



A Study Pertaining to an Empirical Evaluation of the Performance of Regulated Markets in Coimbatore District

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Keywords :

INTRODUCTION

Agriculture plays a very important role in the economic development of a country. Agriculture is the backbone of an agricultural country like India. India's prosperity depends upon the agricultural prosperity. Agriculture is fundamentally different from an industry. The marketing of farm products generally tends to be a complex process. The types of agricultural commodities produced in our country are varied one. Agriculture is the largest and the most important sector of the Indian economy. Agriculture contributes nearly 40 per cent to 45 per cent of the national income and provides livelihood about 70 percent of the population of the country. In India, there are so many defects still exist in agricultural marketing. By considering such serious issues in marketing of agricultural commodities, Indian planners have decided to establish regulated markets. The purpose of a regulated market is to eliminate unhealthy market practices, to reduce marketing charges and to provide fair prices. These lead to safeguard the interest of the producers-sellers and raise the standard of local markets.

SCOPE OF THE STUDY

For doing research, it's expected to encounter numerous issues such as the concentration of field study, data collection and others which are constraint by available resources like timeframe, monetary and availability of information. This study is of no exceptions where the scope is limited to the regulated markets in Coimbatore district. It focused only on members of the regulated markets who are generally farmers to gather information about functioning of regulated markets in the said district in respect of "general marketing", "providing infrastructure facilities", "price fixation, and so on. The scope of the present study is also to investigate membership pattern and extent of using regulated market by farmers to market their produce.

OBJECTIVES OF THE STUDY

The following are the objectives of the present study, say,

- To evaluate the participation of farmers in Regulated markets to sell their agricultural produce.
- To study the benefits from selling agricultural produce through regulated markets.

METHODOLOGY

The present study employs primary data as well as secondary data. The secondary data were collected from different published sources. The primary data were collected from conducting a survey using a structured questionnaire. The target population for collecting information regarding performance of the regulated market is the farmer group with membership in regulated marketing committee in the study region, Coimbatore district.

SOURCES OF DATA

Primary data were collected for analyzing the collected data.

Interview schedule is prepared for Members and Merchants of Regulated Market and in such a way that they are very simple and understandable so as to enable the respondents to express to express their views freely and frankly. However, to substantiate the views in course of the analysis and to provide the review, the secondary data were also collected and used. These data were collected from different sources like Magazines, Journals, books, websites, and so on. For which has approached various institutions like, Regulated Market Committee (RMC), Coimbatore, District Statistical Office Coimbatore, Research Learning Centre, PSG School of Management, Coimbatore.

STATISTICAL TECHNIQUES EMPLOYED

The tools used for the study are

- Mean (\bar{X})
- Standard Deviation (σ)
- Chi-Square
- Percentage analysis
- Friedman ANOVA
- Kendall Coefficient of Concordance

LIMITATIONS OF THE STUDY

- The respondents for survey were not selected from farmer-members population in the districts other than Coimbatore in Tamil Nadu.
- The views of the merchants and intermediaries associated with regulated markets were not obtained

REVIEW OF LITERATURE

Sakthivel and Selvaraj (2009) in their article "Farmers Perception towards Regulated Markets". A case Analysis on the basis of the findings of the study, some viable suggestions were given. It concerned authorities will seriously consider the suggestions, the functioning and performance of regulated markets may be improved and farmers will get benefits in marketing their agricultural produces.

Senam Raju (2002) in his article, "Apprehensions of Farmers on Working of Regulated Agricultural Marketing – A case study" has depicted that an efficient system of marketing is a "Sign-qua-non" in the economy of all the countries in general and an agricultural countries in particular India is a developing country having vast potential in the agricultural sector. This sector provides livelihood to about 64 percent of the labour force. It contributes nearly 26 percent of the GDP and accounts for about 18% share of the total value of the country's exports, which needs effective functioning of marketing system. The crucial role of agricultural marketing in a predominantly agricultural economy like ours can be properly appreciated from the significant contributions of the efficient marketing system to the country. Thus the regulated markets are established as per the provisions of the 'Marketing of Ag-

gricultural Produce Acts' of the state government. The Regulation of markets generally introduces a system of competitive buying, helps in eradicating trading mal-practices, ensures the use of standardized weights and measures and evolves a suitable machinery for the settlement of disputes arising between producers-sellers and buyers of agricultural produce in the market.

Acharya (1998) The marketing system also performs the function of discovering the prices at different stages of marketing relate mainly to the performance of the marketing system, which depends on the structure and conduct of the market. The goal of research in public domain in influencing the market structure and conduct for improving the efficiency of the marketing system should be recognized and agricultural marketing research should receive adequate support from the government both at the centre and state levels.

Asha Maheswari(1998) in his article "Regulation of Markets, Production Growth and markets Arrival A State wise Analysis of Rice, has depicted that the regulated markets may be called upon to provide for larger quantities in some states, they cannot be expected to overtake or subsume the indigenous sector in all the other states. The government policy must recognize this sole reliance cannot be placed on regulated markets. The non-regulatory or what we have called the informal sector elsewhere, need not be curbed on account of what Bauer and Yamey (1954) call "Considerations of administrative Convenience", which may "Strengthen the view that the uncontrolled systems is burdensome, unnecessarily untidy and without economic justification.

Selvam (1997) in his article "Agricultural Marketing: Strengthening the Co-operatives" has analyzed that marketing co-operatives for agricultural produce can well serve farmers interests. The main objective of marketing co-operatives is to do away with middleman and thereby ensure a relatively higher price for the producers and at the same time a relatively lower price for the consumers. Co-operative marketing efforts need strengthening. Improvement in organizational, operational, financial, personnel and marketing areas are required. Marketing societies need to be linked with credit Societies and consumer co-operatives.

Table 1
Distribution of sample respondents by Socio-economic characteristics

Profile	Number of Respondents	% to Total
Sex		
Male	144	82.3
Female	31	17.7
Age (in Years)		
Up to 35	59	33.7
36 – 45	55	31.4
> 45	61	34.9
Educational Status		
Illiterate	34	19.4
Secondary	68	38.9
Higher Secondary	49	28.0
Degree / diploma	24	13.7
Family Type		
Nuclear	83	47.4
Joint	92	52.6
Family Size (Number of members)		
Up to 4	79	45.1
5 - 7	47	26.9
> 7	49	28.0
Land Type		
Own	128	73.1
Lease	47	26.9

Primary Occupation		
Cultivation	89	50.9
Dairy	28	16.0
Horticulture	35	20.0
Sericulture	8	4.6
Daily wage labour	15	8.6
Total	175	100.0

Source: Primary Data

According to table, out of 175 sample respondents, male respondents comprise of 82.3 per cent and the remaining 17.7 per cent are female respondents. By age, 34.9 per cent of the respondents are aged above 45 years, followed by 33.7 per cent with age up to 35 years, and 31.4 per cent with age between 36-45 years. Most of them are educated up to secondary level (38.9%) followed by the respondent group with education up to higher secondary (28.0%). While illiterates are 19.4 per cent, those with degree / diploma qualifications comprise 13.7 per cent of the total sample. Majority of the farmers in the sample are living in joint family system (52.6%) and number of members in most of the families is up to 4 (45.1%). While, number of members are more than seven in 28.0 per cent of the families, it is between 5-7 for 26.9 per cent of the respondents' families. As much as 73.1 per cent of the sample respondents possess own land and cultivation in leased land is found with 26.9 per cent of the sample respondents. The cultivation is found to be primary occupation for 50.9 per cent of the respondents in the sample, followed by Horticulture with 20.0 per cent and Dairy with 16.0 per cent. The group with Sericulture and working as daily wage labour is as little as 4.6 per cent and 8.6 per cent respectively.

TABLE 2
Regulated Market and Type of Membership

Type of Regulated Market	Type of Membership			Chi-Square (DF)
	Primary	Associate	Total	
PCS/LAMPS/UCB/PARDB	51 (50.0)	51 (50.0)	102 (100.0)	1.81NS df=1
Agricultural Market	44 (60.3)	29 (39.7)	73 (100.0)	
All Sample	95 (54.3)	80 (45.7)	175 (100.0)	

Source: Computed Data

NS – Not significant

From the table, it is evident that the number of members in PCS/LAMPS /UCB/PARDB are equally divided between primary and associate membership whereas the majority of the members in agricultural markets are primary members (60.3%). Only 39.7 per cent of the total members of agricultural markets are associate members. However, the type of membership is independent of the market type as chi-square is insignificant.

TABLE 3
Preference to Disposing Off the Agricultural Produce Through Regulated Market – Comparison by Land Type

Land Type	Preference to Dispose			Chi-Square (DF)
	Yes	No	Total	
Own	86 (67.2)	42 (32.8)	128 (100.0)	3.83** df=1
Lease	24 (51.1)	23 (48.9)	47 (100.0)	
All Sample	110 (62.9)	65 (37.1)	175 (100.0)	

Source: Computed Data

**Significant at 5% level.

From Table which portrays the results of cross tabulation between farmers' preference of regulated market to dispose their agricultural produce and type of land they possess, it can be examined that 67.2 per cent of the farmers in the group with own land and 51.1 per cent of the farmers in the group with lease lands prefer to regulated market to dispose off their agricultural produce.

It is apparent from the examined of the results that number of cases with preference to regulated market for disposing agricultural produce among own land group is higher than that of those among lease land group. In other words, it can be said that compared to own land group, more number of farmers with lease land tend to not prefer regulated market (48.9%). Moreover the above difference in giving preference to regulated market for disposing off agricultural produce is found to be significant at 5 per cent level (Chi-square = 3.83, $p < 0.05$). So, it is concluded that giving preference to regulated market for disposing off agricultural produce differ significantly between farmer groups with own and lease lands.

TABLE 4
REASONS FOR NOT DISPOSING AGRICULTURAL PRODUCE THROUGH REGULATED MARKETS (N = 65)

Reasons	Mean	Standard Deviation
Cumbersome procedures	1.98	1.01
Non-cooperation from Regulated markets	2.37	0.82
Hostile attitude of members	3.26	1.25
Wrong Marketing Strategies	2.43	1.20
Lack of supportive prices	2.88	0.88
In accessibility	3.26	1.38
Long Distance	2.77	0.93
Disputes in Regulated Markets	2.89	1.44
Limited service	3.08	1.36
Non-Dealing of many crops	2.92	0.89
Poor Service	3.03	1.63

Source: Computed Data

Note: Only cases with 'No' opinion (See Table 4.23) are included

Table presents the mean and standard deviation for 11 reasons based on the opinion of the sample farmers. As can be seen in the table, majority of the farmers have disagreed with "Cumbersome procedures" (Mean = 1.98), "Non-cooperation from Regulated markets" (Mean = 2.37) and "Wrong Marketing Strategies" (Mean = 2.43). There has been neither disagreement nor agreement with all remaining reasons. At the same time, from the ordering of mean score from high to low, "Hostile attitude of members" (Mean = 3.26) and "In accessibility" (Mean = 3.26) followed by "Limited service" (Mean = 3.08) and "Limited service" (Mean = 3.03) are the reasons for considerable number of farmers for not preferring the regulated market to dispose their agricultural produce.

TABLE 5
FARMERS' MEMBERSHIP IN REGULATED MARKET

Type of Membership	Number	% to Total
Primary Member	95	54.29
Associate Member	80	45.71
Total	175	100.00

Source: Computed Data

The above Table reveals that 54.29 per cent of the farmers in the sample are primary members of the regulated markets

whereas the remaining 45.71 per cent of them are associate members.

TABLE 6
REASON FOR MEMBERSHIP WITH REGULATED MARKET

Reason for Membership	Average Rank	Sum of Ranks	Rank
Redeem prior debts	8.12	1420.5	9
Take loan	7.21	1262.0	6
Produce inputs	7.93	1388.5	7
Market outputs	8.21	1436.0	10
Avail value addition to products	8.06	1410.5	8
Borrow fund for re-lending	4.21	736.5	2
Serve in the regulated markets	4.49	785.5	3
Enter into politics	5.55	971.5	4
Keep up leadership	4.19	732.5	1
Belief in the regulated market principles	6.25	1094.0	5
Avail confessional credit	9.07	1587.5	12
Use Government Schemes	9.28	1623.5	13
Avail subsidy	8.44	1476.5	11
Kendall Coefficient of Concordance 'W'		0.2252	
Friedman ANOVA Chi-Square		472.91***	

Source: Computed Data

***Significant at 1% level.

The Friedman ANOVA and Kendall's Coefficient of Concordance is a non-parametric test used to analyze opinion scores which are of ranking in nature. This is used to evaluate the similarity in ranking the items meant for a particular aspect among the respondent group. Evaluating the extent of similarity in ranking the items is mandatory to arrive at irrefutable conclusion about the preferred item(s) among the group of items related to the aspect. The Kendall's coefficient of concordance, also called Kendall's W ranged between 0.0 and 1.0 with 0.0 for perfect dissimilarity and 1.0 for perfect similarity. The statistical significance of the Kendall's W is ascertained using Friedman ANOVA chi-square value.

So, as per table, the Kendall's coefficient of concordance for the ranking of reasons for becoming members with regulated market by the farmers is 0.2252 with correspondent Friedman ANOVA chi-square value of 472.91, which is significant at 1 per cent level. This shows the existence moderate concordance (similarities) among the respondents in ranking the items measuring the reasons for becoming members with the regulated marketing committees.

As there is similarity in ranking of items, the rank scores can be considered for ascertaining major reason for becoming members. As the scores are ranking in nature, the lower the average rank score, higher the preference. Accordingly, it can be seen from table that "Keep up leadership" is the primary reason for becoming members followed by "borrow fund for re-lending", "serve in the regulated markets" and "enter into politics". The least reason is "use government schemes" prior to "avail confessional credit", "avail subsidy" and "market outputs".

CONCLUSION

It is concluded that majority of the farmers prefer regulated market for disposing off their agricultural produce, but the preference to regulated markets for disposing agricultural produce is significantly related to the type of ownership of the land, type of market and type of membership. At the same time some of the farmers do not prefer regulated market from selling their produce because of hostile attitude of members, inaccessibility, limited and poor service of the regulated market.

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