



FINANCIAL PERFORMANCE OF REGULATED MARKETS IN THENI DISTRICT OF TAMILNADU

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Abstract

Regulated markets in Theni District, the growth in this expense is positive in two markets, at the 5% level for the Theni and Cumbum markets indicating an increasing trend at an annual rate of 7.44% and 3.38% respectively during the study period. For the Bodinayakanur market, the growth is negative and significant at the 10% level indicating a decreasing trend at an annual rate of -1.09%. The negative growth in this expense for the Chinnamanur market is significant at 10% level indicating a decreasing trend at an annual rate of -0.88% during the study period. Among the markets the growth in the surplus income is positive in two markets. It could be finally observed that except the Bodinayakanur regulated market all the other markets of the study area have to increase their transaction sales to the estimated break even transaction sales shown in the table against each of the respective markets so as to cover their expenditure incurred from the inside market fee revenue only.

Key Words: Regulated Market, Income, Expenditure and Surplus, Break-Even and Sale Analysis.

Introduction

Agriculture constitutes one of the economies of the developing countries in the world. Constructive progress in their agricultural sector is an indispensable prerequisite for the rapid economic growth and rural development of the countries in general and poverty reduction both within and outside the agricultural sector in particular. It contributes around 25 percent to the GDP and employs 65 percent of the workforce of the country. Furthermore, 80 percent of Indians who live below the poverty line constitute the rural population which depends directly (or) indirectly on agriculture. India is planning to achieve a GDP growth rate of 7 percent to 8 percent during the 10th 5 year plan and has set the target as 4 percent¹ growth in agriculture. The success of any agricultural development rests ultimately on the efficiency of the marketing system. The marketing of agricultural produce is as important as the production itself. Therefore, a mere cell to produce more without providing an efficient marketing machinery which could assure a fair return to the producer- seller carries to conviction with the farmers. The Regulated Market is the major institutional innovation to help the farmers in profitably disposing of their marketable surpluses.

Need of the Study

A Market is said to be regulated when the State Government establishes market under a specific enactment and frames rules and regulations to conduct business therein. An efficient marketing system can be an important means of raising the income levels of the farmers and increasing the consumer satisfaction. As the success of any agricultural development programme rests ultimately on the efficiency of the marketing system in-force and a defective marketing system acts as a positive disincentive to any increase in production, the need for an efficient marketing system to match the increasing production was increasingly realized. Moreover, the farmers, the traders, and the consumers who are three different entities, have their objectives which often conflict with one another's. The cultivation in Theni District is carried on in 1,12,053 hectares which is 34.56 per cent of the district's geographical area, and is 2.10 percent of the total area shown in the State. Further agriculture is the livelihood of 56.97 percent of the total workers comprising 50,436 cultivators (9.69%) and 2,45,989 agricultural labourers (47.28%). The district Regulated Market Committee declared twenty crops as notified including all the important food crops and cash crops grown in the district. Moreover the annual average agricultural production of the district was 2.68 lakh M.Ts. and was 2.19 per cent of the average production of the State.

Objectives

- To analyse the different Components of Income, Expenditure and Surplus of the Regulated Markets in the Study Area.
- To find significant Difference in Financial Soundness after the Establishment of Theni Market Committee.
- To Break-Even Transaction – Sale Analysis.

Methodology

There are 7 Regulated Markets functioning under the Control of the Theni Regulated Market Committee. All these markets have been taken for the study following the census method. The Stratified Random Sampling Technique is adopted for selecting farmers, taking Theni district as the Universe, the taluk divisions as strata, notified area as the primary unit and



farmers as ultimate unit. Theni District comprises 5 Taluk Divisions. A list of the number of farmers of the taluk concerned was obtained from the District statistical office, Theni.

Results and Discussion

Different Components of Income, Expenditure and Surplus

The different components of income and expenditure, and surplus of the regulated markets of the study area are studied in order to understand their share and growth during the study period.

Percentage Share of Components of Income, Expenditure and Surplus in Average Total Income

The percentage share of the different components of income, expenditure and surplus in the total income is calculated in order to find the components which have highly influenced the total income of the regulated markets of the study area. For the purpose of analysis the ten year's average figures were calculated for the income, expenditure and surplus respectively. The result of the analysis is presented in Table 1.

Table 1: Average Income, Expenditure and Surplus of Regulated Markets of Theni District 2003-2004 to 2012 – 2013.

Items of Income/Expenditure	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2
Surplus	887.56		655.36		364.67		208.02		133.93		209.26		220.88		2424.54			
Total Expenditure	596.58		360.55		285.38		203.03		28.06		6.91		9.75		1490.15			
Office & other Expenditure	47.47		59.44		32.18		42.54		28.06		6.91		9.75		226.24			
Establishment Expenditure	549.11		301.11		253.2		160.49		-		-		-		1263.91			
Total Income	1484.14	100.00	1015.91	100.00	650.05	100.00	411.05	100.00	161.99	100.00	216.17	100.00	230.63	100.00	3914.69	100.00		
Other Income	20.53	1.38	3.83	0.371	12.32	1.90	2.85	0.69	3.74	2.31	7.72	3.57	1.65	0.72	52.63	1.34		
Weightmen License Fee	25.41	1.712	62	1.18	21.46	3.30	8.76	2.13	11.31	6.98	9.55	4.42	4.95	2.15	91.63	2.34		
Traders License Fee	27.58	1.86	29.41	2.89	2.56	0.39	7.24	1.76	0.06	0.04	0.13	0.06	1.26	0.55	68.36	1.75		
Outside Market Fee	1336.88	90.07	755.89	74.40	557.45	85.75	269.05	65.45	114.77	70.85	195.61	90.49	137.85	59.77	3143.52	80.30		
Inside Market Fee	73.74	4.97	214.78	21.14	56.26	8.625	123.15	29.96	32.11	19.82	3.16	1.46	84.92	36.82	558.55	14.27		

Source: Primary data

Note: 1. Average Income/ Expenditure per annum is Rs.'000.



2. Average Income/Expenditure per annum as percentage of Total Income.

Table 6.1 shows the average income, expenditure and surplus of the regulated markets of Theni district, during the study period. During this period the annual average over all total income of the regulated markets of the study area is 3914.69 thousands.

It varies from market to market. It is as low Rs.161.99 thousand in the Periyakulam market and as high as Rs.1484.14 thousands in the Theni market.

On analyzing the different components of the total income it is found that the outside market fee is the major source of income to the regulated markets of the study area. The annual average overall outside market fee collected during the study period is Rs. 3143.52 thousands which works out to be 80.30% of the total income of the regulated markets. It varies from Rs.114.77 thousands to Rs.1336.88 thousands in the Periyakulam and Theni markets respectively. Its contribution to total income also varies from 70.85% to 90.07% in the Periyakulam and Theni markets respectively.

The next major components of the total income of is the inside market fee. It is ascertained that the annual average income from the inside market fee to regulated markets of the study area is only Rs.558.55 thousands which contributes 14.27% to the total income. The annual average income from inside market fee ranges from Rs.3.16 thousands in the Andipatti market and Rs.214.78 thousands in the Cumbum market. Its contribution to the total income varies from 1.46% to 21.14% to the respective markets total income.

The remaining components of income such as the trader's licence fee, weighmen licence fee and other income contributed Rs.91.63 thousands (2.34%) 52.63 thousands (1.34%) and 68.36(1.75%) to the total income of the regulated markets of the study area. The annual average trader's license fee collected is ranging from 4.95 thousands in the Uthamapalayam market to 25.41 thousands in Theni market.

Its contribution to the total income varies from 2.15% in the Uthamapalayam and 1.71% in the Theni market. Insofar as the other income to the regulated markets is concerned. The range is between 0.06 thousands in the Periyakulam market and 29.41 thousands in the Cumbum market. Its contribution to the respective total income varies from 0.04% in the Periyakulam market to 2.89% in the Cumbum market.

On analyzing the average total expenditure of regulated markets of the study area it is found that Rs.1490.15 thousands which works out to be Rs.3914.69 thousands of the total income is incurred during the study period.

On analyzing the different components of the total expenditure it is found that an annual average of Rs.1263.91 thousands is incurred by the regulated markets of the study area relating to the establishment expenses. Among the markets, no establishment expenses were incurred by the Periyakulam, Andipatti and Uthamapalayam markets as they had no staff members. Among the remaining four markets, the lowest establishment expenses of Rs.160.49 thousands is incurred in the Chinnamanur market and the highest is Rs.549.11 thousands in Theni market. The annual average of office and other expense of the regulated markets of the study area are Rs.226.24 thousands. The lowest and highest amount of such expenses is incurred in the Andipatti and Cumbum markets with Rs.6.91 thousands and Rs.59.44 thousands respectively.

Different Components of Income

The total income of regulated markets includes the inside market fee, the outside market fee, the license fee collected from traders and weighmen. In addition to these the other incomes to the regulated markets are the interest on investments, the sale of forms, the godown rents, the interest on pledge loan and the income from the miscellaneous charges like transfer fee, registration fee, dispute fee, penalty and service charges for selling non-notified crops in the market yard.

Market - Wise Share and Growth Inside Market Fee

The market wise share and growth in the inside market fee income of the regulated markets of the study area for the study period are presented in Table 2.

Table 2: Market - Wise Share and Growth in Inside Market Fee 2003-2004 to 2012-2013

Year	Theni	Cumbum	Bodinayakanur	Chinnamanur	Periyakulam	Andipatti	Uthamapalayam	Overall
03-04	69.10	214.42	6.65	146.92	9.25	1.98	116.73	565.05
04-05	70.75	2259.39	36.99	199.59	8.46	1.25	103.96	680.40
05-06	333.28	229.23	280.14	179.01	0.78	1.06	1.15	1024.65



06-07	66.77	394.789	73.798	179.710	132.30	0	184.339	912.642
07-08	152.05	377.486	75.00	164.583	121.15	Nil	162.946	876.681
08-09	41.04	640.312	88.158	346.319	48.29	26.50	268.778	1459.397
09-10	0.60	6.67	0.57	3.92	Nil	0.05	2.28	14.09
10-11	1.433	8.239	0.310	3.866	0.175	0.282	2.365	16.680
11-12	0.828	8.221	0.506	3.646	0.198	0.298	3.268	16.965
12-13	1.518	8.994	0.511	3.920	0.483	0.151	3.379	18.956
Total	737.379	2147.751	562.633	1231.484	321.086	31.571	849.195	5585.511
Averag	73.74	214.78	56.26	123.15	32.11	3.16	84.92	558.55
%Share	13.20	38.45	10.07	22.05	5.75	0.57	15.20	-
Rank	4	1	5	2	6	7	3	-
CGR	-48.08	-38.81	-45.97	-42.23	0	0	32.63	-41.68

Source: Annual Administration Reports of Theni Market Committee, 2003-2004 to 2012-2013.

It is found from Table 2 that the average annual income from the inside market fee to all the regulated markets of the study area is Rs.558.55 over the study period. The percentage share of the individual markets regarding the inside market fee varies from 0.57% to 38.45%. The Cumbum market occupied the first rank with the highest share of 38.45% of the total. It is followed by the Chinnamanur, Uthamapalayam, Theni, Bodinayakanur, Periyakulam and Andipatti markets with a share of 22.05%, 15.20%, 13.20%, 10.7%, 5.75% and 0.57% of the total respectively.

Market - Wise Share and Growth in Outside Market Fee

The market wise share and growth in the outside market fee income of the regulated markets of the study area during the study period are presented in Table 3.

Table 3: Market - Wise Share and Growth in Outside Market Fee 2003-2004 to 2012-2013

Year	Theni	Cumbum	Bodinayakanur	Chinnamanur	Periyakulam	Andipatti	Uthama palayam	Overall
03-04	1825.2	1462.8	483.2	442.8	44.7	109.1	173.7	4541.5
04-05	2028.0	1364.1	462.7	393.5	48.6	53.7	163.3	4513.9
05-06	1463.7	1264.2	293.8	453.4	25.4	40.5	370.0	3911.0
06-07	1740.6	1206.8	509.10	539.13	456.84	596.55	229.041	5728.061
07-08	2969.10	1016.1	590.316	415.85	160.78	425.54	215.539	5793.225
08-09	3211.077	1208.98	511.104	421.825	408.47	727.12	215.398	6703.974
09-10	23.61	14.69	5.29	6.15	0.82	1.48	3.11	55.15
10-11	33.257	8.256	6.334	5.806	1.081	0.609	1.511	56.854
11-12	42.806	9.619	6.149	6.625	0.372	0.632	2.586	68.788
12-13	31.486	13.387	6.546	5.432	0.685	0.845	4.348	62.729
Total	13368.8	7568.932	2874.539	2690.518	1147.748	1956.076	1378.533	31435.1
Ave	1336.88	755.89	557.45	269.05	114.77	195.61	137.85	3143.52
%share	42.53	24.05	17.73	8.56	3.65	6.22	4.39	-
Rank	1	2	3	4	7	5	6	-
CGR	-43.87	-50.21	-49.76	-46.56	-47.25	-49.67	-46.31	-46.35

Source: Annual Administration Reports of Theni Market Committee 2003-2004 to 2012-2013.

It is found from Table 3 that the average annual income from the outside market fee to all the regulated markets of the study area is Rs.3143.52 thousands over the study period. The percentage share of the individual markets regarding the outside market fee varies from 3.65% to 42.53% among the markets. The Theni market occupied the first rank with the highest share of 42.53% of the total. It is followed by the Cumbum, Bodinayakanur, Chinnamanur, Andipatti, Uthamapalayam and Periyakulam markets with a share of 24.05%, 17.73%, 8.56%, 6.22%, 4.39%, 3.65% of the total occupying the second, third, fourth, fifth, sixth and seventh ranks respectively.

It is also found from the table that the growth in the income from the outside market fee to regulated markets of the district is negative but not significant indicating a decreasing trend at an annual rate of -46.35% during the study period.



Market - Wise Share and Growth in Trader's License Fee

The market wise share and growth in the trader's license fee of the regulated markets of the study area for the period are presented in Table 4.

Table 4: Market – Wise Share and Growth in Trader's License fee 2003-2004 to 2012-2013

Year	Theni	Cumbum	Bodinayakanur	Chinnamanur	Periyakulam	Andipatti	Uthama palayam	Overall
03-04	33.50	5.53	11.38	2.88	3.63	3.10	2.48	62.48
04-05	24.83	3.88	7.95	2.03	2.50	2.73	1.83	45.73
05-06	60.48	3.45	10.05	4.05	3.85	3.93	1.35	87.20
06-07	35.59	40.25	13.38	20.25	30.50	23.25	17.25	180.47
07-08	20.98	35.25	72.00	17.00	19.25	25.0	17.75	207.23
08-09	59.28	31.50	99.50	41.25	53.25	37.25	8.75	330.78
09-10	0.32	0.05	0.09	0.02	0.03	0.05	0.02	0.58
10-11	0.286	0.032	0.080	0.022	0.029	0.049	0.010	0.508
11-12	0.544	0.037	0.086	0.035	0.045	0.061	0.010	0.817
12-13	0.324	0.039	0.077	0.019	0.049	0.035	0.008	0.551
Total	236.134	120.018	214.593	87.556	113.133	95.505	49.458	916.346
Average	25.41	12	21.46	8.76	11.31	9.55	4.95	91.63
%share	27.73	13.10	23.42	9.56	12.34	10.42	5.40	-
Rank	1	3	2	6	4	5	7	-
CGR	-48.53	-51.89	-50.34	-51.55	-48.98	-47.70	-55.50	-49.65

Source: Annual Administrative Report on Theni Market Committee 2003-2004 to 2012-2013.

It is found from Table 4 that the average annual income from the trader's license fee to all the regulated markets of the study area is Rs.91.63 thousand over the study period. The percentage share of the individual markets regarding the trader's license fee varies from 5.40% to 27.73%. The market at Theni occupied the first rank with the highest share of 27.73% of the total. It is followed by Bodinayakanur, Cumbum, Periyakulam, Andipatti, Chinnamanur and Uthamapalayam markets with a share of 23.42%, 13.10%, 12.34%, 10.42%, 9.56%, and 5.40% of the total occupying the second, third, fourth, fifth, sixth and seventh ranks respectively.

It is also found from the table that the growth in income from trader's license fee is not significant in any of the markets of the study area. The compound growth rate shows that the growth in this income to the regulated markets of the study area is negative but not significant indicating a decreasing trend at an annual rate of -49.65% during the study period.

Market - Wise Share and Growth in Weighmen License Fee

The market wise share and growth in weighmen license fee income of the regulated markets of the study area for the study period are presented in Table 5.

Table 5: Market – Wise Share and Growth in Weighmen License Fee 2003-2004 to 2012-2013

Year	Theni	Cumbum	Bodinayakanur	Chinnamanur	Periyakulam	Andipatti	Uthama palayam	Overall
03-04	6.13	0.90	1.43	0.25	0.60	0.40	0.38	10.09
04-05	6.28	0.93	1.73	0.29	0.35	0.38	0.25	10.21
05-06	5.00	0.60	1.53	0.25	0.28	0.28	0.18	8.12
06-07	53.00	5.75	21.25	2.25	3.75	3.00	1.75	90.75
07-08	47.00	6.75	15.00	2.25	4.00	17.25	1.25	93.5
08-09	65.25	6.25	16.50	3.00	4.50	3.00	5.0	103.5
09-10	6.18	5.65	17.00	4.00	5.25	4.00	1.80	43.88
10-11	5.13	5.90	17.25	4.50	5.00	17.00	1.50	56.28
11-12	5.28	2.93	16.25	5.25	6.35	16.50	2.10	54.66
12-13	6.00	2.60	15.25	6.50	7.28	15.40	2.25	55.28
Total	205.25	38.26	123.19	28.54	37.36	77.21	16.46	526.26
Average	20.53	3.83	12.32	2.85	3.74	7.72	1.65	52.63
%share	38.95	7.28	23.41	5.42	7.11	14.67	3.14	-



Rank	1	4	2	6	5	3	7	-
CGR	-4.38	19.13	34.18	49.23	42.37	61.31	29.75	28.17

Source: Annual Administrative Report of Theni Market Committee 2003-2004 to 2012-2013.

It is found from Table 5 that the annual income from weighmen license fee to all the regulated markets of the study area is Rs.52.63 thousands over the study period. The percentage share of the individual markets regarding weighmen license fee varies from 3.14% to 38.95%. The market of Theni occupied first rank with the highest share of 38.95% of the total. It is followed by the Bodinayakanur, Andipatti, Cumbum, Periyakulam, Chinnamanur, Uthamapalayam markets with a share of 23.41%,14.67%, 7.28%,7.11%,5.42% and 3.14% of the total occupying the second, third, fourth, fifth, sixth and seventh ranks respectively.

It is also found from the table that the growth in income from weighmen license fee to the regulated markets of the study area is positive and significant indicating a increasing trend at an annual rate of 28.17% during the period of study.

Among the markets, the growth in this income is positive in six markets. Out of these six markets, the positive growth is significant only in the Andipatti market at 5% level indicating an increasing trend at an annual rate of 61.31% during the study period. For the remaining five markets at Chinnamanur, Periyakulam, Bodinayakanur, Uthamapalayam, Cumbum the positive growth is not significant indicating an increasing trend at an annual rate of 49.23%, 42.37%,34.18% 29.75%,19.13% respectively during the study period. The negative growth in this income to the Theni market is significant at the 5% level and indicating a decreasing trend at an annual rate -4.38% respectively during the study period.

Market - Wise Share and Growth in Other Income

The market wise share and growth in the other income of the regulated markets of the study area for the study period are presented in Table 6.

Table 6: Market – Wise Share and Growth in Other Income (in Rs'000)

Year	Theni	Cumbum	Bodinayakanur	Chinnamanur	Periyakulam	Andipatti	Uthama palayam	Overall
03-04	55.47	14.45	5.64	32.23	0.35	0.73	0.77	109.64
04-05	62.88	34.63	7.88	19.94	0.21	0.40	4.00	129.94
05-06	119.45	45.63	11.41	15.06	0.06	0.10	0.07	191.77
06-07	0	50.24	0	5.0	0	0	1.80	57.04
07-08	30.00	83.26	-	-	-	-	5.90	119.16
08-09	-	64.43	-	-	-	-	-	64.43
09-10	2.38	0.54	0.23	0.13	-	-	-	3.28
10-11	3.476	0.539	0.170	0.020	-	-	-	5.316
11-12	0.891	0.231	0.191	-	-	0.051	-	1.364
12-13	1.285	0.173	0.122	-	0.002	0.034	0.025	1.641
Total	275.832	294.123	25.643	72.38	0.622	1.315	10.765	683.581
Average	27.58	29.41	2.56	7.24	0.06	0.13	1.26	68.36
%share	40.35	43.02	3.75	10.59	0.09	0.19	1.84	-
Rank	2	1	4	3	7	6	5	-
CGR	0	-48.91	0	0	0	0	0	-44.39

Source: Annual Administrative Report of Theni Market Committee 2003-2004 to 2012-2013

It is found from Table 6 that the average annual other income to all regulated markets of the study area is Rs.68.36 thousands over the study period. The percentage share of the individual markets regarding the other income varies from 0.09% and 43.02%. The market at Cumbum occupied first rank by contributing the highest share of 43.02% to the total. It is followed by the Theni, Chinnamanur, Bodinayakanur, Uthamapalayam, Andipatti, and Periyakulam markets with a share of 40.35%, 10.59%,3.75%, 1.84%, 0.19% and 0.09% to the total and they occupied the second, third , fourth, fifth, sixth and seventh ranks respectively.

It is also found from the table that the growth in the other income to the regulated markets of the study area is negative and significant at the 10% level, indicating decreasing trend at an annual rate of -44.39% during the study period.

Among the markets, the growth in the other income is negative for all markets. Out of these seven markets, the negative growth is not significant at the 5% level to all the markets indicating an decreasing trend at an annual rate of 0 and -48.91% respectively during the study period.



Different Components of Expenditure

The total expenditure of the regulated markets includes establishment expenses and office and other expenses. Establishment expenses include salary and allowances to employees and maintenance expenses. Office and other expenses include postage, stationery, electric charges, rents and rates and miscellaneous expenses for the day-to-day administration of the regulated markets. Here an attempt has been made to analyze the market-wise share in the different components of expenditure in the overall total along with their growth during the study period.

Market - Wise Share and Growth in Establishment Expenses

The market wise share and growth in the establishment expenses of the regulated markets of the study area for the study period are presented in Table 7.

Table 7: Market - Wise Share and Growth in Establishment Expenses 2003-2004 to 2012-2013

Year	Theni	Cumbum	Bodinayakanur	Chinnamanur	Overall
03-04	277.42	302.42	202.46	202.52	905.13
04-05	367.77	226.89	256.33	158.23	1009.22
05-06	335.55	243.89	297.18	184.23	1060.86
06-07	720.23	302.46	295.76	204.23	1522.68
07-08	770.25	295.66	256.33	178.23	1500.47
08-09	836.09	290.60	297.18	144.74	1568.61
09-10	402.01	336.89	210.75	181.30	1130.95
10-11	420.50	343.89	225.88	159.95	1150.22
11-12	510.60	352.89	225.88	159.95	1150.22
12-13	850.65	315.39	185.75	135.44	1487.23
Total	5491.07	3011.07	2532.03	1604.93	12639.1
Average	549.11	301.11	253.2	160.49	1263.91
%share	43.45	23.82	20.03	12.70	-
Rank	1	2	3	4	-
CGR	7.44	3.38	-1.09	-0.88	3.59

Source: Annual Administrative Reports of Theni Market Committee 2003-2004 to 2012-2013.

It is found from Table 6.7 that the average annual establishment expenses incurred by the four regulated markets of the study area are Rs.1263.91 thousands over the study period. The percentage share of the individual markets regarding establishment expenses varies from 12.70% to 43.45%. The market at Theni occupied first rank with the highest share of 43.45% of the total. It is followed by the Cumbum, Bodinayakanur and Chinnamanur markets with a share of 23.82%, 20.03% and 12.70% of the total and occupied second, third and fourth ranks respectively.

It is also found from the table that the growth in the establishment expenses incurred by the regulated markets of the study area is positive and significant indicating an increasing trend at an annual rate of 3.59% during the study period. Among the markets, the growth in this expense is positive in two markets. Out of these two markets, the positive growth is significant at the 5% level for the Theni and Cumbum markets indicating an increasing trend at an annual rate of 7.44% and 3.38% respectively during the study period. For the Bodinayakanur market, the growth is negative and significant at the 10% level indicating a decreasing trend at an annual rate of -1.09%. The negative growth in this expense for the Chinnamanur market is significant at 10% level indicating a decreasing trend at an annual rate of -0.88% during the study period.

Market - Wise Share and Growth in Office and Other Expenses

The Market - Wise Share and Growth in Office and Other Expenses of the regulated markets of the study area for the study period are presented in Table 8.

Table 8: Market - Wise Share and Growth in Office and Other Expenses in 2003-2004 to 2012-2013

Year	Theni	Cumbum	Bodinayakanur	Chinnamanur	Periyakulam	Andipatti	Uthama palayam	Overall
03-04	65.73	40.03	17.85	22.42	10.77	3.30	6.75	166.85
04-05	62.07	38.48	42.87	47.58	11.22	3.60	6.86	21.68
05-06	78.52	127.51	17.09	32.73	10.70	2.70	7.06	275.30
06-07	35.45	73.35	33.25	37.16	30.70	9.50	10.15	229.56
07-08	40.98	51.81	27.52	37.32	33.50	8.60	10.15	209.88
08-09	36.10	52.35	27.45	37.65	31.22	8.60	10.15	203.52



09-10	36.80	52.53	27.85	37.82	31.05	8.30	11.75	206.1
10-11	37.45	52.50	27.96	42.42	30.05	7.70	11.86	209.94
11-12	37.60	52.81	62.87	67.58	42.66	8.54	12.06	284.12
12-13	43.99	52.90	37.09	62.73	48.72	8.30	10.67	264.4
Total	474.69	594.27	321.8	425.41	280.59	69.14	97.46	2262.35
Average	47.47	59.44	32.18	42.54	28.06	6.91	9.75	226.24
%share	20.98	26.27	14.22	18.80	12.40	3.05	4.31	-
Rank	2	1	4	3	5	7	6	-
CGR	-6.35	-0.42	4.93	8.25	18.53	12.33	6.96	2.74

Source: Annual Administrative Reports of Theni Market Committee 2003-2004 to 2012-2013.

It is found from Table 8 that the average annual office and other expenses incurred by the regulated markets of the study area is Rs.226.24 thousands over the study period. The percentage share of the individual markets regarding office and other expenses varies from 3.05% to 26.27%. It is followed by the Theni, Chinnamanur, Bodinayakanur, Periyakulam, Uthamapalayam and Andipatti markets with a share of 20.98%, 18.80%, 14.22%, 12.40%, 4.31% and 3.05% of the total and occupied the second, third, fourth, fifth, sixth and seventh ranks respectively.

It is also found from the table that the growth in office and other expenses incurred by the regulated markets of the study area is positive and significant at the 5% level, indicating an increasing trend at an annual rate of 2.74% during the study period. Among the markets, the growth in these expenses is positive in five markets. The growth is positive at the 5% level for the Periyakulam, Andipatti and Chinnamanur markets indicating an increasing trend at an annual rate of 18.53%, 12.33% and 8.25% respectively.

For the Uthamapalayam, Bodinayakanur market the growth is positive and significant at the 10% level indicating an increasing trend at an annual rate of 6.93%, 4.93% during the study period. The negative growth in these expenses is significant for the Theni market and non - significant for the Cumbum market indicating a decreasing trend at an annual rate of -6.35% and -0.42% respectively during the study period.

Market - Wise Share and Growth in Surplus Income

The individual markets share in the overall surplus income along with their growth during the study period is presented in Table 9.

Table 9: Market – Wise Share and Growth in Surplus Income 2003-2004 to 2012 -2013

Year	Theni	Cumbum	Bodinayakanur	Chinnamanur	Periyakulam	Andipatti	Uthama palayam	Overall
03-04	1646.23	1355.64	287.95	479.94	47.79	111.97	287.26	4216.77
04-05	1762.92	1397.55	218.01	409.56	48.85	54.82	266.52	4158.22
05-06	1567.81	1171.73	282.67	434.77	19.64	43.21	365.71	3885.53
06-07	3618.39	169.13	20.85	76.60	43.58	21.94	152.72	4103.20
07-08	3511.82	100.99	26.32	45.66	20.04	7.55	94.78	3807.15
08-09	3765.10	848.56	139.70	624.06	90.26	21.45	269.66	5758.78
09-10	3550.45	1098.45	173.65	370.64	83.78	38.97	377.47	5693.40
10-11	3256.56	981.44	146.37	309.40	50.64	23.51	308.30	5076.21
11-12	2009.72	900.95	170.82	15.63	24.69	25.95	296.35	3441.11
12-13	1521.59	870.21	126.95	305.26	16.30	27.25	273.43	3140.98
Total	26210.59	8894.65	1593.29	3071.52	445.57	376.62	2692.2	43281.33
Average	2621.06	889.47	159.33	307.15	44.56	37.66	269.22	4328.13
%share	60.56	20.55	3.68	7.10	1.03	0.87	6.22	-
Rank	1	2	5	3	6	7	4	-
CGR	2.38	-0.13	-2.59	-12.10	-3.72	-10.46	1.96	-0.75

Source: Annual Administrative Reports of Theni Market Committee 2003-2004 to 2012-2013.

It is found from Table 9 that the average annual surplus income of the regulated markets of the study area is Rs.4328.13 thousands over the study period. The percentage share of the individual market regarding surplus income varies from 0.87% to 60.56%. The market at Theni occupied the first rank with the highest share of 60.56% in the total. It is followed by the Cumbum, Chinnamanur, Uthamapalayam, Bodinayakanur, Periyakulam and Andipatti markets with a share of 20.55%,



7.10%, 6.22%, 3.68%, 1.03% and 0.87% of the total occupying the second, third, fourth, fifth, sixth and seventh ranks respectively.

It is also found from the table that the growth in the surplus income of the regulated markets of the study area is negative but not significant indicating a decreasing trend at an annual rate of -0.75% during the study period.

Among the markets the growth in the surplus income is positive in two markets. Out of these two markets, the positive growth is significant at the 5% level for the Uthamapalayam and Theni markets indicating an increasing trend at an annual rate of 1.96%, and 2.38% respectively. The negative growth in this surplus income is significant for the Cumbum, Bodinayakanur, Chinnamanur, Periyakulam and Andipatti market at the 5% level and indicating a decreasing trend at an annual rate of 0.13%, 2.59%, 12.10%, 3.72% and 10.46% and respectively during the study period.

Significance of Difference in Financial Soundness after the Establishment of Theni Market Committee

In order to assess the significance of the difference in financial soundness of the regulated markets of the study area after they came under the control of the Theni Market Committee, data on the income, expenditure and surplus have been collected for Period I and Period II during which they have been under the control of the Madurai and Theni Market Committees.

Break - Even - Transaction - Sale Analysis

The main objective of regulated market is to help the farmers in the process of realizing better prices for their produce. It is generally expected that all the agricultural commodities are to be sold on the premises of these markets for which they are provided with officials and other facilities. The efficiency of these markets in terms of arrivals has been discussed in the Chapter 'Pattern of Arrivals and Prices'.

Here, in this section, the efficiency has been examined in terms of the transaction – sale effected by these markets and to what extent they are able to cover the expenditures from out of the income from the inside market fee. For the purpose of analysis the break-even transaction sale for each of the regulated markets after it came under the supervision of the Theni Market committee has been worked out and is compared with the corresponding actual transaction – sale on their premises. The Break – Even- Transaction Sales was computed by multiplying the average total expenses of four years by hundred. The actual transaction sale was computed by multiplying the four years average of inside market fee collected by hundred. Thus, the formulae derived for the purpose of analysis are

1. Break – Even – Transaction Sale = Four years average of Total Expenditure *100
2. Actual – Transaction Sale = Four Year's average Inside Market Fee * 100

The markets which have an Actual transaction – sale more than their Break – even transaction – sale are able to cover their expenses and thus are said to be efficient and vice – versa. The results of the analysis are presented in Table 11.

Table 11: Comparison of Actual and Break Even Transaction - Sale of Regulated Markets Controlled by Theni Market Committee

S. No	Name of the Market	(1)	(2)	(3)
1.	Theni	134.38	508.79	-374.41
2.	Bodinayakanur	245.18	328.96	-83.78
3.	Cumbum	85.31	586.44	-501.13
4.	Chinnanamur	161.79	188.76	-26.79
5.	Periyakulam	6.94	12.85	-5.91
6.	Andipatti	3.52	5.23	-1.71
7.	Uthamapalayam	76.74	8.46	68.28
Over all		713.86	1639.49	925.63

Source: Computed data

Note: 1. Average Actual Transaction – Sales in Rs. Lakhs.

2. Average Break Even Transaction – sales in Rs. lakhs.

3. Deficit / Excess of Break – Even Transaction – Sale over Actual Transaction – sale in Rs .lakhs.

Table 12 shows that the comparative analysis of the actual and Break Even Transaction - Sales of the regulated markets functioning under the Theni Market Committee. It is understood from the table that the overall actual transaction - sales of the markets on an average were Rs.713.86 lakhs which fell short by Rs.1639.49 lakhs of the break even transaction sales of Rs. 925.63 lakhs for the period under review.



The Market wise analysis showed that only the Bodinayakanur market by showing an excess of Rs.245.18 lakhs actual transaction sales over and above the break even transaction sales indicates that it was a well cushioned market able to meet not only its expenditure but also accumulate considerable amount of inside market fee as surplus.

The remaining 6 markets fall short of their respective average break even transaction sales during the period under review. Among them, the four markets Cumbum, Periyakulam, Andipatti and Uthamapalayam which were provided with staff members showed worst adverse short sales to the tune of Rs. 85.31 lakhs, Rs.6.94 lakhs and Rs.3.521 lakhs respectively. The short sales of the Theni and Chinnmanur markets which were not provided with staff members were to the tune of Rs. 134.38 lakhs and Rs.161.79 lakhs respectively.

It could be finally observed that except the Bodinayakanur regulated market all the other markets of the study area have to increase their transaction sales to the estimated break even transaction sales shown in the table against each of the respective markets so as to cover their expenditure incurred from the inside market fee revenue only.

Conclusion

Among the markets, the growth in this expense is positive in two markets. Out of these two markets, the positive growth is significant at the 5% level for the Theni and Cumbum markets indicating an increasing trend at an annual rate of 7.44% and 3.38% respectively during the study period. For the Bodinayakanur market, the growth is negative and significant at the 10% level indicating a decreasing trend at an annual rate of -1.09%. The negative growth in this expense for the Chinnamanur market is significant at 10% level indicating a decreasing trend at an annual rate of -0.88% during the study period. Among the markets the growth in the surplus income is positive in two markets. It could be finally observed that except the Bodinayakanur regulated market all the other markets of the study area have to increase their transaction sales to the estimated break even transaction sales shown in the table against each of the respective markets so as to cover their expenditure incurred from the inside market fee revenue only.

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