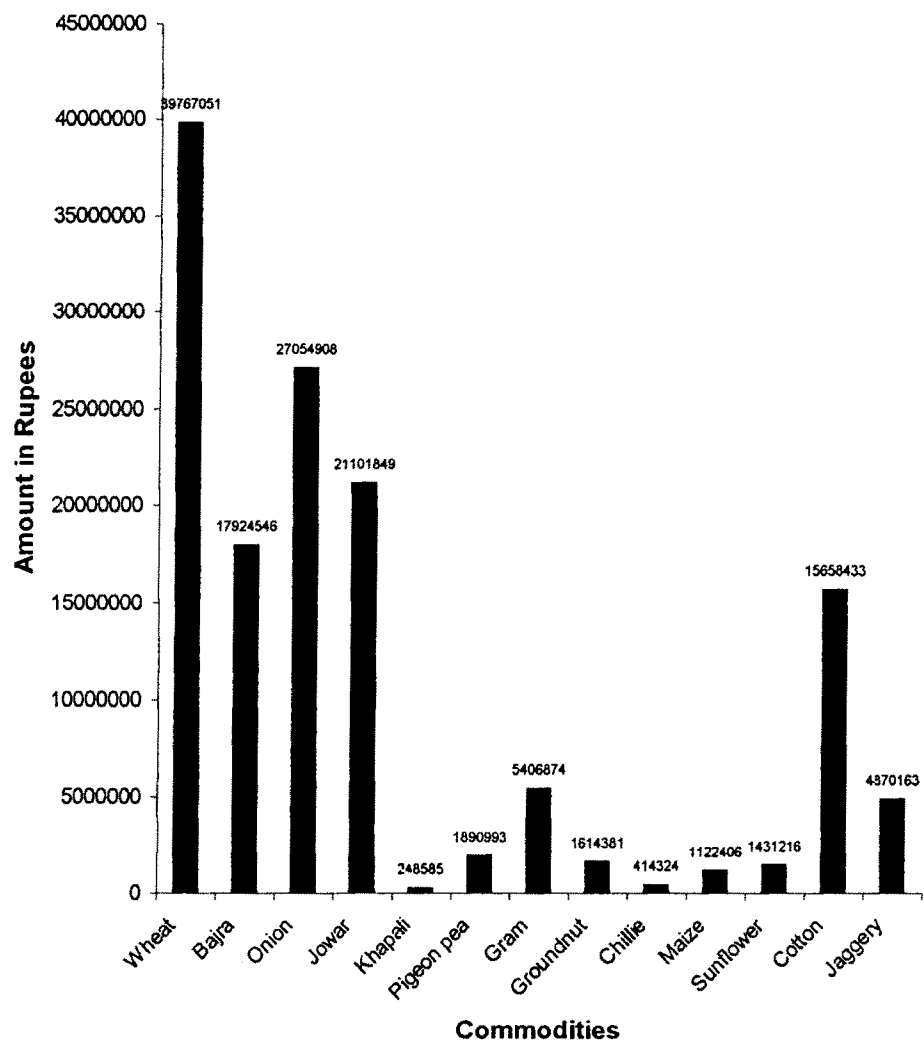
Table 4.3
Progress of Arrival of Agricultural Commodities (in values)
(Three Years Average)

(Fig. in Rs.)

Sr. No.	Commodities	1990-91	1994-95	1998-99	Percentage change		
					1990-91	1994-95	1990-2000
1	Wheat	9727027	22225950	39767051	128.49	78.92	208.33
2	Bajra	9440472	12732691	17924546	34.87	40.77	89.66
3	Onion	20030372	29520206	27054908	47.37	-8.35	35.06
4	Jowar	13453891	14894320	21101849	10.70	41.67	56.48
5	Khapali	400670	353720	248585	-11.71	-29.72	-37.95
6	Pigeon pea	3060451	2404083	1890993	-21.44	-21.34	-38.21
7	Gram	2370854	3835857	5406874	61.79	40.95	128.05
8	Groundnut	1929674	1422586	1614381	-26.27	13.48	-16.33
9	Chillies	100053	53003.67	414324.3	-47.02	681.68	314.10
10	Maize	246285	407854	1122406	65.60	175.19	355.73
11	Sunflower	4811532	3502545	1431216	-27.20	-59.13	-70.25
12	Cotton	3491210	3037397	15658433	-12.99	415.52	348.51
13	Jaggery	2733650	3420927	4870163	25.14	42.36	78.15

Source Annual Reports of Krishi Utapanna Bazar Samiti, Phaltan

**Value Transaction of Agricultural Commodities
during 1998-99**



It is observed from the Table 4.3 that Krishi Utapanna Bazar Samiti, Phaltan has been making progress during the period of 1990-91 to 1999-2000. Cropwise position showed that transaction of onion was done to the extent of 20030372 rupees followed by jowar, bajra, gram, jaggery. Moreover over a period of time transaction of all commodities under consideration has increased. In case of onion transaction increased from Rs. 20030372 in 1990-91 to Rs. 27054908 in 1998-99, indicating substantial improvement during this period. Wheat also showed improvement in value transaction from Rs. 9727027 in 1990-91 to Rs. 39767051 in 1998-99. Value transaction of jowar raised from Rs. 13453891 in 1990-91 to Rs. 21101849 in 1998-99. Thus, value transaction of all commodities has increased during 1998-99 as compared to 1990-91 at varying rates. The most prominent change observed in the value transaction was maize (355.73 percent) between 1990-2000 followed by wheat (308.83 percent), cotton (348.61 percent), chilies (314.10 percent), gram (128.05 percent) bajra (89.86 percent), onion (35.06 percent), jowar (56.84 percent). Thus overall performance of Krishi Utapanna Bazar Samiti showed satisfactory between 1990-91 to 1999-2000.

4.2.1 Periodwise Annual Compound Growth Rates in the Value Transaction of Agricultural Commodities

Table 4.4
Compound Growth Rates in Sale of Agricultural Commodities (1990-2000)

Sr. No.	Commodities	Period – I 1990-94	Period – II 1995-2000	Period – III 1990-2000
1	Wheat	27.12	23.17	24.52
2	Bajra	-35.98	8.08	11.55
3	Onion	9.02	-2.57	2.33
4	Jowar	-16.51	12.91	7.58
5	Khapali	-1.97	-8.97	-5.63
6	Pigeon pea	17.14	8.33	-6.07
7	Gram	-26.72	0.45	12.62
8	Groundnut	13.63	-7.94	-12.64
9	Chillies	-40.47	105.78	19.26
10	Maize	12.28	47.97	23.33
11	Sunflower	9.07	-43.04	-23.11
12	Cotton	34.07	29.71	13.90
13	Jaggery	26.65	22.61	7.85

Source: Annual Reports of Krishi Utapanna Bazar Samiti, Phaltan

Table 4.4 gives annual compound growth rate in sale of agricultural commodities. It is observed from the table that the sale of wheat increase by 24.52 percent per annum during 1990-91 to 1999-2000 followed by bajra (11.55 percent), gram (12.62 percent), and onion (2.33 percent). On the other hand sale of jowar reduced by 7.58 percent per annum followed by chillies (19.26 percent), maize (23.33 percent), cotton (13.90 percent) and jaggery (7.85 percent). Thus, it showed that of the total number of sale of agricultural

commodities. Some crops showed negative trend during the period 1990-2000.

Sub periodwise position indicated in Period – I showed the sale of wheat, onion, pigeon pea, groundnut, maize, sunflower, cotton and jaggery. These crops showed positive growth rates while other crops namely bajra, jowar, khapali, gram, chilies have registered negative growth rates during 1990-94. The position of sale of agricultural commodities during period – II showed some improvement in respect of some agricultural commodities namely bajra, jowar, gram, and chilies. These crops had negative growth rates during Period – I and positive growth rates during Period – II. The special significance were the facts that wheat recorded annual compound growth rate of 24.52 percent followed by bajra (11.55 percent), gram (12.62 percent), chilies (19.26 percent), cotton (13.90 percent) while annual compound growth rates were negative with khapali, pigeon pea, groundnut and sunflower surprisingly gram had recorded 12.62 percent growth rate in the earlier period went into disfavour.

4.3 FINANCIAL POSITION

The Agricultural Produce Market Committee has the obligation to provide adequate marketing facilities on the Market Yard and further more it is expected to generate resources for this purpose. The Agricultural Produce Market Act empowers the APMC to levy certain charges on the market functionaries and thereby raise money

for its own requirement. It is expected that the resources generated should be enough not only to meet the current expenses but also to provide for the development of the principle market as well as the sub-market. The Government realised that in the initial stage after the establishment of the APMC the Market Committee would fall short of the resources. Hence, the Government extended loan facilities to the APMC, particularly for acquisition of land for locating the principal market and later on the sub-market. Construction of roads and buildings on the land acquired and so on. The APMC is expected to return the loan with an interest in suitable installments in due course. Anyway, in the long run the APMC is expected to be self reliant financially. This is possible only if it succeeds in swelling the market arrival of the regulated commodities. This can be done by making propaganda in the villages by the APMC.

4.3.1 Sources of Income

The present point attempts to examine the finances of Krishi Utapanna Bazar Samiti, Phaltan, over a period from 1990-91 to 1999-2000. On perusal of the financial statements of the APMC, it appears that the APMC has been collecting funds from the following sources.

1. Licence fee from the market functionaries
2. Market fee on transactions
3. Rent of plots and buildings
4. Godown fees

5. Auction of gross and murum
6. Interest on bank deposits
7. Gate pass fee
8. Commission on the recovery of loans of the co-operative societies
9. Miscellaneous income

Among all these sources, market fee has assumed the place of pride. In fact, income from this source is his with every APMC, and the backbone of the APMC, Phaltan too. Next in importance is the income from licence fee. All other sources have remained of lesser significance. They can be described as incidental incomes. A detailed scrutiny of the income sources follows in the light of the statistical details presented the next section.

4.3.2 Financial Position of Krishi Utapanna Bazar Samiti, Phaltan

Table 4.5

Progress in Financial Position of Krishi Utapanna Bazar Samiti, Phaltan (Three Years Average)

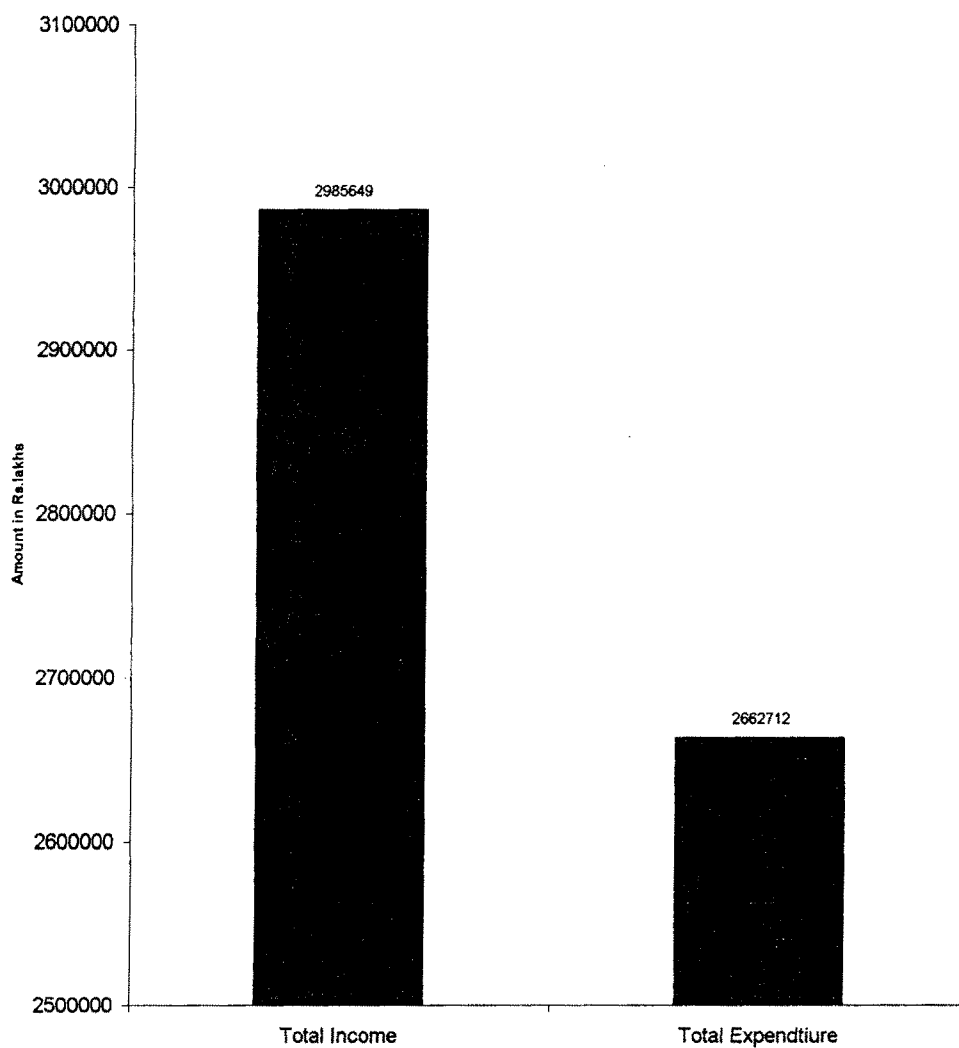
Sr. No.	Item	1990-91	1994-95	1998-99	Percentage change		
					1990-91	1994-95	1990-2000
1	Total Income	1364550	2315271	2985649	69.67	28.95	118.80
2	Total Expenditure	1250220	2119066	2662712	69.50	25.66	112.98

Source Annual Reports of Krishi Utapanna Bazar Samiti, Phaltan

1. Total Income

An attempt is made to examine the financial position of Krishi Utapanna Bazar Samiti, Phaltan during 1990-91 to 1999-2000. The financial position of Bazar Samiti depends upon its total income

**Progress in Financial Position of Krishi Utapanna
Bazar Samiti, Phaltan**



and total expenditure. It can be seen from Table 4.5 that the market income was Rs. 1364550 in 1990-91 and it swelled to Rs. 2315271 in 1994-95, thereby recording 28.95 percent increase. The total income increased from Rs. 2985649 during the period 1994-95 to 1998-99. Thus, it indicates an increase of 28.95 percent to 118.80 percent during the entire period 1990-2000.

2. Total Expenditure

Major heads of expenditure of the APMC are payments to employees and construction of yards, buildings and other development work of sub-markets, office equipments and stationery, electricity and water bills, publicity, bank commission, dead stock, etc. For the purpose of analysis, total expenditure is divided into expenditure on staff and other expenses. The former item constitutes the single largest item of expenditure. In case of other expenses developmental expenditure is the biggest one. Trends of total expenditure can now be examined.

It is obvious that with growth of the Market Yard, its liabilities also would grow by leaps and bounds. As per Table 4.5 Krishi Utapanna Bazar Samiti, Phaltan spent Rs. 1250220 in 1990-91 and Rs. 2119066 in 1994-95 resulting an increase of 25.66 percent. Total expenditure of Krishi Utapanna Bazar Samiti, Phaltan during the period 1994-95 to 1998-99 increased from Rs. 2119066 to Rs. 2662712. The increase was to the extent of 25.66 percent.

It is higher than earlier period. During the entire period 1990-91 to 1999-2000, total expenditure of Krishi Utapanna Bazar Samiti increased from Rs. 1250220 to Rs. 2662712. This figure indicates an increase of 112.98 percent.

4.3.3 Compound Growth Rates in Financial Position of Krishi Utapanna Bazar Samiti, Phaltan

In order to get more realistic idea of financial position of Krishi Utapanna Bazar Samiti, Phaltan the compound growth rates are calculated and presented in Table 4.6 for the entire period 1990-91 to 1999-2000 and sub periods Period – I (1990-94) and Period- II (1995-1999).

Table 4.6
Compound Growth Rates in Income and Expenditure

Sr. No.	Items	Period – I 1990-94	Period – II 1995-2000	Period – III 1990-2000
1	Total Income	11.66	15.12	12.60
2	Total Expenditure	11.32	16.24	8.19

The above table depicts that during 1990-94 (Period – I) compound growth rate in income was 11.66 whereas compound growth rate in expenditure was 11.32. In the year 1995-2000 (Period – II) compound growth rate in income and expenditure was 15.12 and 16.24, respectively. But during 1990-2000 (Period – III) compound growth rate in income and expenditure was 12.60 and 8.19, respectively.