
CHAPTER-VI: OBSERVATIONS, CONCLUSIONS AND SUGGESTIONS



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1. Observations

The preceding chapters provide information about the Agricultural Produce Market Committee, Karad. The tabulation analysis and interpretation of the data gave clear idea of the marketing activities. These details are consolidated here to present the picture in a concise manner so that further line of action would become clear about observations.

I) Market Coverage

As per the Bombay Act, 1939 the area of 10 Km around the principal market is known as 'Market Proper'. But the Maharashtra Agricultural Produce Market Act was passed in 1963 and the limit of 10 Km of 'Market Proper' was abolished and entire Taluka became the area of operation. There were 163 villages in Karad taluka. It is observed that cultivators from all the villages do not sell their produce in Karad Market Yard.

II) Market Yard

It is observed that in the beginning the Market Yard was very small. But now-a-days it is much more developed. It has acquired a new site.

A) Principal Market Yard

The Government of Bombay had notified 'Karad' town as the principal market yard. It is observed that Karad Market Committee possessed land for principal market covering an area of 20 acres and 10 gunthas.

B) Development of Sub-Market Yard

It is observed that Karad Taluka is a vast taluka in Satara district. For giving better facilities to the producers and traders Market Committee established two Sub-Markets at Masur and Umbraj.

Again it is observed that most of the facilities are available only at the principal market but not at the sub-market. Only a few facilities were provided at the sub-markets (Table No. 9).

III) Management of Karad Market Committee

Management Committee is formed according to the Maharashtra Act, 1963. The management of regulated market is a body of elected representatives. It is observed (Table No. 10) that there are 18 members from agriculturists, traders, local authority etc. The following facts are observed while studying the management of the committee.

A) Tenure of Office

The elected body is based on Maharashtra Act, 1963 which works for five years. Again it is observed that the period of working of the body varies from three to five years. It is observed (Table No. 11) that 26 Chairmen were changed during 1944 to 1986.

It is observed that seven Secretaries were changed from the establishment year (1944) upto 1986 (Table No. 12).

B) Various Vacancies in the Committees

Various vacancies are created in the committees due to the death and resignation of the members. It is observed that if a post remains unappointed or elected, it affects on the working efficiency of the committee.

C) Sub-Committees

It is observed that there were six market sub-committees in Karad market committee. But only dispute sub-committee is found prompt and upto-date. It solves the disputes among traders and farmers of the committee.

D) Management Attitude

It is observed that the attitude of the management of the Karad Market Committee is good and healthy. They have exploited all the powers given to them by the Maharashtra Act, 1963.

E) Influences of Traders

It is observed that there were three representatives from the traders whereas there were in all eighteen representatives in Market Committee (Table No. 10). These representatives who were from traders are always interested in their trading beneficial policies. Therefore, they are influencing the management all the time. The Chairman is also under their influence.

F) Administrative Staff

It is observed that there were 26 administrative staff members appointed by the Committee (Table No. 13). But the Secretary is only playing dominant role in the day-to-day administrative work. Because other administrative staff is not fully interested in management of the committee and that is why the Secretary is active.

IV) Marketing Activities

Marketing activities include regulated commodities, Market functionaries, Market arrivals, sales, financial activities, warehousing, transport etc. The following observations are made about that.

A) Regulated Commodities

It is observed that there are eighteen agricultural commodities regulated by Karad Market Committee as per the

Government Notification. These commodities are jaggery, groundnut, wheat, jowar, turmeric, Udid etc. From Table No. 14 it is clear that within the period of 30 years (1943 to 1973) these commodities are regulated.

Again it is observed that the Market Committee was much interested in the commodities like groundnut, jaggery, wheat, jowar, turmeric.

B) Market Functionaries

It is observed that Karad Market Committee is having the functionaries like General Commission Agent No. 2, A-Class Traders, A-Class Processors, Warehouseman, Brocker, Assistant to Trader, Hamals, Weighman only. Moreover, it is observed that there are no functionaries like General Commission Agent Nos. 2 and 3 and B-, C-Class Traders, A-, B-, C-Class Adatyas and Craftman at all (Table No. 15).

C) Market Arrivals

The main or important function of Market Committee is arrivals or buying of regulated commodities.

It is observed that the commodities like jowar, bajara, Udid and wheat had not arrived in the market upto 1970-80. Bajara was on the lowest point whereas jaggery was at the highest level in arrivals.

The commodities like jaggery, groundnut, turmeric, onion showed regular arrivals from the beginning but jaggery and groundnut showed the highest level of arrivals (Table No. 16).

D) Market Prices

It is observed that Market prices depend upon the demand and supply. The prices depend upon market arrivals of the commodities. It is observed that the prices of commodities had increasing trend. Considerable increase in the market price of turmeric was found, whereas wheat, jowar showed no significant change (Table No. 17).

E) Market Sales

It is observed that jaggery, groundnut and turmeric were sold regularly and showed considerable upward trend. Jowar, onion and wheat were sold in small scale but the remaining commodities were not regular commodities about their sale.

F) System of Marketing Activities

It is observed that in Karad Market Committee all the transactions are conducted under the supervision of the staff of Market Committee. The following observations are made about the system of marketing activities.

i) Open Auction

The committee uses open auction method for transactions

in regulated commodities. Generally in open auction system, the day, time and sequence of auction is pre-fixed. Therefore, the farmer could be present at the time of auction. As a result of this he knows the price of his produce and other relevant details.

It is observed that due to the auction system there is no scope for malpractices and manipulation of accounts by the commission agents. It is beneficial to the farmers.

ii) Weightment

Proper weightment gives justice to the farmers. But it is found that deduction in weight leads to a loss of 2 to 3 Kgs per bag or Qtl. in agricultural produce. As a result even the honest farmer who has brought fairly clean produce has to suffer 2 to 3 Kgs. per Qtl. or bag unnecessarily. Therefore, they are tempted to mix something in their clean produce. Thus, developed a vicious circle.

iii) Gradation

It is observed that Market Committee, Karad has not done anything in this gradation. In this market the method of 'commercial grading' is practised. This method indicates visual inspection of a commodity from the point of its quality, colour, and mixture. This is done by representatives of seller as well as purchaser.

v) Financial Activities

Financial activities play important role in working of the Market Committee. Financial activities include -

i) Income

It is observed that in the year 1975-76 total income was Rs. 2,30,072 but it rose up to 9,10,993 in 1985-86. It means at the end of tenth year it was four times more than the first year (Table No. 19).

ii) Expenditure

In the year 1975-76 total expenditure was Rs. 1,47,535 and after tenth year it became Rs. 6,46,918. It shows gradual increase. It is observed that at the end of tenth year it is four times more than the total expenditure in the first year.

iii) Permanent Fund

It is observed that the Permanent Fund of the committee shows gradual development. For this period of 10 years (1975-76 to 1985-86) it is five times more compared to first year (Table No. 20).

iv) Loans and Subsidies

It is observed that in the years 1975-76 to 1983-84 that is in the period of eight years committee has not taken loan at all.

Only in the years 1983-84 and 1984-85 loan had been taken but repaid in the next year (1986).

It is observed that subsidies were received in the years 1977-78, 1978-79, 1980-81, 1981-82, 1983-84 and 1984-85 and not for other years.

It is observed that at the end of 1985-86 there was nil balance of loans and subsidies (Table No. 21).

v) Net Profit

It is found that the economic condition of the committee is sound. The committee had not taken much loan as a result of which the committee is getting more profit from all its activities. It is observed that net profit shows rising trend (Table No. 22, Graph No. 3).

VI) Advertisement Activities

It is found that within a period of 10 years (1975-76 to 1985-86) the Committee had spent very low amount on advertisement. Only in the years 1980-81 and 1985-86 the amount for advertisement was raised up to Rs. 13,491 and Rs. 11,367 respectively (Table No. 27).

VII) Warehousing Activities

Warehousing is most useful for agricultural produce. It is

found that Karad Market Committee constructed eight godowns at principal market yard and two warehouses to the sub-markets at Masur and Umbraj.

It is observed that generally commodities are purchased and sold immediately by auction sale. Therefore, committee does not store commodities for long time.

VIII) Market Information

Market information is collected from Journals papers, magazines, interviews of traders etc. This information is useful for understanding the total output and demand of agricultural produce.

It is observed that the committee has not paid much attention towards getting market information.

IX) Transport Activities

In every market demand and supply are balanced because of transport facilities. It is observed in Karad Market Committee that the farmers are transporting their produce by their own vehicles or by hired one. Trucks, tractors and bullockcarts are used for such purpose. It is also found that the committee has not provided any transport facility to farmers and traders.

2. Conclusions

This chapter deals with the conclusions drawn from the entire

discussion and observations found out in the complete study of Marketing activities of Agricultural Produce Market Committee, Karad.

I) Market Coverage

It is concluded that the Maharashtra Agricultural Produce Market Act, 1963 has given a vast area for operation for marketing activities of Karad Market Committee. It has extended the jurisdiction of the Karad Taluka. It is expected that all the producers should use the Karad Market Committee. But actually it is not the result. The fact is that Karad 'Principal Market' is far away from the surrounding villages. No easy transport is available. Again local traders have great influence upon the farmers; with a few efforts they can sell their commodities. So, it is observed that a majority of the farmers are selling their produce to the local markets.

In short, though the committee has extended its area of operation partially, it is fruitless.

II) Market Yard

The Market Committee has taken deep interest in developing the area of Market Yard. The principal market is situated at Karad, Taluka place. The area acquired for the Yard is sufficient to meet its developmental needs. The Committee has provided all the physical facilities needed for smooth working operation. On the

whole, the progress made by the committee in developing physical market structure is satisfactory.

III) Sub-market Yard

The Market committee, Karad has established two sub-market yards at Masur and Umbraj. These sub-market yards have been established on 1st November, 1944. No progress has been made in respect of these markets. Only a few facilities like buildings, roads, lights are provided in these two markets.

IV) Management of the Market Committee

The committee which consists of the representatives elected from agriculturists, producers, traders and local bodies, looks after the management of the market committee. The general working of the management is studied carefully and the following conclusions are drawn:

(a) The management has appointed six sub-committees for internal management. But all the committees are not doing their work effectively. Only Dispute Sub-Committee is working actively; other sub-committees remain on the paper only. It has affected the total progress of the marketing activities.

(b) It is concluded that from the year 1944 to 1986 there were 26 Chairmen elected. Only four Chairmen were in full period of office tenure. The 26 Chairmen played their role during the

42 year period. Every Chairman has his different views and ideas. Before implementing his ideas, schemes or before studying the position of the Market Committee, the Chairman is replaced by another. As a result Market Committee cannot work smoothly and effectively. All this has affected the total image of the Market Committee.

(c) It is concluded that the Secretary plays dominant role in all the activities of the Market Committee. So, it is beneficial to the Market Committee.

(d) There is slight influence upon the Chairman, of the traders' representatives. So, there is a little hope to think of the welfare of the farmers.

V) Marketing Activities

While drawing conclusions in case of marketing activities the following major aspects of the market committee are studied and the conclusions are drawn:

i) Regulation of Commodities

The Karad Market Committee is established in the year 1944. Since then upto 1973 i.e., during the period of the committee it has regulated 18 commodities as per Government Notification. But all the commodities were not regulated in the same year. The regulation period was variable in different commodities. In the

beginning only groundnut was regulated and after four years Government had thought to regulate turmeric. Then followed jaggery, Mug, jowar, bajara etc.

The Karad Market Committee was involved mainly in regulating jaggery, groundnut, turmeric, wheat and jowar on a large scale and from the beginning other commodities were neglected.

ii) Market Functionaries

It is concluded that the market committee had used only necessary functionaries in its working. For example, there are only General Commission Agent No. 1, A-Class Processor, Warehouseman, Broker, Hamals, Weighman etc., unnecessary functionaries like General Commission Agents No. 2,3, B-Class Trader etc. are not working. Comparatively Commission Agents are in large scale. Their role is important.

iii) Market Arrivals and Selling

As the principal market is far away from surrounding villages the commodities like jowar, bajara, udid and wheat did not arrive in the principal Market. During the period of operation jaggery and groundnut were produced on a large scale and upto 1980-81 arrived in the market for sale but bajara, maize, Mug, onion were produced on low scale and their arrivals in the market were low.

But it is concluded that from 1980-81 the market arrivals of jaggery, groundnut, turmeric, jowar and wheat are in full swing.

By the keen observation of Table No. 18 it is concluded that the selling activity of Karad Market Committee is on a large scale from the beginning to end of the period of operation. After a few years jowar, wheat, bajara, Udid arrived into market but not on a large scale like jaggery and groundnut.

iv) Market Prices

It is concluded that market prices depend upon demand and supply. Here supply means market arrivals of the commodities. The market prices show changing trend. Not a single commodity has the fixed price. It is concluded that chillies show high price rate and onion shows low price. The price rate of the groundnut is always increasing. It means that groundnut has much importance in the market.

v) Financial Activities

Financial activities include income, expenditure, permanent fund, loan and subsidies and net profit.

There is no doubt that financial activities of Karad Market Committee are going on smoothly and effectively. All activities are on their right channels. As a result the committee has made

considerable progress. Economic condition of the committee seems to be good.

All observations show that income of the committee is good though there are a few drawbacks. On the income pillar the committee is on the top level. So far there is no loss to the committee. Again the committee has not taken much loan. It means that the committee is completely self-reliant. It has resulted into getting subsidies from the Government.

Comparatively the expenditure is very low. It is observed that the committee has good planning in case of expenditure. Unnecessary expenditures are generally avoided. Apparently it seems that there is no malpractice.

The committee has followed all the rules and regulations of the Marketing Act and it has created sufficient permanent fund as per requirements.

It is concluded that the management of the committee is working efficiently. Total income is higher than the total expenditure. All this resulted into good image of the committee. The net profit is always on the balance of the committee.

vi) Systems of Marketing

Systems of marketing include open auction, weighing, grading system, market charges etc. The following conclusions are

drawn about the systems of marketing.

a) Open Auction

The Karad Market Committee has accepted the open auction system according to the Maharashtra Agricultural Produce Market Act, 1963. This open auction system reduced the chances of under-hand dealings and offered a good deal of protection to producer, sellers.

b) Weighment Procedure

It is concluded that the committee has introduced standard weights and measures. The committee is successful in bringing an end to the malpractices in this respect and offering benefit of correct weighment to producer/seller.

c) Grading System

It is found that the committee practises 'Commercial Grading System'. This system is not free from personal elements and, therefore, cannot be considered as a scientific system. It is concluded that the committee has not fulfilled the statutory requirements in this respect.

d) Market Charges

The Market Committee has prescribed market charges for various operations. As a result producer/sellers are not required

to pay more. This has resulted into benefits to them.

vii) Market Information

It is concluded that market committee is in a good position. It has not paid much attention towards getting market information. The sources of market information are limited. It has affected the communication between management, farmers, traders etc. They are not in link with each other.

viii) Warehousing Activities

It is observed that there are only eight godowns at principal market and two godowns at Sub-markets at Masur and Umbraj. Considering its vast activities the committee must have taken interest in building more godowns. The Market arrivals of commodities are on a large scale but the warehouse facilities are limited. Owing to the lack of warehouses, farmers cannot store their commodities properly which affects the prices. The warehouses built are not advanced ones. There is no cold warehouse for perishable commodities.

ix) Advertisement Activities

It is observed and concluded that though there are many media of advertisement the committee has used only a few of them. For communication, influence, and understanding the advertisement is a great source. But by the study of the concerned data it is

concluded that the committee has not taken due interest in advertisement.

x) Transport Activities

The principal market is far away from the surrounding villages. And, therefore, transporting the produce plays important role. In villages the easy transport is not available. It is costly. It is observed that the committee cannot provide transport facilities to the farmers/producers. Therefore, the farmers are tempted to sell their produce in the local markets.

3. Suggestions

All the above findings and conclusions point out the details of marketing activities and working of the Agricultural Produce Market Committee, Karad. Though the committee is on progressive path it can accelerate its progress by giving much attention towards the few vital points. In the world of competition the working of the committee should be changed so as to keep pace with the world. In this regard the researcher suggests the following for the bright future of the Market Committee. The suggestions are made to the Market Committee as well as to the Government.

Suggestions to Agricultural Produce Market Committee, Karad

I) Market Coverage

It is found and observed that benefits of regulated markets

do not reach up to the small farmers in different villages because they are far away from the principal market yard. In order to remove this deficiency it is strongly recommended that the committee should introduce a system of 'Mobile Purchase Centre'. Under this system the committee will fix a particular day. Arrangement shall be made to purchase whatever quantity that local producer may offer. If this particular system is implemented with the help of marketing co-operative shall provide a better alternative to producer-sellers who sell their produce to village trader under adverse conditions.

II) Principal Market Yard, Karad

According to the approved layout plan of this market yard this committee acquired 20 acres and 10 gunthas of land and converted it into 78 plots. Though physical facilities are provided in this market committee, still it needs many additional facilities for meeting its demand. For example, they have built exhibition hall, Market Information Centre, Guidance Centre, separate Auction Hall, Cattle-shed etc. The committee should take immediate steps to provide these important facilities.

III) Development of Sub-markets

The Market Committee was established on 20th February, 1944 and upto 1986 the committee has developed only two sub-markets at Masur and Umbraj. In this regard it is concluded that these two

sub-markets cannot provide all the facilities to all the farmers in the Karad taluka. So, it is recommended that Karad Market Committee should take immediate action to create sub-markets at least at Pal, Rethare and Kalgaon. If they succeed in creating these three additional sub-markets surely it will give justice to the farmers.

IV) Decentralisation of Management

Management of the Market Committee is according to the Rules and Regulations of Maharashtra Agricultural Produce Market Act, 1963. At present all powers are concentrated with the Board of Directors. For effective functioning of management it is recommended to the Board that they should appoint various functional sub-committees with appropriate responsibilities and authorities to discharge their functions.

It would be better if the market committee creates one or more sub-committees as a 'Survey Committee'. This committee will submit all the reports on the work done by all sub-committees to the management. It will result in keeping competitive speed of the committee. It is beneficial to all the farmers.

V) Appointment of the Staff

Efficiency and success of the Market Committee depends upon the staff of office. It is suggested that the committee should strictly observe the statutory conditions regarding the

appointment of the staff. The staff of the Market Committee should have been treated as Government employees.

VI) Grading

Karad Market Committee appointed one officer for grading but there are difficulties in case of grading. As regards grading, the committee should, without delay, obtain samples of various commodities and arrange to make available the same for inspection as and when demanded by the concerned parties. Further, they should follow 'scientific grading' system in place of 'commercial grading'. This may necessitate a special type of training to grader. The committee should make necessary arrangement for this purpose.

VII) Market Information

The present approach regarding market information needs to be changed. It should use oriented approach. For this purpose it is necessary to identify information needs of producer, seller and also to find out suitable ways and means to supply the information to them in the form they will be in a position to understand and at the time and places convenient to them. It is recommended for this purpose that a separate 'Information Cell' be created.

VIII) Advertisement

Advertisement creates new demand for commodities. But is is

found that Karad Market Committee cannot provide proper budget for advertisement. It is suggested that extra budget should be sanctioned for advertisement. It is necessary to follow the modern media of advertisement like film, radio, etc.

The good farmers, traders should be rewarded by giving special facilities to them. Their interviews should be broadcast by the radio. This will help in canvassing the good and outstanding features of the Market Committee. There is a need to give advertisement in newspapers.

IX) Godowns

Karad Market Committee constructed only eight godowns and two godowns at sub-markets. But when we observed the total arrivals of commodities we found that there is shortage of godowns. So, it is recommended that priority should be given to construct new godowns. It will increase the storage capacity of the Market Committee.

The Market Committee should build Cold Warehouse as early as possible.

X) Transport Facilities

It is recommended that the Committee should take action for transport facilities. At least a few trucks and tractors should

be purchased by the committee. These vehicles will provide transport facilities in controlled rate. As soon as the information is received from the farmers, sellers, Market Committee will be able to transport the same promptly.

4. Direction for Future Research

The present study is about Agricultural Produce Market Committee, Karad. But this study does not give full information about all details or all activities because of the limitations on this study.

The conclusions arising out of this study may or may not have wider applicability as they represent the situation in the regulated market only. However, they represent a set of hypothesis to be tested further. These hypotheses are as under:

- 1) Marketing Cooperatives have failed in their role as supporting organisations to regulated markets;
- 2) Regulated markets have not been successful about influencing the price behaviour of commodities under regulation;
- 3) Small farmers are still out of the reach of the benefits of regulated marketing.