



Agricultural Marketing in Karnataka State

Prakash Babu

Guest Lecturer, Government First Grade College (G.F.G.C)
Sedam, Dist: Kalaburagi, Karnataka, India.

ABSTRACT

Agriculture is different from industry and plays a significant role in the economic development of a nation. India's prosperity depends upon the agricultural prosperity. Agricultural marketing involves many operations and processes through which the food and raw materials move from the cultivated farm to the final consumers. Agriculture provides goods for consumption and exports and manufacturing sectors. The suitable marketing system should be designed so as to give proper reward or return to the efforts of the tiller of the soil. Market information is a means of increasing the efficiency of marketing system and promoting improved price formation.

KEYWORDS : Agriculture, Cultivation, Marketing, food-grains, commercial-crops

Introduction

Agricultural produce market committee (APMC) is responsible for marketing of agricultural productions. Farmers bring their cultivated food grains to sell them in this market where they got the correct rate of their food grains. The principle of the APMC is

- Ensure that farmers are not exploited by intermediaries (and money lenders) who compel farmers to sell their produce at the farm gate for an extremely low price.
- All food produce should first be brought to a market yard and then sold through auction^[1].

Each state which operates APMC markets geographically divide the state and markets (mandis) are established at different places within the state. Farmers are required to sell their produce via auction at the mandi in their region. Traders require a license to operate within a mandi. Wholesale and retail traders (e.g. shopping mall owners) and food processing companies cannot buy produce directly from a farmer^[1].

In the Karnataka the state government of Karnataka has created APMCs in many towns to enable farmers to sell their produce at reasonable prices. Most APMCs have a market where traders and other marketing agents are provided stalls and shops to purchase agriculture produce from farmers. Farmers can sell their produce to agents or traders under the supervision of the APMC.

Farmers cannot sell produce outside the APMC mechanism. However, the government is now encouraging direct selling through 'Rautu Bazar' or to supermarkets directly. The present APMC system makes farmers vulnerable to traders' and marketing agents' price manipulations.

Some important food grains of northern Karnataka.

Below the list represent the important commodity arrival in each district of Northern Karnataka (ex: Kalaburagi, Bidar, Raichur, Bellary).

Table 1.1 Kalaburagi:

Sl No.	Name of Commodity	Annual Production
1	Wheat	3000
2	Sunflower	5000
3	Toor	10000
4	Jowar	15000
5	Green Gram	4000
6	Black Gram	12000
7	Bengal Gram	15000
8	Jaggery	5000
9	Sajje	6000
10	Sesame	2000

Table 1.2 Bidar:

Name of Commodity	Annual Production
Greengram	3000
Blackgram	10000
Toor	25000
Bengal Gram	14000
Jowar Hybrid	1000
Jowar White	2000
Sunflower	200
Karad	2200
Wheat	1000
Soyabin	2500

Table 1.3 Raichur:

Sl No.	Name of Commodity	Annual Production
1	Paddy	60555
2	Jowar	86292
3	Sunflower	30687
4	Ground Nut	21800
5	Safflower	428
6	Castor Seeds	1074
7	Bengal Gram	17158
8	Green Gram	0
9	Tur	4346
10	Cotton	3896

Table 1.4 Bellary:

Sl No.	Name of Commodity	Annual Production
1	Cotton	78325
2	Groundnut	99862
3	Sunflower	21956
4	Jowar	24562
5	Maize	98522
6	DryChillies	57820
7	Paddy Hamsa	12655
8	Paddy Early sona	19636
9	Paddy Sona Masuri	99875
10	Toor	46325

The Tables shows the marketing survey of agricultural productions annually^[2].

The Marketing regulations in Karnataka in accordance with APMC:

Regulation of markets and marketing practices was accepted as one of the most important measures for improvement of agricultural marketing. The strategy for development of agricultural sector through development of an agricultural marketing system, centred around the

Market Committee constituted under the State Marketing legislations. The Karnataka Agricultural Produce Marketing (Regulation) Act, 1966 divides the entire State into various notified areas and delegates the responsibility for regulating agricultural markets in respective areas to specific APMCs. Essentially, the Act treats agricultural marketing to be a localized subject confined to a specific notified area and therefore it endeavours to create a mechanism to regulate sale of farm produce grown in that area by the farmers to the traders located within such notified area. In fact, it goes to the extent of prohibiting end users and processors located elsewhere from buying from the farmers directly in absence of license from respective APMC. The Karnataka Agricultural Produce Marketing (Regulation) Act, 1966, came into force on 1st May, 1968. Section 154(1) of the Act repeals the previous Acts on the subject in force and provides for the continuance of the market committees constituted under those Acts until the constitution of market committees under the new Act. By this provision it was intended to bring into existence elected market committees under the new Act in place of the old market committee. But the High Court of Karnataka has held that the election of a market committee under Section 11 of the Act should be preceded by the composition of a nominated market committee under section 10 and that it is only by that process that an old Market Committee which continues to function under proviso (c) to Section 154(1) can vacate office. A market committee nominated under Section 10 will hold office for a period of two years.

Functions of the Board

The Board has been vested with the power to discharge the following functions and shall have power to do all such acts as may be necessary or expedient for carrying out its functions, namely:- (a) to advise on matters referred to it by the State Government; (b) to provide legal assistance to the market committee; (c) to assist in the functioning of the market committee including in respect of programmes undertaken by the market committees for the development of markets; (d) to undertake State level planning of the development of agricultural produce marketing; (e) to give advice to market committees in general or any market committee in particular with a view to ensuring improvement in the functions thereof; (f) to co-ordinate functioning of all the market committees with the help of the information service obtained by both National and International Markets; (g) to arrange for safety insurance on the life of farmers and if necessary to contribute towards the e premiums payable in respect of all agriculturists in the State; (h) to assist the market committees in the preparation of site plans, estimates and development of market yards; (i) to arrange or organise seminars, workshops or exhibitions on subjects relating to agricultural marketing; (j) such other functions as may be specified by regulations.

Schemes of Government of Karnataka

PLEDGE LOAN SCHEME: This scheme is in force since 1994-95 in 132 markets of the State. Loans up to Rs.2,00,000-00 or 60% of the value of the agricultural produce

may be paid to the farmers against the pledge of their agricultural produce. The period of advance shall not exceed 180 days from the date of pledging of the produce. No interest shall be charged for the first 90 days from the date of disbursement of the advance and there after interest shall be charged at the following rates-

Sl.No	Amount	Rate of Interest
1.	Up to Rs.25,000	4% Per annum
2.	Rs. 25,000/- and above but below Rs.50,000/-	6% Per annum
3.	Rs.50,000/- and above but below Rs.1.00 lakh	8% Per annum
4.	Rs.1.00 lakh and above but below Rs.2.00 lakhs	10% Per annum

The market committee may also except ware house receipts issued to a produce-seller by the Karnataka State Ware Housing Corporation or Central Ware Housing Corporation or such other co-operative societies as notified by Director of Agricultural Marketing from time to time and grant short term advance on the pledge of such receipt.

RAITHA SANJEEVINI: The Karnataka State Agricultural Marketing Board is implementing "Raitha Sanjeevini" Accidental Benefit Scheme for the benefit of all the Agriculturist of Karnataka. If a farmer or his family member in the age group of 15 to 60 dies while performing the agricultural operations or selling agricultural & horticultural commodities in the market yards etc., a compensation of Rs.1,00,000 is sanctioned. If a farmer become handicapped due to accident, then depending upon the seriousness of the injury he is sanctioned a compensation of Rs.1,500 to 30,000. The farmer need not pay any premium towards the scheme.

The Raitha Sanjeevini Scheme managed by the KSAMB. From 1996-97 to till date, 9557 farmers have been sanctioned Rs.31.82 crores under this scheme.

MINIMUM FLOOR PRICE SCHEME: To help the farmers from distress sale, Floor Price Scheme has been formulated. Government will declare Minimum Support Price and arrange for procurement of the same. For the purpose, Revolving Fund has been set up. Market committees in the State contribute 0.5% of the market fee collected every month. The KSAMB will manage the fund. The scheme is first of its kind in the country and many States are evincing keen interest to adopt the same in respective States for the benefit of farming community.

Details of the funds are as follows :

Total resources mobilized for the fund - Rs. 470.02 crores.

1. Contributions from the APMCs - Rs. 334.60 crores.

2. Grants from the State Government – Rs. 87.73 crores.

3. Interest from the Banks - Rs.45.48 crores.

4. Profit Rs.2.21 crores.

From the year 1999 till date 4,39,736 farmers have benefited under the scheme. Rs.896.17 crores have been revolved for the purpose of procurement of agriculture and horticultural produce since 1999-2000 till date.

Aam Admi Bheema Yojana: The Karnataka State Agricultural Marketing Board is implementing Aam Admi Bheema Yojana Scheme for the benefit of hamals, and weighmen working in 157 APMCs. The APMC on behalf of every 'Shramik' contributes Rs.100 annually. The Government of India under the Social Security Scheme releases Rs.100 per person registered under this scheme to LIC. The Scheme is in force from 1999. Under this Scheme if a person dies naturally he gets a compensation of Rs.30,000. If the death is due to accident then the compensation to be paid is Rs.75,000. During the year 2015-16 Shramiks numbering 300388 have registered their names under the Aam Admi Bheema Yojana and 2099 beneficiaries have been sanctioned a compensation of Rs.58.91 lakhs as on 29/02/2016. In addition to this, the Government of India pay scholarship to two students of 9th to 12th standard in a family of the insurer and they get a sum of Rs.600/- per quarter.

KAYAKA NIDHI SCHEME: During 2014-15 budget speech a proposal has been submitted to the Government under para No.83 to the welfare of Hamals who are working in the Agricultural Produce Market Yards under the license issued by the Agricultural Produce Market committees. These are the hardworking poor people who are living below the poverty line. In case these Hamals fall ill they find it very difficult to get the good medical treatment. To provide some medical relief and Rs.10,000 as Death relief fund "Kayaka Nidhi" has been started. To ensure partial medical to Hamala working in Agricultural Produce Market yards. To meet partial medical expenses for the identified and approved diseases apart from Health Department. Under Kayaka nidhi 51 Beneficiaries have been sanctioned Rs.6,42,285/- as on 2014-15 to 2015-16(Feb).

Conclusion

This paper thrown some important aspects of agricultural marketing. This given a some useful information for the readers. It has the readings which are listed above are took government readings and some surveys.

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