

REGULATED MARKET IN TAMIL NADU: AN OVERVIEW

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Abstract

Regulated Markets Regulated market is wholesale market where buying and selling is regulated and controlled by the state government through the market committee. It aims at the elimination of unhealthy and unscrupulous practices reducing marketing charges and providing facilities to producers and sellers in the market. The prevalence of various malpractice's such as short-weights, excessive in the regulated market charges, unauthorized deduction, adulteration of produce and the absence of machinery to settle disputes between sellers and buyers were recognized as the main hindrances in agricultural marketing. These defects and malpractices can be recovered by the establishment of regulated marketing there country may be in Tamil Nadu regulated either by local bodies or under state legislation was suggested first in 1928 by the Royal Commission on Agriculture the movement of regulation of market gained momentum only after 1930. The Bombay Agricultural Produce Market Act of 1939 was passed in respect of all agriculture produces viz., cereals, fibres, fruits, etc. Regulated markets are established under the provisions of the Agricultural Produce Marketing Committee Act of state governments. The establishment of regulated markets helped in creating orderly and transparent marketing conditions.

Keywords: Regulated Markets, Five Year Plans, Tamil Nadu.

Introduction

Regulated Markets in India Agriculture is a way of life and a tradition, which for many centuries has shaped thoughts, outlook, culture and the economic life of Indians. It will continue to be central to all strategies of planned socio-economic development of the country. Today, agriculture and allied sectors account for 22 per cent of GDP and provide more than 60 per cent of rural employment with more than 142 million hectares of cultivated land. India ranks second in terms of total arable land as well as irrigated area in the world. Since independence Indian agriculture has made rapid strides because of multidisciplinary and multi-institutional approaches. India achieved It is characterized by low levels of productivity and degradation of natural resources in Tamil Nadu which could be partly due to capital inadequacy, lack of infrastructural support and demand side constraints. This situation was likely to be exacerbated in the wake of integration of agriculture trade in global system. Establishment of an agrarian economy which 85 ensures food and nutrition to India's billion people, raw materials for expanding industrial base, surplus for exports and a fair and equitable reward system for farming community will be the mainstay of reforms in the agriculture sector.

Review of literature

Godara (2006) in his study described that the positive trend of economic liberalization and associated opening up of Indian economy have significantly reduced the structural rigidities in the system, this trend should be premise of India's future agricultural reform. Agricultural business has come under strong and direct influence of international market. Indian farmers have to produce quality goods to meet the international standards.

Kashyap and Raut (2006) in their paper suggested that, marketers need to design creative solutions like e-marketing to overcome challenges typical of the rural environment such as physical distribution, channel management promotion and communication. The “anytime-anywhere” advantage of e-marketing leads to efficient price discovery, offers economy of transaction for trading and more transparent and competitive setting.

Brithal et al. (2007) in their study suggested that by building efficient and effective supply chain using state of the art techniques it is possible to serve the population with value added food, while simultaneously ensuring remunerative prices to farmers.

Tripathi and Prasad (2009) in their paper reported that Indian agriculture has progressed not only in out-put and yield terms but the structural changes have also contributed

Pathak (2009) in his research paper stated that the contribution of agriculture in growth of a nation is constituted by the growth of the products within the sector itself as well as the agricultural development permits the other sectors to develop by the goods produced in the domestic and international market.

TABLE -1
Plan-wise Number of Regulated Markets in India

S.No.	Plan	Plan Period	No.of Regulated Markets
1.	First Five Year Plan	1951-1956	470
2.	Third Five Year Plan	1961-1966	1600
3.	Fourth Five Year Plan	1969-1974	2640
4.	Fifth Five Year Plan	1974-1979	4000
5.	Annual Plan	1974-1980	4050
6.	Sixth Five Year Plan	1980-1985	5895
7.	Seventh Five Year Plan	1985-1990	6275
8.	Annual Plan	1991-1992	6780
9.	Eighth Five Year Plan	1992-1997	7100
10.	Ninth Five Year Plan	1997-2002	NA
11.	Tenth Five Year Plan	2002-2007	NA
12.	Eleventh Five Year Plan	2007-2012	7,139

Source: Sontakki, C.N (2008). Marketing Management, Ludhiana: Kalyani Publishers, p. 631.

Table 1 shows the Plan-wise number of regulated markets in operation in India. During the First Five Year Plan, there were 470 regulated markets in operation, and then it has been increased to 720 and 1600 markets during the Second Five Year Plan and Third Five Year Plan respectively. There shows an increasing trend in the number of regulated markets from Fourth Five Year Plan onwards. The number of regulated markets during Fourth Five Year Plan, Fifth Five Year Plan, and Sixth Five Year Plan period was 2640, 4000 and 5895 respectively. There were 6275 regulated markets during the Seventh Five Year Plan and this number was increased to 7100 regulated markets during the Eighth Five Year Plan period. At the end of the Eleventh Five Year Plan, 7139 regulated markets were in operation in India.

Regulated Markets in Tamil Nadu Agriculture is the prime profession that helps in the overall development of the economy of Tamil Nadu. the brought substantial improvement in production in spite of seasonal vagaries like flood and drought. Agricultural marketing has become the key driver of the agriculture sector today due to new market realities posed by the increasing accent on globalization, liberalization and privatization of the economy. Various steps taken by the government to increase the investment in agriculture, agri-based technologies, regulated marketing development, planning approach, etc. The 93 core objective of the Department of Agricultural Marketing and Agriculture Business is to help the farmers in marketing their agricultural produce at a fair price and to ensure remunerative

returns to them in the aim of this department is regulating agricultural produce trade by enforcing Tamil Nadu Agricultural Produce Marketing Act in 1987 most effectively and also implementing new technologies to minimize post-harvest losses by adopting various cost effective post-harvest operations like value addition, storage, grading, packaging, processing, and easy transportation on regulated market.

Problems and Prospects

The government funding of farmers is still at nascent stage and most of the small farmers still depend on the local moneylenders who are leeches and charge high rate of interest. There are too many vultures that eat away the benefits that the farmers are supposed to get. Although we say that technology have improved but it has not gone to the rural levels as it is confined to urban areas alone. There are several loopholes in the present legislation and there is no organized and regulated marketing system for marketing the agricultural produce. There are several problems and challenges involved in marketing of agricultural produce. There are also many imperfections in the marketing system of agricultural commodities in India. So much has been done to improve the agriculture sector of India, but still it is facing a lot of the problems. There are several challenges involved in marketing of agricultural produce. There is limited access to the market information, literacy level among the farmers is low, multiple channels of distribution that the eats away the pockets of both farmers and consumers.

The Government of Madras enacted the Madras Commercial Crops Market Act in 1933. In order to extend the scope of the Act to all agricultural produces, the Act was modified as Tamil Nadu Agricultural Produce Market Act in 1959. The era of regulated markets started in Tamil Nadu in 1936 with the establishment of the first regulated market for cotton at Tiruppur under the Coimbatore Market Committee. The second regulated market was established at Tindivanam in 1939 under the South Arcot Market Committee. Today all districts in Tamil Nadu have market committees except Nilgiris district.

The farmers have to face so many hardships and have to overcome several hurdles to get fair and just price for their sweat At present there are 21 market committees and 292 regulated markets are in operation in Tamil Nadu. These market committees are functioning with members nominated by Government and Chairpersons elected by the members. The market committees are constituted at district level and they establish regulated markets under their control for better administration. There exist differences between the Tamil Nadu pattern of regulated 94 markets and the all India pattern. In Tamil Nadu pattern, there is one market committee for each revenue district, whereas, in all India pattern, each regulated market is an independent entity with a market committee of its own markets. Further in all India pattern, the traders are allowed to have their shops within the premises of regulated markets, while in Tamil Nadu pattern, no such practice is followed with the exception of Tiruppur Regulated Market.

TABLE -2
Market Committee-wise Regulated Markets in Tamil Nadu

S.No.	Market Committees	No. of Regulated Markets
1	Kanchipuram	14
2	Vellore	12
3	Thiruvannamalai	16
4	Cuddalore	10
5	Villupuram	17
6	Salem	19
7	Dharmapuri	16
8	Coimbatore	18
9	Erode	24

10	Tiruchirappalli	17
11	Thanjavur	29
12	Pudukkottai	10
13	Madurai	21
14	Ramanathapuram/Virudhunagar	20
15	Tirunelveli	19
16	Kanyakumari	6
Total		268

Table 2 shows the market committee-wise formation of regulated markets in Tamil Nadu. 268 regulated markets are in operation in Tamil Nadu. The number of regulated markets is relatively more in Thanjavur, Erode and Madurai Market Committees. These three Market Committees have 27.61% of total regulated markets in the state. The Thanjavur Market Committee has promoted more number of regulated markets (29) followed by Erode Market Committee (24) and Madurai Market Committee (21). The Kanyakumari Market Committee has promoted less number of regulated markets (6) followed by Pudukkottai and Cuddalore Market Committees (10).

Facilities Available in the Regulated Markets

The market committee offers godown, rural godwon, transaction shed, drying yard, farmers rest shed, sanitary facilities and drinking water facilities to farmers. The following table shows various facilities available in various market committees for the benefits of the farmers in Tamil Nadu.

Agriculture Produce Marketing Committee

Regulated markets are functioning under market committees. At present 21 market committees are functioning in Tamil Nadu at district level. There are 268 regulated markets, 15 check posts, 108 rural godowns and 108 grading centres functioning under the market committees. Regulated Markets are functioning by the governance of Tamil Nadu Agricultural Produce Marketing (Regulation) Act 1987 and Rules 1991. This Act and Rules are in existence since 01.02.1991. The Model Act, 2003 and Model Rules, 2007, which is formulated by Government of India, had 98 been received for amending the existing State Act 1987 and Rules 1991.

The Model Act 2003 emphasizes the following points:

- Establishment of private markets/yards, direct purchase centres, consumer/farmers markets for direct sale and promotion of public private partnership in the management and development of agricultural markets in the country.
- Separate constitution of special markets for commodities like onions, fruits, vegetables, flowers, etc.
- A separate chapter has been included in the legislation to regulate and promote contract farming arrangements in the country.
- Prohibition of commission agency in any transaction of agricultural commodities with the producers.
- Redefine the role of state agricultural marketing boards to promote standardization, grading, quality certification, market led extension and training of farmers and market functionaries in marketing related areas.
- Facilitate, e-trading, direct purchasing, export, forward/future trading and introduction of negotiable warehousing receipt system in respect of agricultural commodities.

Dissemination of Market Information

Collection of market information from all the commodities traded in the market by single personnel clearly indicates the lack of manpower in collection and documentation of market information in all the regulated markets on employed in arriving at the arrivals and prices information was based on the entire population being recorded at the entry point, from tender data and the transactions of the commission agents, which is a common procedure in all the markets. With respect to the involvement of personnel in documentation of market information, all markets had regular employees and all the personnel involved were trained in documentation and were engaged in collection and documentation of market information of all the commodities traded in the respective markets. As the markets are linked the market information is being disseminated through the portal also. The price information is sent to the newspapers, AIR, television, District Information Office and District Statistical Officer on daily basis whereas, the annual reports are being circulated to the Zilla Panchayat, Agricultural Research Stations, Deputy Commissioner and the State Marketing Board. The mode of dissemination remained the traditional notice boards and announcements after tender in all the markets

Recent trends

Agriculture has changed from deficit oriented to surplus oriented sector. New methods of marketing like Contract farming are visible, providing farmers with better returns. Contract farming is more practiced nowadays. The Tata's, The Birla's, The Mahindra's and other corporate houses are entering and expanding agricultural business. With 68,000 plus branches, commercial banks and regional banks have phenomenal strength in financing agri-business ventures. With the newer and newer areas emerging, there is a scope for Agri-business and regulated market for profitable operations not only to individuals but to institutions as well. The administrators of public and private/corporate have taken the responsibility of translating the research findings and discoveries to concrete programmes and policies of action. The Cooperatives, the Panchayat's, the NGO's and the Media must also join hands in the process of transmission of knowledge and information and to provide better market connectivity.

Conclusion

In order to avoid isolation of small-scale farmers from the benefits of agricultural produce they need to be integrated and informed with the market knowledge like fluctuations, demand and supply concepts which are the core of economy. Marketing of agriculture can be made effective if it is looked from the collective and integrative efforts from various quarters by addressing to farmers, middlemen, researchers and administrators. It is high time we brought out significant strategies in agricultural marketing with innovative and creative approaches to bring fruits of labour to the farmers. The need to strength the regulated market system arises from changing nature of linkages between agriculture and markets. It has been observed that better and easy market access and efficient information flow can bring much desired market orientation of the production system. Indian agriculture, moving from commoditization to commercialization drives it towards market orientation. Tamil Nadu have largest network of agri-business cooperatives in the world, engaging in performing manufacturing, procurement and marketing of agricultural produce.

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