



A STUDY OF SOCIO-ECONOMIC ANALYSIS OF SOLAPUR APMCS IN MAHARASHTRA

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1.1 Introduction of Study

Agriculture plays a vital role in India's economy. India is an agricultural country and one third population depends on the agricultural sector directly or indirectly and 70 percent people are living in the villages or rural area. Indian agriculture contribution to the national gross domestic product (GDP) is about 15 per cent. Agricultural marketing is mainly the buying and selling of agricultural products. In earlier days when the village economy was more or less self-sufficient the marketing of agricultural products presented no difficulty as the farmer sold his produce to the consumer on a cash or barter basis.¹ There are three marketing functions involved in this, i.e., assembling, preparation for consumption and distribution. Selling on any agricultural produce depends on some couple of factors like the demand of the product at that time, availability of storage etc.

The products may be sold directly in the market or it may be stored locally for the time being. Moreover, it may be sold as it is gathered from the field or it may be cleaned, graded and processed by the farmer or the merchant of the village. Sometime processing is done because consumers want it, or sometimes to conserve the quality of that product. The task of distribution system is to match the supply with the existing demand by whole selling and retailing in various points of different markets like primary, secondary or terminal markets².

Most of the agricultural products in India are sold by farmers in the private sector to money lenders (to whom the farmer may be indebted) or to village traders in Maharashtra. Products are sold in various ways. For example, it might be sold at a weekly village market in the farmer's village or in a neighboring village. If these outlets are not available, then produce might be sold at irregularly held markets in a nearby village or town, or in the mandi³.

In the earlier markets, there were some defects and malpractices use to be practiced to the disadvantage of producer-seller. This could be removed by the exercise of proper control over markets. This was done by the establishment of regulated markets in the country. Earlier markets used to be regulated either by local bodies or State legislation⁴. The facilities created in market yards continue to be inadequate. In the tenth five year plan, regulated markets have been increased in India and Government of India has provided assistance for the creation of infrastructure facilities in the regulated markets. The overall position of types and number of agricultural markets are established for wholesale assembling Markets and Regulated Markets as on 31-3-2007⁵.

Keywords: Socio-economic, Agriculture, Market, Maharashtra, Solapur.

1.2 APMC Profile in Maharashtra

The MSAMB has seven Divisional offices at Pune, Nasik, Aurangabad, Latur, Amravati, Nagpur and Ratnagiri for proper coordination of the activities of all APMCs in the State. The map given below shows districts covered under various divisions. Map of Maharashtra with Divisional wise of MSAMB. Various agricultural produce commodities are regulated under the Act. At present there are 305 APMCs with main markets and 603 sub markets.⁶

¹Dutt and Sundaram (2015): "Indian Economy", S. Chand and Company Pvt. Ltd.

²Billimoria, Rukshana (2016): "Marketing Strategy for tourism development in Maharashtra, Ph.D thesis.

³MSAMB, official website of APMC

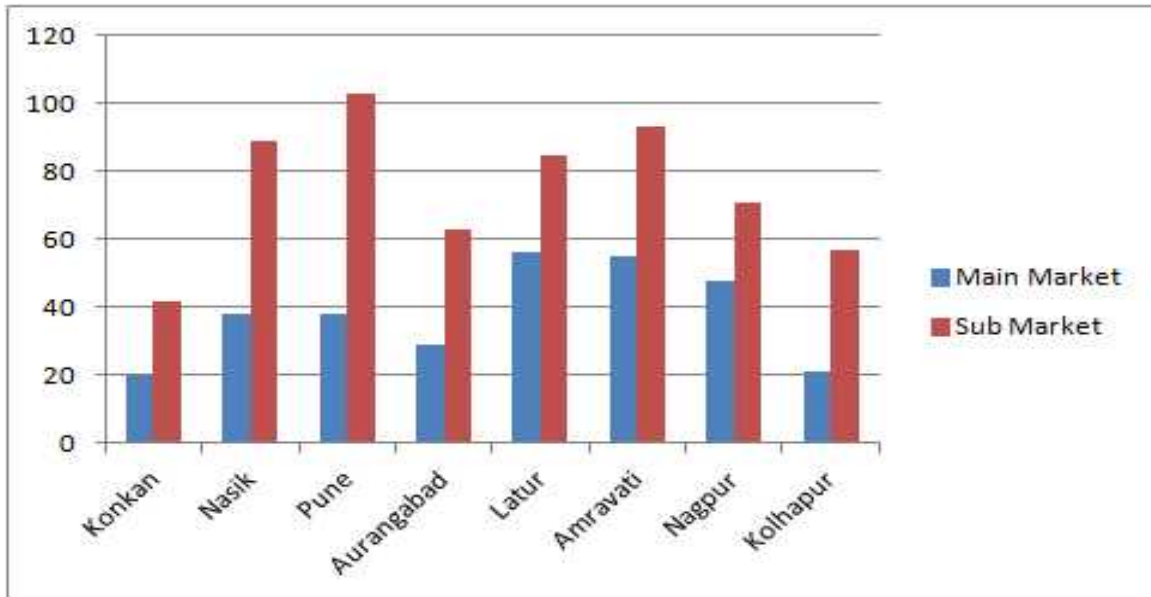
⁴Namita (2012): "Haryana State Marketing Board: Problems and Prospects, Research Paper

⁵Report of APMC, Government of Maharashtra (2015-16)

⁶MSAMB Report of the Maharashtra Government

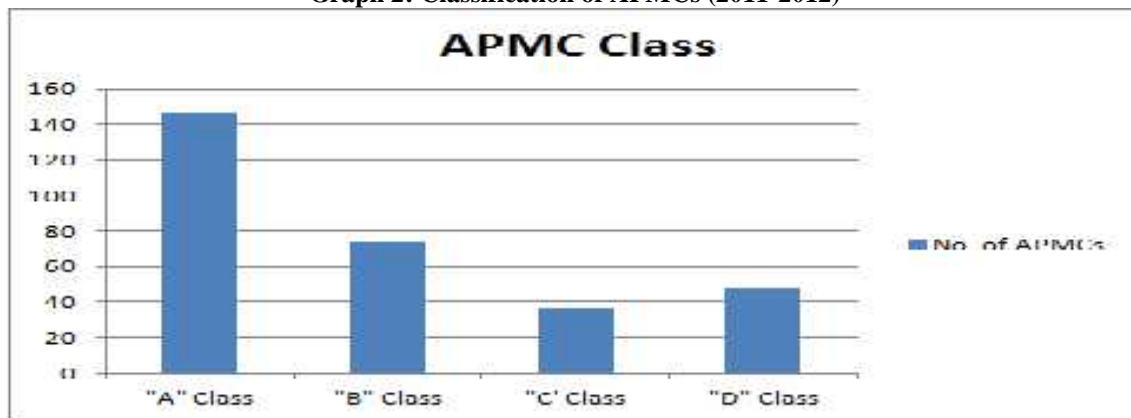


Table No. 1: Divisionwise APMCs in Maharashtra



The table no. 1.1 indicates that the divisionwise APMC in Maharashtra. There are larger number of APMC in Pune division for sub-market followed by Amravati, Nasik, Latur, etc. respectively in Maharashtra. There are large number of main market (APMC) in Latur division followed by Amravati, Nagpur, Pune, Nasik, etc. respectively in Maharashtra.

Graph 2: Classification of APMCs (2011-2012)



The graph no. 1.2 shows that the distribution of APMC through the different class. The larger APMC are including in A class category followed by B class, C class and D class APMC in Maharashtra.

1.3 History of Solapur APMC's in Maharashtra

The ten regulated markets in the district are the wholesale trade centers in the district which are mainly the export centers of surplus commodities. Barshi market is the most important exporting centre in the district.

The condition of agricultural marketing was far from satisfactory in the past. The agriculturist handicapped by his lack of knowledge and poverty and was disadvantaged of the fruits of his production, and had to sell his goods at unprofitable prices. His incapability to hold the sales till the market turned favourable was fully exploited by the traders who used to contrive to bid low prices. Agricultural marketing was also burdened with innumerable malpractices such as unauthorized deductions, false weights, delayed payment and a number of practices which were detrimental to the interests of the fanner.⁷

⁷ Report of Agriculture and Ministry (2014-15), Agriculture Marketing

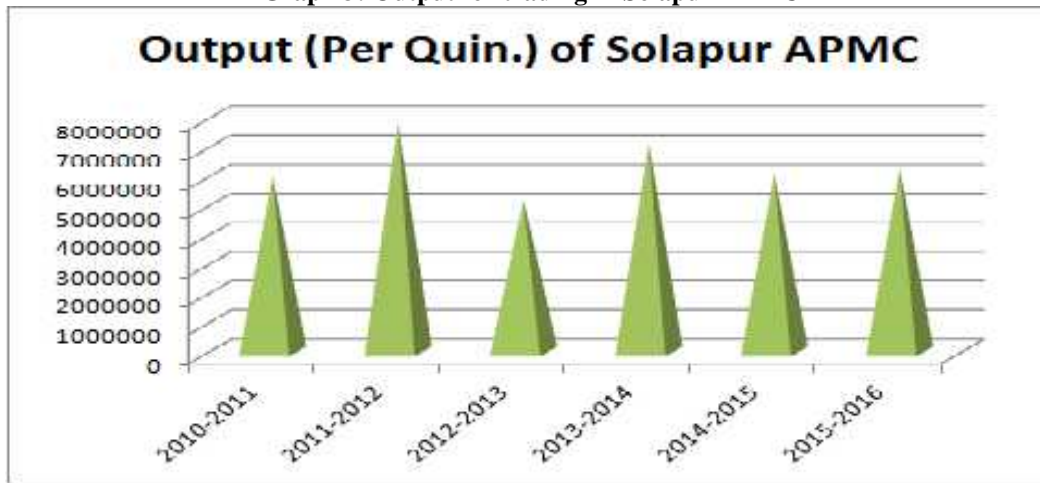


The main objectives of this enactment were: (1) to bring about equity in bargaining power among the agriculturists and traders, (2) to promote mutual confidence, (3) to prevent malpractices and (4) to give a fair deal to the peasants. This enactment led to the establishment of the market committees at the following places, [Date of establishment of the market committee is given in bracket.] viz., (1) Akluj (10th March, 1950), (2) Karmala (1st January, 1943), (3) Barshi (11th June, 1948), (4) Pandharpur (1st July, 1947), (5) Solapur (12th August, 1959), (6) Sangola (1st December, 1962), (7) Mangalwedha (19th May, 1965), (8) Mohol (14th December, 1954). (9) Kurduwadi (1st May, 1950) and (10) Akkalkot (20th November, 1952).⁸

All the eleven talukas in the district are served by regulated markets, the Solapur market committee serving the South and North Solapur talukas together. All the talukas are brought under the purview of Maharashtra Agricultural Produce Marketing (Regulation) Act of 1963.

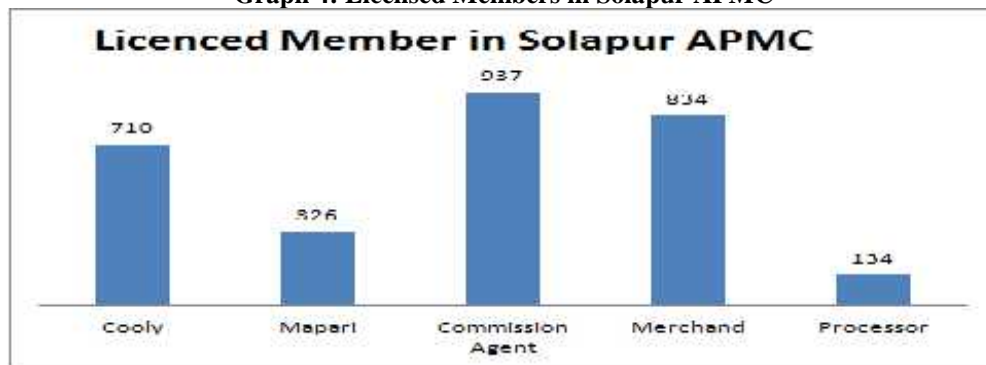
As per provision of section 38 of the Maharashtra Agricultural Produce Marketing (Regulation) Act 1963, and the Maharashtra Agriculture Produce Marketing (Development & Regulation) rule 1967-rule 112 (1) every Market Committee shall submit their budget to the Marketing Board for sanction before 31st January of every year. The State Marketing Board after due scrutiny, sanctions the budget with or without modifications within one month from the date of receipt thereof. It includes the original budget, supplementary and reappropriation budget.⁹

Graph 3: Output for trading in Solapur APMC



The table no. 2.1 indicates that the output for trading in the Solapur APMC. There was highest production entered in the year 2011-12, which was 80 lakh in the APMC followed by 2013-14, 2015-16, 2014-15 and 2012-13 respectively. The agriculture production has fluctuate because agriculture monsoon and drought out situation.

Graph 4: Licenced Members in Solapur APMC



⁸ MSAMB, Profile of Solapur APMC (2015-16)

⁹Bishnoi V.K. and DhingraAtul (2007) "Rural & Agricultural Marketing in Maharashtra" Research Paper.



Above graph indicates that the list of licensed members in Solapur APMC. There were (937) highest member licensed in Commission Agent category, followed by Merchant (834), Cooly(710), Mapari (326) and Processor (134).

Challenges facing by farmers in Rural Market

The rural markets are full of challenges because of its characteristics like illiteracy distance, vast markets potential, communication, rail and road transportation, distribution of products and services, understanding consumer behavior, socio-cultural factors, languages, lack of instrumental facilities etc.

- Understanding the rural farmers: The biggest challenge is to understand the perceptions, viewpoints and actual needs of the rural people, which is dramatically different from urban people in APMC.
- Lack of proper infrastructure & other physical facilities: Physical communication to these villages in highly expensive. Many rural areas are not connected by rail transport. The infrastructure facilities like cemented roads, warehouse, communication system, and financial facilities are inadequate in rural areas. Hence physical distribution is a challenge to marketers who have found innovative ways to market their products.
- Traditional outlook: In rural areas is still governed by customs and traditions and people do not easily adapt new practices. There is a lack of desire of new things and styles.
- The literacy rate in the rural areas is rather low and consumer's behavior in these areas is traditional, which may be a problem for effective communication..
- Distribution in rural markets is also handicapped due to lack of adequate banking and credit facilities.
- Demand may be seasonal due to dependency on agricultural income. Harvest season might see an increase in disposable income and hence more purchasing power.

Findings

The marketing of agricultural produce is playing a crucial role for the rural economy of Solapur. The whole program of production launched individually or undertaken collectively with all efforts in planning would be of no value, if it were not followed by a safe and sound marketing policy. An importance of APMCs has increased in the recent period in the rural economy. This is an acknowledge fact that even at present APMCs` market yards are in the hands of commission agents and traders and that the producer-sellers are in the hands of commission agents and traders and that the producer-sellers are completely in their grip. The farmers are always the worst suffers, for whenever there is a better marketing condition and a rise in price. The producer-sellers are the last lost to be benefited, but when there is an absent of better market condition and fall in price, they are the first to be adversely affected. Government should adopt the adequate policy for the development of rural economy. Under such a chaotic condition no incentive is left out for the producers to increase production and living standard. Thus, seen from above overview, the main objective of the study has been examined the working of APMCs in Solapur district and assess, judge and justify the role of the APMCs` involved in the marketing system of agricultural produce.

On the basis of the findings of the present study, the researcher has made certain suggestions to improve the working of APMCs, so that they can be effective instruments for bringing about desirable socio-economic transformation of the farmers in particular.

- All the facilities and amenities suggested by the Indian standards institute should be provided in all the APMCs for the benefit of farmers as well as the market functionaries.
- Around 80 per cent of the farmer respondents have expressed their satisfaction towards the commission agents and the services rendered by them.
- The agricultural commodities are bulky and perishable in nature and they are to be transport from 6 distant places to the APMCs. Presently farmers are facing lot of problems in transporting their produce.
- Similarly, linking roads from all the surrounding villages to the market yards should be provided.
- Marketing of agricultural produce through cooperative marketing societies should be encouraged.
- "Rural marketing" of the farm produce has to be stopped so that the farmers get good price for their produce.
- Improvement have to be made in the present grading system in the APMCs.
- The market news should not be confined only to the `Market New Center`. But it has to reach all the farmers in the villages.
- Lots of changes have to be brought into the sales system. In order to stop the harassment of the farmers the marketing committee has to announce `minimum support price` to each of the produce and the buyers should not be allowed to buy below that fixed price.



Conclusions

It has been observed that in case of rates of 'hamal' and weigh man the Agricultural Produce Market Committees are significantly different and the rate of 'hamals' are fluctuating in the ten Agricultural Produce Market Committees, It is observed that all the Agricultural Produce Market Committees are doing unsatisfactory progress in export activities like technical information and facilities 100%, production technology and transportation 90% and cold storage 80%. To avoid injustice at the time of payment to the farmers, the APMC should direct the commission agent not to delay the payment and also to pay the full amount at a time.

Therefore, to end the explanation of the farmers and to increase market arrivals in real terms in the APMCs` yards, there is a felt need for strong training of farmers in all aspect of APMCs` and marketing to build strong bond of relationship, rapport, understanding and knowledge . So that farmers will be full at the command of marketing Board and APMC and bring all their marketable surplus in the APMC market yards.

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