

## A Study on Farmer's Perception Regarding Various Price Sources and Effectiveness of Price Utilization, Awareness on Apmc Act in Telangana and Constraints Faced by Farmers in Marketing of Various Commodities

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### ABSTRACT

Indian economy is primarily an agricultural economy. India ranks second worldwide in farm output. Hence the level of efficiency and productivity in agriculture more or less determines the efficiency of Indian economy. Marketing of agricultural produce is considered as an integral part of agriculture. Indian farmers are facing some problems in marketing and selling of their agricultural produces because of the long and complicated channel of distribution and malpractices present in markets. For solving the problems of farmers, to support them and to safeguard the interest of the farmers, APMC (Agricultural produce marketing committees) were constituted. An agricultural produce market committee constituted as per APMC act manages the markets. this paper talks about the farmers perception regarding various price sources and effectiveness of price utilization by farmers, farmers' awareness and perception regarding the APMC act and constraints faced by farmers in marketing of various commodities.

**Key words:** APMC, Indian economy, Markets, Commodities.

### INTRODUCTION

The market information farmers do not have enough information for selling their commodities. If the proper market information is not available to the farmers, they accept whatever price the traders offer to them. However, recently, this situation has changed drastically under the influence of information

technology revolution. Legislation on agricultural marketing has come into the State on the recommendations of the Royal Commission on Agriculture of 1928. The Nizam Government enacted the Hyderabad Agricultural Produce and Livestock Markets Act in 1930 and was enforce in Telangana area of the State.

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The Madras Commercial Crops Act of 1933 was in force in other parts of the State. These two market legislations were in force till 1966. A comprehensive Markets Act has come into force from 18-11-1966 in the State of Andhra Pradesh called the A.P. (Agricultural Produce and Livestock) Markets Act, 1966. Markets Rules were framed under this Act called the A.P. (Agricultural Produce and Livestock) Markets Rules, 1969 with Bye-laws for each Market Committee in the State. The objective of the Markets Act is to protect the interests of farmers in the sale of agricultural produce and to ensure remunerative price to them and to protect them from the clutches of unscrupulous traders. Though Agricultural Produce Marketing Committees (APMCs) under the Agricultural Produce Marketing Committee Act, 1964 control and regulate buying and selling operations at all regulated agriculture marketing yards but there are lot of inefficiencies involved in practices of APMCs. However amended APMC Act prevents anticompetitive practices. There is no compulsion on the producer to sell their produce in APMC market yards, producer are quite free to sell directly to private companies or private market yards or farmers-consumer market under amended APMC Act. APMC Act in India, the production of food products has been increasing in step with the rise in urban / rural population and export of food products is too insignificant to have any impact on prices. One of the real reasons for the runaway rise in food prices is the inefficient Market mechanisms, manifested in the long supply chain. The markets are generally far from most of the villages and therefore, the small and medium farmers find it economic to sell their produce to the local intermediaries. Thus, intermediaries are the integral part of the supply chain of the agricultural produce. One of the major reasons of such a long supply chain is the poor infrastructural scenario. The unreasonably long supply chain results in steep escalation in the total cost owing to procurement, transit and other taxes and service charges levied at

various layers. Brokers and APMC The role of broker in the market is to negotiate the deal between the buyer and the seller for which brokerage is charged at a stipulated rate fixed under bye-laws of the agricultural produce Marketing committee under the APMC Act/Rules. There are other intermediaries like commission agents, wholesalers, retailers under different marketing channels through which the produce of farmers reaches to the consumers. The whole geographical area in the State is divided and declared as a market area wherein the markets are managed by the market committees constituted by the state governments. Once a particular area is declared a market area and falls under the jurisdiction of a market committee, no person or agency is allowed freely to carry on wholesale marketing activities. The monopoly of government regulated wholesale markets has prevented development of a competitive marketing system in the country, providing no help to farmers in direct marketing, organizing retailing, a smooth raw material supply to agro-processing industries and adoption of innovative marketing system and technologies. It is the duty of the market committee to implement the provisions of the agricultural produce marketing (regulation) act. The act provides for establishment of market committees in the state. These market committees are engaged in development of market yards for the benefit of agriculturists and the buyers. Various problems in the agricultural marketing system in India are mentioned as improper storage facilities there are no proper warehousing facilities in villages. Lack of grading and standardization Major problem in marketing of agriculture produce is that there is no proper grading and standardization techniques. Inadequate transport facilities, malpractices adopted by trader in weighing, insufficient information about market prices and marketing charges. Vilas Mohan Kadrolkar identified the arrival of total produce in to the APMC market and variations in the prices of the commodity over the years, find that perceptions of the farmers about the performance of the APMC and

identified the problems in marketing of agriculture product at the market level. Sangappa<sup>3</sup> attempts bring out the basic problems and difficulties, if any in the implementation of the APMCs, Act through state agricultural marketing board. The main focus of the study was evaluation of management of agricultural produce marketing committees in Karnataka from the point of farmers. Joshi<sup>2</sup> suggested that legal framework is also required to promote direct marketing and contract farming arrangement as alternative marketing mechanism. Therefore, there is a need to formulate new model policies for agricultural market. Ankur and Tarun<sup>1</sup> found that many respondents in both the groups were unaware of amended APMC Act. It was also concluded that direct procurement by companies was known by maximum respondents while minimum numbers of respondents knew about Apni Mandi.

#### MATERIALS AND METHODS

With the idea of understanding the perception, awareness and problems faced by farmers and

towards Agricultural produce marketing committee and APMC act. The present study was conducted in selected agricultural markets in the Telangana state. Four Agricultural markets namely, Suryapet, Badepalli, Warangal and Gadwal were selected for the present study. A descriptive type of research design is followed to carry out the research. 30 farmers from each APMC were selected as samples. Total numbers of samples collected were 120. Structured questionnaire has been used for collecting the views of farmers. Under this schedule both close and open ended questions were asked. Both personal and subject related questions were used for interview of farmers. Convenience sampling method was used for data collection. Mean score and percentage methods were implemented for processing of data. After collection of data proper tabulation was done, and as per the findings of different statistical tools used possible conclusions and suggestions were given. Personal interview method has been used for this study. Self structured questionnaire was used for primary data collection.

#### RESULTS AND DISCUSSION

**Farmer's perception regarding various price sources and effectiveness of price utilization by farmers.**

**Table 1: Farmers perception regarding various price sources**

S. No	Source of price information	YES		NO	
		#	%	#	%
1	Local Mandi	87	72.50	33	27.50
2	Regulated Mandi	63	52.50	57	47.50
3	Traders	91	75.83	29	24.17
4	Fellow farmers	110	91.67	10	8.33
5	Private companies	32	26.67	88	73.33
6	Cooperative societies	11	9.17	109	90.83
7	TV	38	31.67	82	68.33
8	Radio	26	21.67	94	78.33
9	News Paper	22	18.33	98	81.67
10	Bulletin/ Magazines	21	17.50	99	82.50
11	Farmer's fair	6	5.00	114	95.00
12	KVK	83	69.66	37	30.33
13	Kisan call centre	10	8.33	110	91.67
14	e-chaupal	0	0.00	120	100.00
15	SMS	16	13.33	104	86.67
16	AGMARKNET	3	2.50	117	97.50
17	Pre-harvest/post-harvest contractor	69	57.50	51	42.50
18	Input supplier	96	80.00	24	20.00

The results are presented in Table 1. This results lead to the conclusion that farmers perception regarding various price sources and effectiveness of price utilization mainly

though Fellow farmers, Input supplier, Traders followed by local Mandi. Similarly very less information got from e-chaupal, AGMARKNET and Farmer's fair.

#### Farmers' awareness and perception regarding the APMC act.

**Table 2: Farmers' awareness and perception regarding the APMC act**

S. No	Items	No. of Respondents		Percentage (%)	
		Yes	No	Yes	No
1.	Are you aware of modified APMC Act	11	109	9.17	90.83
2.	Are you aware of various procedure and regulations under APMC				
a	Direct purchase of agricultural produce from agriculturist	88	32	73.33	26.67
b	Public Private Partnership in management and development of agricultural markets	69	51	57.50	42.50
c	Consumer/farmer market (Direct sale by the producer)	113	7	94.17	5.83
d	Contract farming	82	38	68.33	31.67
e	Single point levy of market fee	6	114	5	95

**Note:** These perceptions were true to their knowledge but very few farmers know that they were included in the APMC act

The results are presented in Table 2. The Results are showing that most of farmers un aware of modified APMC Act but they are know about direct sale by the producer, direct

purchase of agricultural produce from agriculturist, contract farming and public private partnership in management and development of agricultural markets.

#### The constraints faced by farmers in marketing of various commodities

**Table 3: Constraints faced by farmers in marketing of various commodities**

S.No	Particular	5	4	3	2	1	MPS*	Rank
1	Lack of scientific storage at farm level	108	12	0	0	0	4.9	1
2	Distress sale	77	12	0	0	31	3.9	2
3	Exploitative practices by the traders in market	60	23	0	0	17	3.4	4
4	Lack of space of auction/sale of produce	0	0	0	4	116	1.0	9
5	Insufficient information about market prices and marketing charges	67	24	0	0	29	3.8	3
6	Undue charges by the traders	1	4	9	0	106	1.3	7
7	Malpractices adopted by trader in weighing	3	10	40	0	67	2.0	6
8	Delay in payment by the traders	15	25	10	14	56	2.4	5
9	Lack of transportation facilities in the market	8	0	0	0	112	1.3	8

Intensity code: Strongly Agree 5, Agree 4, Neutral 3, Disagree 2, Strongly Disagree 1  
\* MPS – Mean Perception Score

The results are presented in Table 1. The results indicated that, main constraints faced by farmers in marketing of various commodities mainly through lack of scientific storage at farm level, distress sale, insufficient information about market prices and marketing charges, and exploitative practices by the traders in market.

### CONCLUSION

Farmers perception regarding various price sources and effectiveness of price utilization mainly through Fellow farmers, Input supplier, Traders followed by local Mandi. Most of farmers un aware of modified APMC Act but they are know about direct sale by the producer, direct purchase of agricultural produce from agriculturist, contract farming and public private partnership in management and development of agricultural markets. Main constraints faced by farmers in marketing of various commodities mainly through lack of

scientific storage at farm level, distress sale, insufficient information about market prices and marketing charges, and exploitative practices by the traders in market.

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