A STUDY ON FARMERS' PROBLEMS IN REGULATED MARKETS IN TAMIL NADU

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ABSTRACT

Agriculture is the heart of the economy of most of the developing world. Constructive progress in their agricultural sector is a prerequisite for the rapid economic growth and rural development of these countries. To achieve this, developing countries are now aiming to restructure their agricultural sector with a view to success. The success of any agricultural improvement scheme will largely depend on the ease available to the farming community to dispose of its surplus production in the most advantageous manner. Farmers face various problems such as high commissions, lack of finance, unremunerative prices, unavailability of manure, pesticides, water shortage and lack of storage facilities, irregular power supply and lack of market for products, high cost transportation, lack of regular payment and others. To remove the handicaps of the farmers of the mandi, regulated markets have been set up. The management of regulated markets is entrusted to committees in which farmers are also represented. However, many marketing committees are not yet fully aware of their responsibility to use their funds to develop marketing facilities. In this context, the researcher attempted to study their problems in relation to the regulated markets of Tamil Nadu. In order to collect primary data for the study, a multistage sampling technique is adopted. The sample size consists of 480 farmers. The study includes both primary and secondary data. As an essential part of the study, primary data is collected from 480 farmers who sell their agricultural products in select regulated markets. The study was based mainly on primary data. Due to the low level of education and the farmers' poor understanding of marketing activities, the schedule method was used to collect primary data. Provision of agricultural input stores, provision of drinking water, provision of credit facilities, provision of canteen facilities, provision of market information, provision of communication facilities, development and welfare program of farmers, grading and standardization facilities, training of farmers and staff, establishment of rural swamps, prompt payment and proper maintenance of rest sheds will ensure the efficient functioning of some regulated markets.

Key words: Agricultural marketing, regulated markets, agricultural economics, farmers' problems, etc.

INTRODUCTION

Agriculture is the heart of the economy of most of the developing world. Constructive progress in their agricultural sector is a prerequisite for the rapid economic growth and rural development of these countries. To achieve this, developing countries are now aiming to restructure their agricultural sector with a view to success. India, being a developing country, is no exception to this phenomenon. Agriculture being the primary sector is the pillar of the Indian economy and is at the heart of all the strategies of its planned economic development. India is predominantly an agricultural country and 70 per cent of the population primarily dependent on agriculture and related activities. Agriculture has continued to occupy a prominent place in the Indian economy from time immemorial. Despite the immense achievements of industrialization in the post-independence era, the country's economy is still predominantly agrarian in character. India is a country of peasants and agriculture supports more than two-thirds of the Indian population. This sector is taking on special importance in the context of the population explosion and there is a need for agricultural planning to be designed in such a way that agricultural productivity keeps pace with

population growth. Effective agricultural management to ensure better and ever better productivity can make a valuable contribution to the balanced growth of the Indian economy. Indian agriculture contributes around 27 per cent of the country's gross domestic product, but employs nearly 67 per cent of the workforce. With the development of means of transport and means of storage, agriculture took on a commercial character; the farmer grows those crops which sell for a better price. The marketing of agricultural products is considered to be an integral part of agriculture, as a farmer is encouraged to invest more and increase his production. In recent years, subsistence agriculture has gradually turned to commercial agriculture and as such there has been a substantial increase in the level of productivity of some crops leading to a marketable surplus. The use of scientific technology by farmers has created a strong demand for better and improved inputs. In India, technology and market regulations are encouraging farmers to adopt new plans for agricultural production and soil improvement. The density of the regulated market place also plays an important role in determining productivity. The success of any agricultural improvement scheme will largely depend on the ease available to the farming community to dispose of its surplus production in the most advantageous manner. But Indian

agriculture is characterized by low yields, stagnant diversification, imperfect market conditions and traditional production practices. Therefore, in India, strengthening agriculture is essential to address the challenges of rural poverty, food insecurity, unemployment and sustainability of natural resources.

Regulated Markets

A regulated market is a market which aims to eliminate unhealthy and unscrupulous practices, reduce marketing costs and provide facilities for producer-sellers in the market. The regulated market is a wholesale market where transactions or purchases and sales are regulated or controlled by a "market committee". The committee is made up of representatives of farmers, traders, agents, local bodies, cooperative societies and the government. It is a market where activities take place within established rules and regulations and wrongdoing such as incorrect weighing, unnecessary deductions are restricted. Regulated markets provide for the settlement of any disputes between sellers and buyers. On regulated markets, regulations may relate to the terms of supply of goods and services and in particular to the price authorized to be invoiced. Regulated markets create a feeling of trust and fair play in the mind of the farmer. It is in this sense that he is most ready to accept new ideas and strives to improve his agricultural production. It has therefore become imperative that arrangements exist for efficient movement of products from farmers to consumers and for adequate and timely supply of top quality inputs to farmers. In this transition stage, the regulation of marketing becomes an essential element of state policy for the improvement of the agricultural marketing system. Over time, however, these markets have acquired the status of restrictive and monopolistic markets, providing no assistance in terms of direct and free marketing, organized retailing, supply of fluid raw materials for agri-food processing, competitive trading, information exchange and adoption of innovative marketing.

Statement of the Problem

The marketing of agricultural products is considered to be an integral part of agriculture. It is said that production, processing and marketing are the 3 pillars of the agricultural economy in India. But due to his illiteracy, ignorance and financial weakness, the farmers have low bargaining power and on the other hand the trader takes advantage of the weakness of the farmer because he is generally well informed and well organized, financially. Basically, agricultural production is dispersed and is small-scale production, which creates marketing problems. In addition, infrastructure such as roads, transport, storage facilities, etc. are rare in rural areas. In India, there are a large number of markets, which are not regulated by marketing laws. Unregulated markets are in the hands of commission agents. Some of the unfair practices viz. short weights, considerable delays in payment, high market fees, taking substantial quantities under the name of sample, underhand dealings and incorrect and false weights are quite common in agricultural

marketing in India. Thus, the trader has the upper hand in the agricultural marketing system and the farmer is always at his mercy. Much of the cash crops like cotton, jute, sugarcane and oilseeds need to be marketed immediately because farmers need money to pay their dues and other expenses. For food grains, the marketable surplus varies among crops and regions, but can be around 20 to 30 per cent under normal conditions.

Farmers do not have access to quality seeds and fertilizers at subsidized prices at the right time. Without adequate access to credit, they fall prey to unscrupulous moneylenders. In addition, these moneylenders lend money up front to farmers who are unable to sell their produce on the open market at a remunerative price. These debts sometimes involve an agreement or an obligation to sell the product to the lender or his agent or through him. If the sale takes place at the mandi or at the market through the brokers, the farmer not only pays for the services rendered by the brokers but is also subject to other unjustified deductions. Farmers in rural areas generally do not receive information on the market trend and the prevailing price in big markets. As a result, farmers in rural areas have to accept the price offered for their produce and have to believe everything traders tell them. Thus, traders make huge profits without their effort, on the products of the farmers who cultivate them and there by the farmers are exploited. As a result, the farmer is forced to sell the agricultural products immediately after harvest to the local money lender to the middlemen or to the people who supplied. Hence, farmers face various problems such as high commissions, lack of finance, unremunerative prices, unavailability of manure, pesticides, water shortage and lack of storage facilities, irregular power supply and lack of market for products, high cost transportation, lack of regular payment and others. To remove the handicaps of the farmers of the mandi, regulated markets have been set up. The management of regulated markets is entrusted to committees in which farmers are also represented. However, many marketing committees are not yet fully aware of their responsibility to use their funds to develop marketing facilities. In this context, the researcher attempted to study their problems in relation to the regulated markets of Tamil Nadu.

Objectives of the Study

The objectives of this study are:

1. To study the existing agricultural marketing system in general.

2. To study the perception of farmers towards the problems they encounter in the regulated markets of Tamil Nadu.

3. To offer appropriate suggestions for the efficient functioning of regulated markets on the basis of the findings of the study.

Testing of Hypothesis

The study is based on the formulation of the following null hypothesis. H_{01}: The socio-economic profiles of farmers have no influence on their level of acceptance of the problems encountered in the regulated markets of Tamil Nadu.

Scope of the Study

This study attempts to examine the farmers' problems in relation to the regulated markets of Tamil Nadu. This study is limited to select regulated markets in the districts of Cuddalore, Villupuram and Nagapattinam. Although there are 36 regulated markets operating in these districts, the study is limited to 8 regulated markets only. In addition, the study focuses its attention on the problems faced by farmers in select regulated markets in Tamil Nadu.

Sampling Technique

The study is empirical in nature and based on a survey method. The study aims to examine the farmers' problems in relation to the regulated markets of Tamil Nadu. In order to collect primary data for the study, a multistage sampling technique is adopted. At the first stage, 3 Market Committees, namely Market Committee, Cuddalore; Market Committee, Villupuram; and the Market Committee, Nagapattinam were selected from the 21 market committees using simple random sampling. In the second step, 20 per cent of the regulated markets, or 8 regulated markets, were selected from the 36 regulated markets operating under 3 market committees selected on the basis of performance. At the final stage, in each of the regulated markets, 80 farmers were selected for the study. Therefore, the sample size consists of 480 farmers. The following table shows the sampling distribution for this study.

Table 1
Sampling Distribution

Market Committee	Regulated Markets	Sample Regulated Markets		Sample Farmers
		Out Perform	**Low Perform**	
Cuddalore	2 (10)	Vridhachalam Regulated Market	Srimushnam Regulated Market	120
Villupuram	4 (18)	Gingee Regulated Market and Thirukovilur Regulated Market	Marakkanam Regulated Market and Valathi Regulated Market	240
Nagapattinam	2 (8)	Sembanarkoil Regulated Market	Vedaranayam Regulated Market	120
Total	8 (36)	4	4	480

Figures in the parenthesis refer to population.

Data Collection

The study includes both primary and secondary data. As an essential part of the study, primary data is collected from 480 farmers who sell their agricultural products in select regulated markets. The study was based mainly on primary data. Due to the low level of education and the farmers' poor understanding of marketing activities, the schedule method was used to collect primary data. The adequate information contained in the schedule has been

tested and the necessary changes have been incorporated into the revised schedule in the light of the experience gained during the pilot study. A pilot study was carried out with 25 farmers. Literature relating to the study was gathered from published reports, journals, magazines and books. The data collected has been analyzed and interpreted as intelligibly as possible to highlight the divergent activities related to the working of select regulated markets in Tamil Nadu.

Analysis and Interpretations

Table 2

Relationship between Farmer Demographics and Regulated Market Problems: Student t Test

Demographics of Farmers	Calculated Vale	Table Value	DF	Result
Gender	0.853	1.965	478	Ns
Market Performance	0.275	1.965	478	Ns

Source: Primary Data. Ns Not Significant

At the 5% significance level, the calculated t-value for gender is (0.853) smaller than the table value (1.965). As a result, there is no significant difference in the levels of acceptance of male and female farmers towards the problems they encounter in regulated markets. At the 5%

significance level, the calculated t-value for market performance is (0.275) less than the table value (1.965). As a result, there is no significant difference in the levels of farmers' acceptance in regulated markets that perform poorly and outperform towards problems they encounter in

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regulated markets.

Table 3

Relationship between Farmer Demographics and Regulated Market Problems: F Test

	Source of Variation	Sum of Squares	DF	Mean Square	F	Table Value	Result
Age	Between groups	32.343	3	10.781	0.465	2.624	Not significant
	Within groups	11024.139	476	23.160			
	Total	11056.481	479				
Education	Between groups	48.951	5	9.790	0.422	2.233	Not significant
	Within groups	11007.530	474	23.223			
	Total	11056.481	479				
Annual Income	Between groups	52.796	3	17.599	0.761	2.624	Not significant
	Within groups	11003.685	476	23.117			
	Total	11056.481	479				
Farmer's category	Between groups	2.441	2	1.221	0.053	3.015	Not significant
	Within groups	11054.040	477	23.174			
	Total	11056.481	479				
Regulated market belongs to	Between groups	132.531	7	18.933	0.818	2.029	Not significant
	Within groups	10923.950	472	23.144			
	Total	11056.481	479				

Source: Primary Data.
Ns Not Significant

At the 5% significance level, the calculated F-value for age is (0.465) smaller than the value in the table (2.624). Therefore, there is no significant relationship between farmers of various ages and the acceptance of the problems they encounter in regulated markets. At the 5% significance level, the calculated F-value for education is (0.422) less than the table value (2.233). Therefore, there is no significant relationship between education and acceptance with the problems they encounter in regulated markets. At the 5% significance level, the calculated F-value is (0.761) smaller than the table value (2.624) in the case of annual income. Therefore, there is no significant relationship between farmers of various annual income groups and the acceptance of the problems they face in regulated markets.

At the 5% significance level, the calculated F-value is (0.053) less than the value in the table (3.015). Therefore, there is no significant relationship between farmers of varied category and acceptance of the problems they encounter in regulated markets. At the 5% threshold, the calculated F value (0.818) is lower than the value in the table (2.029) in the case of the regulated markets to which they belong. Therefore, there is no significant relationship between the farmers of the different regulated markets and the acceptance of the problems they encounter in the regulated markets.

Table 4

Effect of Personal Variables on the Acceptance of Problems Prevails in Regulated Markets

Personal Variables	B	Std. Error	t	Result
(Constant)	49.294	1.346	-	-
Gender	0.491	0.567	0.866	Ns
Age)	0.119	0.242	0.493	Ns
Education	-0.155	0.174	-0.893	Ns
Annual income	-0.195	0.209	-0.933	Ns
Farmers category	-0.097	0.258	-0.376	Ns
Market performance	0.136	0.444	0.306	Ns

Source: Primary Data
Ns: Not significant

Multiple Correlation Coefficients between Personal Variables and Acceptance of Problems Prevail in Regulated Markets

R	R Square	F	Result
0.076	0.006	0.457	Not significant

The table above shows that there was a low degree of correlation (0.076) between the overall acceptance of problems

in regulated markets and the personal variables selected. The R-square indicates that 0.60% of the variation in overall acceptance is explained by all personal variables taken together. The value F indicates that the multiple correlation coefficients are not significant. Gender, age, level of education, annual income, category, and market performance does not have a significant effect on the overall acceptance of respondents with the problems prevalent in regulated markets.

Findings

1. No significant relationship is found between the acceptance levels of respondents belonging to different genders, age groups, educational status groups, annual income groups, different categories, market membership and market performance towards the problems prevailing on regulated markets.

2. Female respondents, respondents in the over 50 age group, uneducated farmers, respondents with annual income range of Rs. 200001 - 300000, marginal and small farmers, respondents marketing their products on the regulated market of Virudhachalam and respondents from the outperforming markets have a higher level of acceptance of the problems prevailing on regulated markets.

3. There is consistency in the level of acceptance of male respondents, respondents in an age group over 50, respondents with a degree, respondents with an annual income of Rs. 1000 001 to 2,000,000, average farmers, farmers marketing produce on the Gingee Regulated Market, and poorly performing market respondents in the face of prevailing market problems.

4. There was a low degree of correlation (0.076) between the overall acceptance of problems in regulated markets and the personal variables selected. The R-square indicates that 0.60% of the variation in overall acceptance is explained by all personal variables taken together. The value F indicates that the multiple correlation coefficients are not significant. Gender, age, level of education, annual income, category, and market performance does not have a significant effect on the overall acceptance of respondents with the problems prevalent in regulated markets.

5. Out of 480 respondents, the majority of respondents indicate that they neither agree nor disagree (31.88%) with the problems prevailing on regulated markets, followed by agree (28.33%) and disagree (22.29%). 9.58% and 7.92% of those questioned strongly agree and strongly disagree, respectively, with the problems that prevail in regulated markets. The average acceptance score shows that respondents have a higher level of acceptance of a poor and inadequate storage facility (3.62), followed by higher commissions (3.41) and a lack of power to negotiation (3.36). Respondents have a low level of acceptance of the lack of regular buyers (2.71), followed by inadequate transport facility (2.91).

Suggestions

1. Agricultural Produce Market Committees should come forward to provide the necessary storage facilities and other infrastructure facilities to avoid market glut and prices without any exceptions. The select regulated markets can be modernized by providing appropriate infrastructure and facilities. The government can develop policies to create large-scale scientific storage facilities. This would make it possible to obtain remunerative prices for farmers, to avoid large price fluctuations and to protect the interests of both farmers and consumers.

2. Farmers should be encouraged to bring graded products to markets based on qualitative physical characteristics such as size, shape, color, etc. Products classified in the markets will get the premiums and remunerative discounts. Therefore, it is suggested to create facilities for scientific classification with appropriate equipment and qualified personnel. In addition, the government and the market committees should ensure that the assessors are thoroughly trained.

3. Credit facilities should be granted by regulated markets at a reasonable rate of interest on the collateral of their products and this amount can be recovered at the time of the sale of their products. In addition, efforts should be made to popularize the pledge loan program and allocate more and more funds under the loan program. In addition, an awareness program should be conducted to educate the policy changes as the farmers do not know the implementation procedures and benefits of the pawn shop program, revolving fund program, etc.

4. There is an urgent need to establish an effective market information network so that farmers can get timely and adequate market information that will help them get better prices for their products. If they got market information about their products, they would be able to know the real situation of their products and might decide to bring the products to distant markets at high price.

5. The regulatory and development functions of regulated markets should be separated as they require different sets of policies and strategies. It can be noted that the development function requires a long-term strategy and resource mobilization. On the other hand, the regulatory function is essentially restrictive in nature. In this context, it may be appropriate to have a separate body specializing in infrastructure development.

6. The ease of transport should be increased on a large scale to facilitate the marketing of agricultural products on the one hand and reduce losses due to deterioration of crops on the other hand. Therefore, the market committees should resume the program of building link roads in their market area. This will facilitate the increase in the number of arrivals to the market for quoted market transactions.

Conclusion

The success of any agricultural development ultimately rests on the effectiveness of the marketing system. In this context, an attempt was made to study the functioning of regulated markets in Tamil Nadu. For this reason, 480 farmers were selected on 8 regulated markets. The study reveals that the majority of respondents are highly dissatisfied with the functioning of regulated markets, followed by dissatisfied and neither satisfied nor dissatisfied with the functioning of regulated markets. Farmers have encountered many problems when marketing their products on regulated markets. Provision of agricultural input stores, provision of drinking water, provision of credit facilities, provision of canteen facilities, provision of market information, provision of communication facilities, development and welfare program of farmers, grading and standardization facilities, training of farmers and staff, establishment of rural swamps, prompt payment and proper maintenance of rest sheds will ensure the efficient functioning of some regulated markets.

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