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Green Revolution has vastly improved the profit-potential of Indian agriculture, the economic feasibility of transfer of gains to the disadvantaged groups in agriculture has improved *pari passu*. It has also augmented the temptation for the big farmer to get more securely entrenched and for the wealthy and the influential to enter the field. This must not be allowed to happen at the cost of the vulnerable sectors in agriculture."¹²

C. MUTHIAH*

REPORT ON SEMINARS

(ORGANIZED BY THE INDIAN SOCIETY OF AGRICULTURAL ECONOMICS
BETWEEN MARCH 1970 AND FEBRUARY 1971)

The Indian Society of Agricultural Economics organized three Seminars between March 1970 and February 1971 on three different themes. The reports on the Seminars will be brought out in due course. The following note attempts to give an outline regarding the objectives, participation and major conclusions arising out of discussions at each Seminar.

1. Seminar on "Demand and Supply Projections for Agricultural Commodities"

The Indian Society of Agricultural Economics organized a Seminar on "Demand and Supply Projections for Agricultural Commodities" at the Punjab Agricultural University, Ludhiana from 29th to 31st March 1970.¹ The objectives of the Seminar were (1) to critically review recent research work on 'Demand and Supply Projections,' and to assess the merits and limitations of different methodology and assumptions; (2) to identify gaps in relevant data and other research requirements; and (3) to indicate further line of research. In all, eleven papers were read at the Seminar and 21 persons including agricultural economists, administrators and a few foreign experts participated in the Seminar. The Seminar discussed the relative merits of different approaches used in the supply projection analysis, *viz.*, yardstick approach, production potential approach, material balance approach, production function approach and programming approach. In the current context of rapidly changing technology, it was suggested that short-term projections would be more dependable than long-term projections. Discussing the problem of aggregation for supply and demand projections, the usefulness of a dynamic behavioural model was emphasized. With a view to making further improvement on estimates and projections of supply, the Seminar emphasized the need to generate more reliable data—time-series and cross-section—on inputs and outputs, types of farms and farming areas, etc. The question of approaches to the estimation of potential production and the choice of appropriate set of tools was discussed. On the nature and the kind of models, it was observed that though the most logical and most detailed models should obviously be preferred, looking to the availability of data and the computation facilities, a beginning with simpler models was justified. It was recognized that the demand and supply projections could not be studied in isolation. Related programmes such as

12. M. L. Dantwala: From Stagnation to Growth, Presidential Address delivered at the 53rd Annual Conference of the Indian Economic Association, December, 1970, p. 20.

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1. Immediately following the above-said Seminar, the Society held a Refresher Course on "Methodology of Projections of Demand and Supply of Agricultural Commodities" at the Institute of Economic Growth, Delhi from 25th May to 13th June, 1970.

storage, marketing, buffer stocks, zonal system, etc., which have bearing on the farmer's behaviour and therefore on these projections should be studied side by side.

2. Seminar on "Farm Mechanisation"

In November, 1969 Dr. D. R. Gadgil, Deputy Chairman of the Planning Commission, suggested that the Society should organize a seminar to discuss the issues connected with farm mechanisation which might help the Government to formulate suitable policy measures in regard to (a) selection of the most appropriate regions for undertaking the spread of agricultural machinery on a large scale, and (b) identifying farming operations most suitable for initiating mechanisation on a large scale. The Society accepted this suggestion and organized the Seminar at the Agro-Economic Research Centre, Sardar Patel University, Vallabh Vidyanagar from 24th to 26th July, 1970. The Seminar discussed the problem of farm mechanisation under the following broad headings: (1) Process of farm mechanisation, (2) Trends in farm mechanisation, (3) Effect of farm mechanisation on employment and labour disposition, (4) Effect of farm mechanisation on rural income distribution and (5) Policy implications of farm mechanisation. Twenty-four papers were contributed to the Seminar including two key papers. Forty-seven persons including eminent agricultural economists, administrators and agricultural engineers and other experts in the field participated in the Seminar. The general consensus at the Seminar was that though mechanisation has spread noticeably in some parts of the country, it was in the overall context still an emerging phenomenon. Examining the trends in mechanisation in different States and regions of the country, the analysis indicated that till 1965 substitution of capital for labour has not much been evident. The pace of mechanisation has quickened only during the last quinquennium but the process of mechanisation has been induced mainly by growth. Even this selective process of mechanisation appears to have proceeded in an unintegrated manner. Analysis of results of a few empirical studies on the impact of mechanisation on farm labour employment revealed that there was a decline in the employment of family labour and attached labour on mechanised farms. There was, however, no evidence to suggest any overall decline in employment of wage paid casual labour. On the contrary, some evidence, though fragmentary, indicated that at least in the immediate future, employment opportunities for casual labourers may increase because of increase in intensity of land use and possibilities of multiple cropping in some areas. Employment opportunities in the allied activities such as repair and maintenance of machines, processing and marketing of agricultural products seemed to have increased. Mechanisation particularly tractorisation has progressed more rapidly on comparatively larger farms with better resource endowments. With a view to enabling medium and small farms to avail of the economic benefits which might result from mechanisation in agriculture special efforts at removing the institutional constraints and providing infra-structure facilities and other ancillary services are considered necessary. The Seminar recognized the need for undertaking extensive research and studies in depth for understanding the process of mechanisation and for investigating the likely consequences of mechanisation with respect to economic organization and use of production resources in agriculture. It was felt that the role of mechanisation in the overall strategy of agricultural development has to be so envisaged as not to accentuate the already wide gaps in the income distribution as between different classes of the rural community.

3. Seminar on "Emerging Problems of Marketing of Agricultural Commodities"

During the last 5-6 years many developments in marketing of farm products have taken place. Marketing policies have been adjusted to meet the changing situation. The policy is increasingly veering round extension of public sector agencies (as distinct from co-operatives) in the marketing of agricultural commodities. In view of these developments, it was thought that it would be useful to have a further look at problems of marketing of agricultural commodities. With this end in view, the Society organized in collaboration with the Directorate of Marketing and Inspection of the Government of India, a Seminar on "Emerging Problems of Marketing of Agricultural Commodities" at Nagpur from 18th to 20th February, 1971. Following main themes were discussed : (1) Identification of emerging problems in agricultural marketing, (2) Role of the Directorate of Marketing and Inspection in agricultural marketing development, (3) Factual studies on marketing margins, price spreads, spatial price variation and market integration, seasonal price fluctuations and storage, (4) Measures being undertaken to reduce cost and improve efficiency of marketing, (5) Recent policy decisions in marketing, support prices, procurement, zonal restrictions and entry of State agencies in agricultural marketing, (6) Role of forward trading and comparative efficiency of different trading agencies and (7) Research problems in agricultural marketing in the present context. Twenty-one papers dealing with various aspects of the main themes of the subject were submitted to the Seminar for discussion. Thirty-two persons from the agricultural universities, agro-economic research centres and other universities, Directorate of Economics and Statistics of the Government of India, Indian Agricultural Research Institute, Forward Markets Commission, Food Corporation of India and marketing administrators and foreign experts participated in the Seminar.

A few important conclusions of the Seminar are as follows :

The Seminar emphasized need for development of markets and providing finance and ancillary facilities therein. Evolution of an integrated marketing system was considered essential. Production programmes should be linked with measures for development of marketing facilities. The need to minimize the time-lag between actual increases in production and provision of marketing facilities designed to cope with the increased production was stressed. With a view to preventing year to year fluctuations in production arising out of wide fluctuations in prices, Government should guarantee minimum support prices. It was suggested that marketing of agricultural inputs needs to be improved and this work should be given urgent consideration along with the marketing of agricultural produce. Discussing the role of the Directorate of Marketing and Inspection of the Government of India, it was emphasized that the Directorate which was hitherto playing only an advisory role in relation to State Marketing Departments should play a more positive role and should co-ordinate the research work done by the different organizations including agricultural universities and other institutions in the field of agricultural marketing. As the commodity marketing survey reports published by the Directorate served only a limited purpose, the need was stressed for undertaking studies for making projections of market supplies and for collecting authentic information regarding the quantity of food-grains used as feed, seed and wastage.

Analysing the factual studies on marketing margins, it was observed that marketing costs or margins alone need not reflect marketing efficiency in a dynamic context. Costs have to be related to the marketing services rendered. The problem of seasonal pattern in cotton prices and the validity of using concurrent margins as a method of determining marketing efficiency were considered. Since merchants hold stocks only for short periods, concurrent margins rather than lagged margins would better measure gross returns to merchants. The Seminar discussed the question of inter-temporal integration of markets and the problem and cost aspects of storage. References were made to a number of empirical studies of inter-temporal price integration.

In regard to recent policy decisions in marketing, it was stressed that standard grades should be evolved for important agricultural commodities. Discussing the two related issues, namely, should grading be compulsory and should it be self-financing, it was observed that although it is desirable to enforce compulsory grading at producer's level, it would not be practicable due to many administrative and financial problems. Divergent opinions were expressed on the question whether grading should be on self-financing basis. The Seminar also discussed the economic and technical factors that should be taken into account in evolving suitable grades. The need for bringing out outlook reports at national level was suggested mainly to help the farmers in deciding their cropping programmes. The Seminar confined the discussion of the issues of support prices and procurement prices mainly from the point of view of marketing. It was suggested that a detailed study of cost of production and relative profitability of crops should be made for deciding the level of procurement price. A suggestion was made that where minimum support price was considerably below market prices, such a price should not be announced as it would create uncertainty in the minds of the producers about the price they would actually receive for their produce. The Seminar also considered the impact of State participation in marketing of agricultural commodities on production, price and marketing efficiency.

Discussing the role of futures trading in agricultural marketing, it was observed that futures trading provided an insurance mechanism to holders of stocks of various commodities and also stabilised prices. Futures trading performed an important marketing function and should be dealt with on the basis of a pragmatic approach in policy formulation. The methodological aspects of the comparative efficiency of different trading agencies—private trade, co-operatives and State agencies like the Food Corporation of India—were considered. The general consensus was that as these agencies were not a substitute for each other, comparisons of cost of marketing could not provide a valid indication of their relative efficiency. The efficiency of the market structure as a whole must be studied and these agencies can improve it by adopting and/or encouraging greater sophistication in the market process to the benefit of the community.

In regard to research problems in agricultural marketing in the present context, the following points were considered : (1) Nature of the research problems—areas of research and priorities in the context of the emerging pattern in agricultural development; (2) Organization for marketing research—agencies best suited for undertaking marketing research and the respective area of specialization; and (3) Problems connected with the flow of statistics. Three approaches to market research were identified, namely, commodity approach, problem-oriented approach and area approach and their relative role and usefulness in marketing

research was recognized. The consensus was for adopting an integrated approach to market research. Different views were expressed on the question whether market research should include production estimation, projections and price analysis. It was argued that market research cannot exclude these areas of research. As opposed to this view, it was contended that research should be confined to marketing proper because of limitations of time and resource expertise. The Seminar suggested a few important areas for marketing research pertaining to (i) structural changes in market organization, (ii) operational efficiency of marketing channels/institutions, (iii) financial and technical requirements of an expanding market, (iv) market and feasibility surveys, (v) problems connected with the modernization of agro-industrial units, (vi) price spreads, (vii) demand and supply position of farm products, variety-wise, (viii) role of forward trading, (ix) agricultural marketing and taxation. The Seminar made a few suggestions for implementing a co-ordinated approach in marketing research by different agencies, *i.e.*, universities, research centres and marketing departments. The need for collection and dissemination of reliable market statistics and maintaining a continuity in the flow of statistics for studying the changing marketing pattern over a period of time was emphasized.