



## **RULES AND RESPONSIBILITIES OF NAFED IN AGRI SECTOR, CONCERN MARKETS: A STUDY**

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### **Abstract**

*In agriculture world, the important intension of farmer is to get proper remuneration. For that government has to involve in pricing the crop. For that government has started **National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED)**.*

*The important responsibility of farmer is to know the government policies, schemes and get benefited. For that the farmer should have proper communication between himself and NAFED. NAFED has several offices at different places. The farmer can go to the office and know the schemes, policies and benefits or the farmer can follow the NAFED communication channels.*

*By the lack of knowing the NAFED activities, the farmers loosing the benefits government policies. They are following the routine crops and similar ways they know themselves. Then they are getting irritated by the losses in agriculture and committing suicides.*

*The main purpose of this paper is to say the policies, schemes and prices of NAFED to the farmers so that they get awareness of government schemes. So that the farmers can increase the crop outcome and can get proper remuneration. So that the farmer can farm crop which more demand. For that in this paper I presented some objectives, imports and exports of NAFED and compared some remuneration rates of some crops so that the farmers get benefited.*

### **Introduction**

Previously in villages exchange of spices and pulses was taken place. In those days only, some small scale businessmen took this as an opportunity by buying all types of agricultural output at prices decided by their own. so the farmers were unable to get proper remuneration. hence government has to come into picture. For this government introduced **National Agricultural Cooperative Marketing Federation of India Ltd.(NAFED)**.

**National Agricultural Cooperative Marketing Federation of India Ltd.(NAFED)** was established on the auspicious day of Gandhi Jayanti on 2nd October 1958. NAFED is registered under the Multi State Co-operative Societies Act. NAFED was setup with the object to promote Co-operative marketing of Agricultural Produce to benefit the farmers. Agricultural farmers are the main members of NAFED, who have the authority to say in the form of members of the General Body in the working of NAFED.

### **Objectives of Nafed**

The objectives of the NAFED shall be to organize, promote and develop marketing, processing and storage of agricultural, horticultural and forest produce, distribution of agricultural machinery, implements and other inputs, undertake inter-state, import and export trade, wholesale or retail as the case may be and to act and assist for technical advice in agricultural, production for the promotion and the working of its members, partners, associates and cooperative marketing, processing and supply societies in India. In furtherance of these objectives, the NAFED may undertake one or more of the following activities.

1. to facilitate, coordinate and promote the marketing and trading activities of the cooperative institutions, partners and associates in agricultural, other commodities, articles and goods;
2. to promote on its own or on behalf of its member Institutions or the Government or Government Organizations, Inter-State and international trade and commerce and undertake, wherever necessary, sale, purchase, import, export and distribution of agricultural commodities, horticultural and forest produce, other articles and goods from various sources for pursuing its business activities and to act as the agency for canalization of import and export and inter-state trade of agricultural and other commodities or articles under any scheme formulated by the Government of India or other Government agencies and to facilitate these activities, wherever necessary, to open branches/sub-offices and appoint agents at any place within the country or abroad;



3. to undertake purchase, sale and supply of agricultural, marketing and processing requisites, such as manure, fertilizers, seeds, agricultural implements and machinery, packing machinery, construction requisites, processing machinery for agricultural commodities, forest produce, dairy, wool and other animal products;
4. To act as warehouseman under the Warehousing Act and own and construct its own godowns and cold storages;
5. To act as agent of any Government agency or cooperative institution, for the purchase, sale, storage and distribution of agricultural, horticultural, forest and animal husbandry produce, wool, agricultural requisites and other consumer goods;
6. To organize consultancy work in various fields for the benefit of the cooperative institutions in general and for its members in particular;
7. To act as insurance agent and to undertake all such work which is incidental to the same;
8. To undertake manufacture of agricultural, machinery and implements, processing, packing, etc. and other production requisites and consumer articles by setting up manufacturing units either directly or in collaboration with or as a joint venture with any other agency, including import and distribution of spare-parts and components to up-keep of the machinery/ implements;
9. To set up storage units for storing various commodities and goods, by itself or in collaboration with any other agency in India or abroad;
10. To maintain transport units of its own or in collaboration with any other organization in India or abroad for movements of goods on land, sea, air and operate freight station, container depot and undertake other incidental activities;
11. To collaborate with any international agency or a foreign body for development of cooperative marketing, processing and other activities for mutual advantage in India or abroad;
12. To undertake marketing research and dissemination of market intelligence;
13. To subscribe to the share capital and undertake business collaboration with cooperative institutions, public, joint and private sector enterprises, if and when considered necessary for fulfilling the objectives of NAFED;
14. To arrange for the training of employees of marketing/ processing/supply cooperative societies;
15. To establish processing units for processing of agricultural, horticultural and forest produce, wool and allied products;
16. To undertake grading, packing, standardization, scientific treatment and process of agricultural produce and other articles;
17. To acquire, take on lease or hire, lands, buildings, fixtures and vehicles and to sell, give on lease or hire them for the business of NAFED.
18. To advance loans to its members and other cooperative institutions on the security of goods or otherwise;
19. To guarantee loans or advances or give undertakings to any Society or Company in which the Federation has a shareholding or financial involvements as a promoter to be able to assist its development or expansion or for starting any industrial undertaking by such societies/companies;

### **Research Methodology**

The study of agriculture. is mainly based on secondary sources of data. Secondary sources of data include both Internal sources of data like accounting records, internal experts reports, miscellaneous reports and External sources of data like government publications, previous articles, magazines, research papers, journals, official website of NAFED.

### **Government Operations of Nafed**

#### **Price Stabilization Fund (PSF) Scheme**

NAFED took initiative for buffer stocking of pulses under PSF and submitted its proposal of Government of India, which was accepted. It procured 19989.041 MT of Toor valuing Rs.17364.22 Lakhs (Loose Value) and 1763.900 MT of Urad Valuing Rs.1746.63 lakhs (Loose Value) under PSF during Kharif-2015 in the major producing states. The detail of state-wise/Godown-wise storage position of Toor and Urad procured by NAFED has been provided to the Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution Government of India for arranging its disposal.

#### **Price Support Scheme of Govt of India**

In order to help the farmers in getting remunerative prices for their produce and with a view to encourage higher investment and enhance production and productivity of a commodity, Government of India declares Minimum Support Price (MSPs) for 25 notified agricultural commodities for each Kharif & Rabi crop season.



NAFED is one of the central Nodal Agencies for procurement of 16 notified agricultural commodities of Oilseeds, Pulses and Cotton under Price Support Scheme (PSS) and continues to be the sole central Nodal Agency for procurement of Milling, Ball Copra and De-husk Copra under Price Support Scheme.

### International trade of nafed

#### Exports

Export of onion from the country is de-canalized vide notification No. 73(RE-2013) 2009-2014 dated 12.03.2014 issued by DGFT, Ministry of Commerce, Government of India and export was allowed without any MEP.

No Export business of Horticulture Commodity has been undertaken during the year 2015-16.

#### Imports

NAFED is one of the importing agencies of Government of India for import of Edible Oils for supply under subsidy scheme to the nominated states. NAFED did not undertake any import of Pulses in view of paucity of funds and also due to fluctuating international markets.

Average price of some crops decided by NAFED in Telangana state is tabled below.

<b>Cost of some crops in India in rupees per quintal</b>						
<b>crop</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>
Rice	1600	1650	1720	1700	1820	1900
corn	1650	1660	1680	1720	1750	1800
moong bean	6050	6000	6500	8000	8500	6000
Milling copra	4900	5100	5600	7100	8500	9828
Bengal gram	11200	11500	11900	12100	11000	12000
Black gram	9500	9800	10200	10100	9900	10500
green peas	5600	5500	6200	9000	7500	8000
red gram	4800	5000	5600	5800	6000	6500
cotton	2800	3000	3250	3800	4000	4400

Average price of above crops decided by some private sector businessmen is tabled below.

<b>Cost of some crops in India in rupees per quintal</b>						
<b>crop</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>
Rice	1500	1580	1620	1580	1700	1750
corn	1600	1600	1550	1630	1650	1700
moong bean	5500	4800	4900	6100	6500	4100
Milling copra	4000	4200	4500	4900	6200	7500
Bengal gram	10000	10500	10800	11000	10200	10300
Black gram	8000	8500	8800	9000	9200	9500
green peas	5000	4500	4800	5000	6500	7000
red gram	3000	3200	3600	4500	4800	5200
cotton	2600	2800	3050	3500	3800	4000



Year wise production units of some crops in India are tabled below with their respected units.

<b>Production of some crops in India</b>						
CROP	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
rice(1000 MT)	105241	106646	105482	104408	108000	108000
corn(1000 MT)	22258	24229	24170	22570	26000	25000
moong bean(1000 MT)	1702	1855	1521	1442	1455	1400
milling copra(Bn nuts)	16.9	23.4	22.3	21.7	19.8	19.9
Bengal gram(quintals)	2805727	2594479	2625483	2715498	2914856	3015425
Black gram(millian tonns)	6.67	5.61	6.12	5.35	6.35	7.86
green peas(kilo tonns)	295.14	284.25	312.54	304.51	263.21	280.24
red gram(lakh tonns)	26.5	30.2	31.7	27.5	29.1	30.4
corttonlakh BALES 170 KGs)	291	301	314	321	338	351

### Objectives of Study

The main aim of the paper is to study

1. To get the farmers aware of NAFED.
2. To correlate NAFED prices and private company's prices.
3. To get linear regression equation of NAFED prices and local prices.

### Research Analysis

**Correlation and regression analysis of year wise pricing of crops by NAFED and local businessmen.**

crop	0.987429	0.98775	0.9842	0.944402	0.977107	0.9853688
SLOPE	1.121822	1.09851	1.10508	1.103318	1.112398	1.1544774
INTERCEPT	208.9926	380.472	494.055	803.5959	304.2525	221.32546
R SQUIRED	0.975017	0.97565	0.96865	0.891895	0.954739	0.9709516

Here at least '0.9' positive correlation between both pricing but as you observe the intercept of regression is at least '200'. Hence an average price difference between NAFED price and local price is Rs.400 per quintal. So farmers are losing Rs.400 per quintal on an average.

**Correlation and regression analysis of crop wise pricing by NAFED and local businessmen**

crof	CORRELATION	SLOPE	INTERCEPT	R SQUAIED
Rice	0.984590714	1.2054627	-223.19201	0.96941887
corn	0.863368353	0.97834395	123.452229	0.74540491
moong bean	0.868467021	1.0900882	1046.03108	0.75423497
Milling copra	0.979446958	1.43856043	-666.49024	0.95931634
Bengal gram	0.75114337	0.90186916	2177.1028	0.56421636
Black gram	0.857885179	0.55896226	5062.5	0.73596698
green peas	0.516429008	0.71719745	3045.98726	0.26669892
red gram	0.965295251	0.67436209	2885.5002	0.93179492
cotton	0.995275036	1.10271267	-88.095865	0.9905724

In crop analysis also farmers loosing at least 10% of total price. So we have to request NAFED to decide price of every crop and farmers should aware of all of government agricultural schemes and should let him to get proper remuneration.



### **Results and Standards**

1. If  $-1 < \text{correlation coefficient} < 0$ , negatively correlated.
2. If  $0 < \text{correlation coefficient} < 1$ , positively correlated.
3. Regression line equation is

$$\text{Nafed Price} = (\text{Slope} * \text{Local Price}) + \text{Intercept}$$

### **Conclusion**

Farmers are requested to follow NAFED policies, schemes and get benefited. And also requested to farm the crop which has more demand. There no use of farming demand less crop and also you will not get proper remuneration. Though there is loss, please try to improve or change the crop or seek help from government by following government schemes but not suicide. Fight for your proper remuneration

### **References**

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