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Marketing System in India Reference of APMC Market

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Abstract

We all know that India is an agricultural country. 70% of the total population of India is engaged in agriculture. Also, the contribution of agricultural products to India's imports and exports has been significant. The farm market has been set up for the purpose of providing fair prices to the farmers involved in agriculture. Where farmers can buy and sell farm produce. Looking at the current marketing system in India, it is inevitable that a market system associated with agricultural products will be created in India. In respect of which Current Looking at the agricultural marketing system in India, the Indian agricultural market buying and selling has undergone many changes in the last 60 years due to marketing surplus, mainly due to urbanization, increase in income level, changes in demand for marketing services and agricultural products. In addition, increased engagement with foreign markets and government intervention could change the Indian agricultural marketing system. The buying and selling of farm produce and commodities takes place mainly in market yards, sub-yards and rural periodical markets spread across the country.

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Introduction

The Indian economy is mainly based on the agricultural economy. 70% of the total population of India is engaged in agriculture. According to a survey conducted by NABARD in the year 2016-17, about 48% of households in India depend on agriculture for their livelihood. Whose monthly income from farming is 3140. India is a global leader in pulses and milk production. It also ranks second in fruits and vegetables, third in tea, sugarcane and cotton and grain. Which is a matter of pride for India. However, one out of every five people in India is poor and about 80% are rural poor. Who are mainly dependent on farming for their livelihood.

Indian agriculture has largely resulted in market oriented and commercialization. In India Approximately 30-35% of grain production was made in the early 1950s, which has increased to more than 70% in recent years. In which 10-25% of perishable products like crop wastage, post-harvest losses, milk, meat, fish and eggs due to self consumption. In addition, an estimated 30-40% damage has been observed in fruits and vegetables. Which has adversely affected the Indian economy.

Farmers sell their produce through a chain process of buying and selling. Farmers in rural areas have been exploited by lenders due to lack of purchase and sale information. Traders and brokers usually make higher profits by taking lower prices from farmers to get commissions and selling them at higher prices in the market, as a result of which the share of farmers in the consumer's rupee decreases. But the gradual improvement in the market has increased the distribution of farmers in the last decade. According to the Millennium Study conducted by the Ministry of Agriculture, the farmer's share in the consumer's rupee has been fixed at 56 to 89 for paddy, 77 to 88 for wheat and 72 to 86 for coarse grains. In addition, 40 to 85 in oil seeds and 30 to 68 in the case of fruits, vegetables and flowers.

Objective of the Study

The main objectives of the paper are: -

1. To know whether the farmers are getting fair prices of farm produce under APMC.
2. The buying-selling process should be transparent so as not to create price inequality
3. To get information about whether the farmers get the benefit of the schemes provided by the government.

4. To know the proportion of farm produce in the export products
5. To know whether APMC has improved the living standard (economic status) of rural farmers.

Model of APMC Act (Regulation)

An inter-ministerial task force has been constituted by the Ministry of Agriculture, Government of India, on the basis of the main recommendations of which the APMC Act was proposed in the year 2003. The proposal proposed to make significant changes in various provisions of the APMC Act with the aim of creating wholesale markets as well as promoting competition by welcoming the cooperative and private sector.

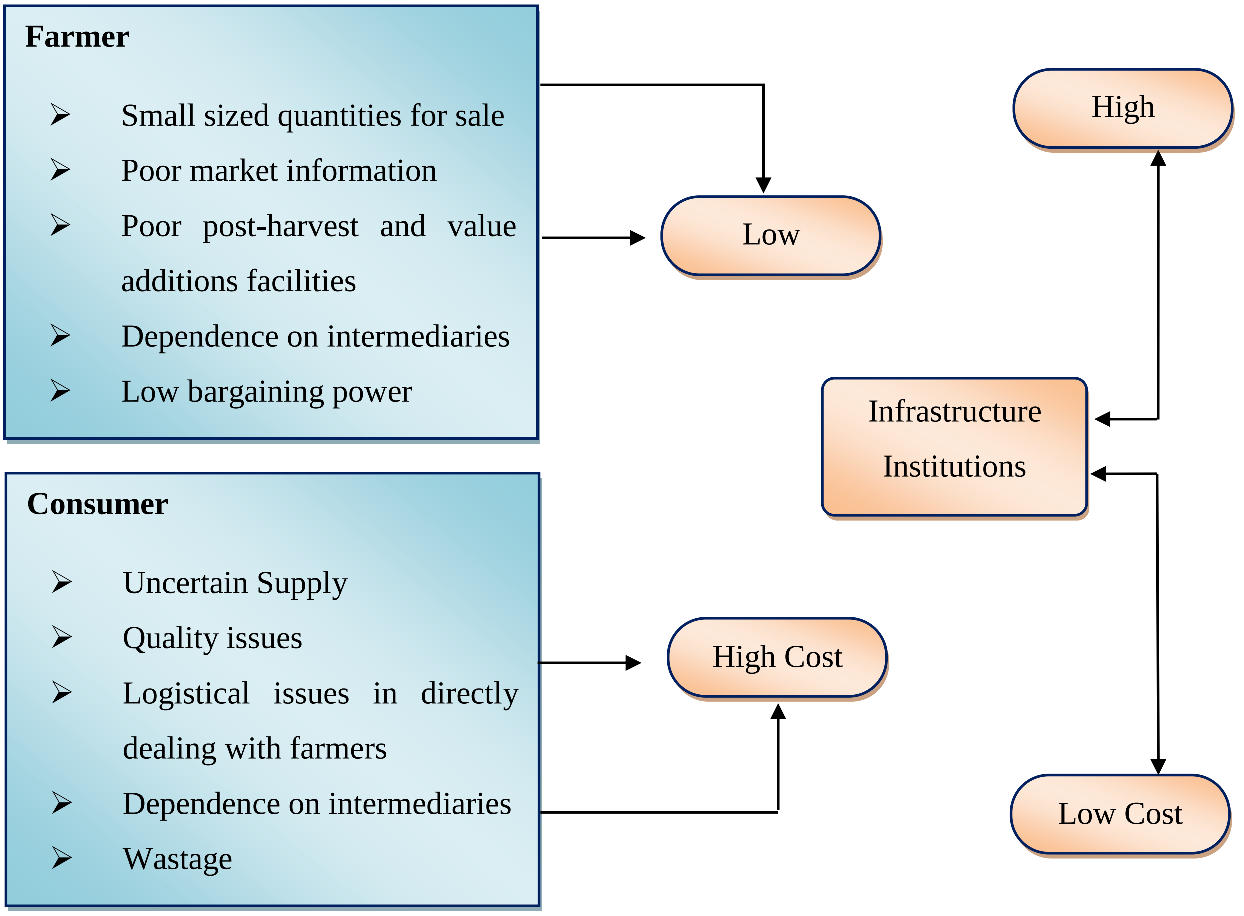
The Model APMC Act

1. The place for direct sale of farm produce is provided to agricultural producers for contract.
2. Provides separate storage space for perishable or spoiled items under agricultural products.
3. The private sector allows private individuals, farmers and consumers to independently establish new markets for agricultural products.
4. The private sector and co-operatives can be licensed to set up markets under the APMC Act model.
5. The model also provides for contract farming and direct marketing by private owners.
6. Full or partial adoption of the APMC Act in all States and Union Territories except certain States.
7. The act has resulted in a significant increase in the proportion of private trade and contract farming in some parts of the country.
8. However so far under this model, neither the private sector nor the co-operatives have succeeded in establishing agricultural marketing infrastructure as an alternative to the state-owned market system.
9. A single collection of market fee is required on the sale of proposed agricultural commodities in any market area.
10. Replaces licenses with market office registration that will allow them to operate in one or more market areas.
11. Establishment of Farmers Markets for the purpose of facilitating direct sale of agricultural produce to the consumers.
12. Contribute significantly to building marketing infrastructure from the revenue receive by APMC.

One of the major factors that have deterred private players from entering the agricultural sector is the long pending reform of wholesale markets; facilitate direct sale of farm produce; and (g) creation of market infrastructure from revenue earned by the APMC. States are free to adopt change the act according to local situation and implement it. Many states are implementing the Model APMC Act fully or partially.

According to Pitty and Gammagolmath, agricultural market regulation in India was first introduced in 1897 by the British rulers under the Hyderabad Residency Order. Under which the first law on market regulation for agricultural commodities was issued. This law introduced in India was very biased for the commercialization of cotton. The supply of cotton to textile mills in Manchester was stabilized at lower prices than world textile prices. So that prices rose. The above law ignored the economic aspirations of the farmers and the development of marketing infrastructure. Which was an improper arrangement of the marketing board. With this in mind, the then Bombay government first enacted the Cotton Market Act in 1927. Under which an attempt was made to control the market through proper marketing method. Subsequently, the Agricultural Produce Marketing Commission Act was enacted in 1938 by the Ministry of Deficit and Agriculture, Government of India, which enacted state level agricultural market rules. However, the spread of the regulatory market to the cotton-producing states was so biased that it did not progress until independence in 1947. By the mid-1960s in India, under market regulation, special attention was paid to consumers and manufacturers to facilitate the operation of the market system. The government then opted for direct and indirect intervention in the prices of commodities produced in the agricultural markets. Initially the purchase and distribution of wheat and paddy was targeted. Gradually, products related to other crops and domestic aspects of agriculture were also covered.

Framework for Addressing Concerns of Farmers and Buyers through Agricultural Marketing Reforms



Looking at the marketing system of India, it includes a large number of consumers, retailers, exporters, processors, traders, manufactured firms and individual businesses. The demand for a product in the market depends on the need of the customer and the proportion of demand. But some common factors such as customer behavior, changing needs, uncertain supply, uncertain quality, inefficient intermediaries etc. are responsible. Direct communication between merchant and consumer is essential in a market system. Similarly direct communication between farmers and sellers is required. So that they can get the right price by selling the required quantity of product at the maximum price. There are millions of small and marginal farmers in India. As a result, middlemen become a chain between such farmers and sellers and increase the prices of manufactured goods. Which also increases prices.

The working of the APMC

Under this law applied by the Government of India-

1. Purchase-sale process of agricultural commodities registered under this Act, areas of market yard, sub-centers should be started. Such markets need to have proper infrastructure for sale of farm produce. Where farm produce can be easily bought and sold and farmers can get fair prices for their produce.
2. In such markets a transparent open auction should be conducted in the presence of an officer of the Market Committee. Where there is no disagreement in the procurement process of goods produced by the firms and the auction of goods can be done in a transparent manner.
3. Market charges for various agencies such as commission, market fee, tax, handling charge, product cleaning charge, loading and unloading charge for various agencies should be stopped under market regulation. Also, no other amount has been deducted from the sale income of the farmers.

Thus, farm produce in the market yard under the market regulation system by the government The process of buying and selling being disclosed in a rather transparent manner So that the farmers associated with it get fair prices of farm produce produced during the year.

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