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## **SUMMARIES**

### **IMPACT OF CREDIT ON MARKETING COSTS AND MARGINS OF POTATO MARKETING IN PURI DISTRICT OF ORISSA**

Dibakar Naik\*

Puri district contributes about 19 per cent of the area and production of potato of Orissa State. Bhubaneswar in Puri district is the capital of the State, which gets a large supply of potato from other parts of India. Further, there are a large number of potato wholesalers in this district. Marketing efficiency implies lowering of marketing costs and margins and passing the advantages to both the producers and consumers. The present study is an attempt to examine the impact of credit on marketing costs and margins in potato trade. The data are collected from the marketing channels with a time horizon of three years (1979 to 1981). Altogether 24 producers, 12 village traders, 12 traders, 12 wholesalers, 24 retailers and 24 consumers are contacted during the entire study period. With the availability of bank credit both to the wholesalers and retailers in the marketing channel having three middlemen, the total marketing costs and margins were reduced to the extent of Rs. 4.75 per quintal of potato over the period. In the marketing channel with two middlemen the marketing costs and margins were reduced by Rs. 3.56 and Re. 1.36 respectively per quintal due to the availability of bank credit. The availability of bank credit also influenced in increasing the producer's share to the extent of Rs. 4.75 and Rs. 4.92 per quintal respectively in the marketing channel having three middlemen and two middlemen. Extending credit to the producers through the potato producer's co-operative society helped in getting remunerative prices for their produce by selling at appropriate time and reducing post-harvest rush for sale. This facilitated in spreading the selling period and brought about greater synchronisation between demand and supply forces.

### **NEED TO PROVIDE GOOD MARKETING FACILITIES FOR MILK AND MILK PRODUCTS: A STUDY IN THE COMMAND AREA OF NAGARJUNA SAGAR PROJECT (A.P.)**

B. Sambasiva Rao†

In this paper, an attempt has been made to examine the marketing practices followed by different categories of farmers in marketing milk and milk

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products in the command area of Nagarjuna Sagar Project and also to analyse the consumption pattern of milk and milk products in the study area. The data are obtained from the project entitled "Farm Management Studies in the Command Area of Nagarjuna Sagar Project" organised by Department of Co-operation and Applied Economics, Andhra University. The study is intended to cover 400 cultivator households distributed over 20 villages at the rate of 20 holdings per village. A two-stage random sampling technique is used in the selection of the villages and sample households. For the purpose of analysis, all the sample households are divided into five size-groups, namely, 3 acres and below (marginal), 3.01-6.00 acres (small), 6.01-10.00 acres (medium), 10.01-15.00 acres (large) and above 15 acres (big). The data are collected for 30 days continuously from the selected households relating to consumption and marketing of milk and milk products.

It is observed that the prominent marketing agencies at the village level are primary co-operative milk producers' societies and private vendors. It is noted that 54 per cent of the fluid milk is sold to milk producers' co-operative societies and the remaining portion to private vendors. In the case of ghee, the total product is purchased by the local vendors. It is important to note that the share of the big and large farmers in the sale of fluid milk to co-operative societies is more than the other categories of farmers. It may be due to the dominant role played by the big farmers in organising the co-operative societies at the grass-root level. A direct relationship is observed between the sale of fluid milk to co-operative milk societies and the size of farm. In the case of private vendors, an inverse relationship between farm size and sale of fluid milk to private vendors is observed.

Out of the monthly milk production of 62 litres per holding, 37 per cent is consumed, 39 per cent is sold and 24 per cent is converted into ghee and buttermilk. The proportion of milk consumed to total milk production is the highest on the big farms and lowest on the marginal farms and a direct relationship existed between farm size and the proportion of milk consumed to total milk production. The analysis also revealed that the proportion of milk sold to total milk produced is the highest on the marginal farms and lowest on the big farms. In order to eradicate the problems faced by the small and marginal farmers, it may be desirable on the part of the government to provide adequate and cheap credit, extension education and make provision for the effective participation of the small and marginal farmers and agricultural labourers in the policy making of the co-operative societies. It is also better to provide proper timely transport and cold storage facilities because of the perishable nature of milk and milk products.

## A MODEL FOR FOODGRAINS' SALE, PROCUREMENT AND STORAGE INTEGRATION

V. P. S. Arora, Ashish Tewari and R. K. Kushwaha\*

This paper attempts to suggest a model for foodgrains' sale and storage by the farmers, storage and sales at market level, and procurement of foodgrains by the Food Corporation of India (FCI). The objective function was to maximise the returns of farmers and private agencies from storage and to maximise the use of available storage capacity at various levels by integrating these activities. The model has been suggested based on the study of a market in foodgrains belt of the State of Uttar Pradesh (Bazpur in Nainital district) and based on information collected for two marketing years (1983-84 and 1984-85). In the existing situation, it was found that about 45 per cent of available on-farm storage capacity, 14 per cent of available storage capacity of the Central Warehousing Corporation (CWC), 46 per cent of available co-operative storage capacity, 91 per cent of available storage capacity with rice mills and 82 per cent of available storage capacity with private traders remained unused. Even the returns on storage were found negative at the farm level on account of faulty planning therefor.

As per the suggested strategy, the farmers may store wheat at the farm level for six months and at market level for ten months. The wheat stored at the farm level may again be stored for four months and three months respectively in CWC and co-operative storage structures. The FCI may procure 43.20 per cent of marketable surplus of wheat just after the harvest, and the remaining quantity after storage in the months of February and March. Traders may store wheat (13.91 per cent) for five months purchased from farmers after on-farm storage, and earn Rs. 5 per quintal on wheat storage.

Paddy may be sold (74.03 per cent of marketable surplus) by the farmers to rice mills just after the harvest, and may store the remaining quantity at the farm level for three months. After on-farm storage, the farmers may sell 45.17 per cent of the paddy to rice mills and the remaining quantity may be stored at the market level. The quantity stored at the market level may again be sold to rice mills. Rice mills may deliver 40 per cent of rice they process to the FCI in the month of March and may store the remaining rice upto the month of September.

## FACTORS AFFECTING MARKETING OF BETEL LEAVES AND THE NEED FOR BETTER MARKETING POLICIES

Kumkum Chattopadhaya and Debabrata Lahiri†

Betel leaf being an important crop as well as a perishable commodity of the farmers of eastern parts of Midnapur district of West Bengal, its marketing

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and price fixation are mainly determined by the quality of leaves (size, colour and thickness), by selling to various market functionaries, variations in personal negotiations and auction and grading, collusion among *Arhatdars* and traders in the markets, part payment of the produce to the farmers and delay in full payment, and variations in selling the produce to different market functionaries by the farmers for obtaining loan, better price and good relation. The correlation coefficients for Bangla variety of betel leaves are found to be negative but the same for Mitha varieties are positive, indicating that for the latter arrival and prices are highly correlated. Higher prices for Mitha varieties have always been observed as compared to the Bangla variety. Minimisation of theft and damage of betel leaves during transit in railways, provision of sufficient space and number of brake vans in the passenger trains, minimisation of market functionaries in remote and distant places, ensuring full payment for the produce to the local functionaries by the functionaries of the different States, broadcasting of prevailing prices in other States in different news media for information regarding price spread are essential for better marketing policies of betel leaves.

### MARKETING COSTS, MARKETING MARGINS AND PRICE SPREAD OF APPLE IN JAMMU & KASHMIR THROUGH DIFFERENT MARKETING CHANNELS

G. M. Bhat, M. K. Dhar and B. A. Baig\*

Production of fruits, particularly of apples, plays an important role in the economy of Jammu & Kashmir State. The area and production of apples increased at a compound growth rate of 8.46 and 21.03 per cent per annum respectively from 1970-71 to 1983-84. This tremendous growth has given rise to numerous problems in marketing. An attempt has been made here to examine (i) the marketing channels, marketing costs and marketing margins, (ii) the variation of the producers' share in the consumer's rupee, and (iii) the operational efficiency of various marketing channels. All together 85 apple growers/traders were selected and administered questionnaire for data collection and wholesalers/retailers at Delhi were interviewed. The data were collected for all the six marketing channels identified, namely, I. Grower — pre-harvest contractor — commission agent — wholesaler — mashakhori/retailer—consumer; II. Grower—forwarding agent—commission agent—wholesaler—mashakhori/retailer—consumer; III. Grower—commission agent—wholesaler — mashakhori/retailer — consumer; IV. Grower — co-operative marketing society — commission agent — wholesaler — mashakhori/retailer — consumer; V. Grower—J & K H.P.M.C — wholesaler — mashakhori/retailer—consumer; and VI. Grower—consumer.

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Through the first marketing channel the producer's share was Rs. 9.50 (16.28 per cent of the consumer's price), marketing costs accounted for Rs. 22.12 (37.90 per cent) and the margins of intermediaries for Rs. 26.74 (45.82 per cent) per standard box of apples. Under the marketing channels II, III, IV and V the producer's share of the consumer's rupee was Rs. 15.21 (26.06 per cent); Rs. 17.25 (29.56 per cent); Rs. 17.35 (29.73 per cent) and Rs. 17.79 (30.48 per cent) per box of apples respectively. The marketing costs and marketing margins together accounted for Rs. 43.15 (73.94 per cent) under channel II; Rs. 41.11 (70.41 per cent) under III; Rs. 41.01 (70.27 per cent) under IV and Rs. 40.57 (69.52 per cent) under V. By selling the produce directly to the consumer, the producer received Rs. 24.52 (65.39 per cent) and the marketing costs accounted for Rs. 12.96 (34.61 per cent) per box of apples.

The analysis further revealed that the producers received less than 50 per cent of the consumer's rupee under all the channels except for channel VI. The profits and commission charges of traders constituted more than 30 per cent of the total marketing margins, while transportation and handling charges have been less than the share of the traders. The partial budgeting revealed that sale 'direct to consumer' is the most profitable channel followed by sale through J & K H.P.M.C. and co-operating marketing societies. It is suggested that co-operative marketing, provision of timely credit facilities, provision of suitable substitute to the presently used wooden boxes, strict enforcement of market regulations and strengthening of marketing extension services will go a long way in increasing the marketing efficiency and safeguarding the growers from exploitation of the traders.

## MARKETING OF COTTON IN KARNATAKA: SOME REFLECTIONS ON PRICES AND POLICIES

N. S. Viswanath\*

The paper is an attempt to juxtapose the performance of production industry with the marketing of cotton in the State of Karnataka. The study centres around Raichur market, one of the biggest cotton markets in the country, which handles about one-third of the total production in the State. For the study, data on market arrivals, modal prices—monthwise—were collected for unginned cotton and ginned cotton of Varalaxmi variety from 1975-76 to 1983-84. The Varalaxmi variety constitutes about one-half of the total market arrivals. The analysis of data has revealed the following points: (a) There are widespread differences in the pattern of market arrivals of unginned cotton and ginned cotton. It is found that the arrivals of unginned

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cotton would be at its peak during March-April (140.97 per cent and 145.95 per cent higher than the normal) while it is 193.04 per cent higher than the normal for ginned cotton in April. (b) In respect of prices, it is found that price would increase by 5.81 per cent in the peak month for unginued cotton and by 15.83 per cent for ginned cotton. (c) The pattern of market arrivals is more evenly spread out in the case of ginned cotton than that for unginued cotton. It implies that those who sell their produce in the form of lint withhold their produce for sometime until they get a remunerative price. The traders and/or commission agents (who incidentally own most of the processing units in the market yard) derive the form utility, thereby depriving the farmers of the benefit. Only ten per cent of the market arrivals of unginued cotton would be sold as ginned cotton, implying that the traders and/or commission agents are transporting the ginned cotton outside the market yard earning better returns. (d) The behaviour of parity prices of unginued cotton and ginned cotton indicates that there is favourable parity for the latter as compared to the former in the market. (e) The price elasticities of market arrivals for unginued cotton and ginned cotton under the two models—linear (I) and Cobb-Douglas II—provide us a better insight into the stability aspect (flexibility coefficients). Both unginued cotton and ginned cotton are highly elastic [being + 5.61 (I) and + 3.83 (II), and + 6.67 (I) and + 3.03 (II) per cent respectively]. Seasonwise elasticities indicate that unginued cotton is highly elastic during the peak season and equally highly elastic during the lean season (— 4.14). Unginued cotton exhibits the same behaviour with low magnitude.

The above results suggest the need for adoption of certain policy measures, such as construction of storage godowns at the market level for helping farmers to withhold their produce for better prices, inculcation of a culture of storage of the produce amongst farmers with suitable credit link coupled with subsidised storage cost, establishment of processing units either by the Agricultural Produce Market Committee (APMC) or by a public sector institution which may be assisted by APMC, market intelligence system with appropriate network with national and international markets, evolving a communication network to disseminate vital market information on time to farmers and a system of discovery of prices at the wholesale level, irrespective of the seasons, for quick disposal of the produce. At the higher level, a Cotton Development Authority (CDA) may be established at the national level with the following functions: (a) declaration of support, minimum guarantee prices for various varieties of cotton, (b) construction of storage godowns and establishment of processing units, (c) establishment of a Research Cell for the development of cotton production industry, (d) intelligence and research unit for guiding the management of marketing of cotton in the country and (e) establishment of a communication unit for perfect understanding of the requirements of the production industry.



## PRODUCTION, PROCESSING AND MARKETING OF LINSEED ON DRYLAND FARMS IN DISTRICT BANDA (U.P.)

Rameshwar Singh,\* R. P. Singh,† T. R. Singh\* and Y. S. Chauhan\*

The present study relating to the production, processing and marketing of linseed on dryland farms was conducted during the year 1984-85 in Kamasin block in Banda district of Uttar Pradesh. The main objectives of the study were (i) to analyse the cost and returns on the basis of existing farm plans of linseed growers, (ii) to work out the processing cost per quintal of linseed in rural and urban oil crusher plants, (iii) to work out the producer's share in the consumer's rupee and (iv) to suggest suitable measures for improving production, processing and efficient marketing of linseed. The study revealed that on an average, the area under linseed accounted for 31.46 per cent of the total cultivated area of the 50 sample farms. On an average, the cost of cultivation worked out to Rs. 1,355.39 per hectare on existing farms and the yield of linseed was found to be 5.46 quintals per hectare. The alternate farm plans developed according to the agro-climatic conditions of the study area suggested that the yield could be increased to 10.78 quintals per hectare, yielding a net profit of Rs. 2,795.51 per hectare as compared to Rs. 1,093.03 per hectare on existing farm plan. The cost of processing of linseed per quintal in rural and urban oil crushers came to Rs. 42.41 and Rs. 18.52 respectively. The higher cost of processing of linseed in rural oil crusher was attributed to the low quantity of raw material. The producer's share in the consumer's rupee in the marketing of linseed was found to be 58.11 per cent in local markets. It indicated that large number of middlemen were involved in the marketing of linseed. To improve the productivity per unit area of linseed, the farmers should adopt the improved varieties, optimum fertiliser doses and irrigation facilities. To reduce the processing cost of linseed, co-operative oil crusher plants should be established in the rural areas and the raw material should be arranged for processing. These activities help to create an efficient marketing system and employment in the rural area.

## RAPSEED-MUSTARD CRUSHING INDUSTRY IN UTTAR PRADESH: A VIABLE PROPOSITION

A. K. Singhal‡

There is no adequate evidence to suggest that the bulk of the produce sold in the immediate post-harvest months was stocked by wholesale traders for later sales to oil mills, thereby making large profits through the price diffe-

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rentials. A few cases of traders studied indicated that they did not normally store for more than a fortnight or so. On the other hand, the oil mills appeared to purchase much larger quantities in the post-harvest period, while their oil production was more evenly distributed over the years. Thus, the mills appeared to be the major agencies which stocked rapeseed-mustard, the bulk of which was marketed by the producers within three months after harvest. Therefore, the mills reaped the major benefits of the seasonal price rises when these occurred. An analysis of the differential in the price of oils and oil cake, on the one hand, and the price of the corresponding quantity of oilseed (rapeseed-mustard), on the other, and its comparison with the cost of oil milling in Uttar Pradesh showed that on a weekly or monthly basis the cost was just covered or even less most of the time. But in view of the fact that the mills purchased the bulk of their requirements in the first three to four months, they profit through the seasonal price rise. This appears to be the major source of profit of the mills particularly in years of such price rise, which has been more frequent in India because of continuing inflation.

#### REGULATED MARKETING OF GROUNDNUT IN ANDHRA PRADESH—PROBLEMS AND PROSPECTS

C. G. Venkata Reddy, K. R. Chowdry and G. Sanyasi Naidu†

Improvement of regulated marketing in groundnut in Andhra Pradesh was studied by surveying the existing conditions in six regulated markets spread over important groundnut growing districts in the State during 1980-81. Two methods of marketing are present in the regulated markets, *i.e.*, marketing through commission agents and marketing under the supervision of market officials. The marketing costs were least where marketing was done under the supervision of market committee officials, where enforcement was not proper, marketing was done outside regulated market yard area and unauthorised deductions were made. Grading which is done by visual observation must be improved to have objective assessment. The producers desired to have weighing platforms instead of weighing balance with pans. Availability of good transport facilities is one of the basic factors for effective use of regulated markets by the small and marginal cultivators. For better regulated marketing, possession of own transport by the market committees must be intensified. The existing public transport which the small and marginal cultivators use for small loads is inconvenient and the cost is prohibitive. The need for go-downs being insured against fire and thefts has been felt. The enforcement of regulated market provisions was not uniform and the need for the creation of mobile squads at the State level to purposefully supervise marketing is felt.

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## PROPOSED POLICIES PERTAINING TO AGRICULTURAL MARKETING INSTITUTIONS : A CASE OF KARNATAKA

M. K. Narasimhan\*

The main object of this paper is to identify the causes/problems for the management of Agricultural Produce Market Committees (APMCs) and implementation of various provisions of Agricultural Produce Marketing Regulation Act. The paper is based on information gathered from various officials and related agencies personally during the past 20 years of implementation of the New Act of 1966. The causes for the absence of fair marketing practices to all concerned are due to numerous managements without sufficient powers, non-existence of a good number of high rank officers in the Chief Executive posts, non-representation of voluntary agencies, lack of co-ordination among various departments, absence of proper cadre management and promotional avenues to the staff of APMCs, centralised powers, non-effective peoples' participation and non-scientific information and communication systems. In the new approach, management should be minimised to one in each of the districts and the Chief Officer should be above the rank of Sub-Divisional Officer and of IAS/IPS/IES/ISS cadre and full powers should be vested with the implementing personnel. In the management, there should be a nominated person as chairman who can enjoy the powers of a State Ministry and due representations to all concerned should be considered. All powers should be decentralised and handed over to District Market Committees and only the government should give guidelines in the proper implementation of the related policies and programmes. For effective participation, nomination is sufficient and there should not be any elections which will benefit the non-existence of the management for years together. This enables a possible saving of unwarranted expenditure of public amount. In addition to a Training Institute, there should be an institute at national level to develop manpower involved in agricultural marketing. Voluntary agencies should be in the management. Scientific information system should be developed in each of the districts. To communicate effectively, local cultural activities should be inculcated at the district market level to use this media. There should be a promotional agency at the State level for which the present system of a minister of cabinet rank will be the chairman and a higher rank officer of IAS cadre should be the secretary. All control should be directed from Vidhana Soudha Secretariat and to assist it there should be a Director. The paper concludes that if the new approach is implemented, it will cater to the needs of all concerned and will also help to impart dynamism to economic activities in the process of rural development by decentralising powers with sound district market committees. They can act as catalyst in all the policies of the State and Central Government for the development of rural people.

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## POLICIES FOR CO-OPERATIVE MILK MARKETING

N. Srinivasan†

The performance of the Tiruchirapalli District Co-operative Milk Producers' Union was assessed. The procurement market for milk was identified to be an undifferentiated oligopsony with market power to buyers and price disadvantage to the sellers, while the consumer market was oligopolistic with a little product differentiation. While moderate concentration was observed among buyers in the procurement market, high concentration was noticed among sellers in consumer markets. The conduct variables, namely, product, price, place, promotion and vertical co-ordination were considered and found that there was ample scope to improve business decisions. The overall performance of the co-operative milk marketing system in Tiruchirapalli district was good; but it could be better still. The procurement of entire supply of milk during flush season, fixing remunerative prices, extending better operational services to the consumers, improving the decision-making environment of producers, the need for imparting training in marketing management to the top and middle level personnel and the concept of 'Mini-Dairy' were the policy issues emanated.

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