

A STUDY OF FINANCIAL STATUS OF CHHATTISGARH MANDIS (APMC) (Period 2001-2002 to 2012-13)

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Abstract:

The Agriculture sector contributes considerable amount in the national income of the Indian economy and also provide large number of employment opportunity in the country. India ranks second worldwide in farm output. Agriculture and allied sectors like forestry, logging and fishing accounted for 14.0% of the GDP in 2011–12, employed 58.00% of the total workforce. Now agriculture has become commercial in character. Marketing of agricultural produce is considered as an integral part of agriculture. Now the farmers are aware that only production is not enough now, hence marketing of Agricultural produce has become necessary in recent days. In current scenario farmers are making extra efforts to earn more income to have better and higher standards of living. Poor farmer is not able to understand the complicated marketing systems, thus they are forced to sell his produce at an unfavorable place, time and price. "Slow agricultural growth is a concern for policymakers as some two-thirds of India's people depend on rural employment for a living. For solving the problems of farmers, to support them and to safeguard the interest of the farmers, APMC (Agricultural produce marketing committees) were constituted. Agricultural Produce Market Committees constituted as per APMC Act manages the markets. with a view to regulate the marketing of agricultural produce in market area The Chhattisgarh Agricultural Marketing Act of agricultural produce is regulated and infrastructure is developed under Krishi Upaj Mandi Adhiniyam 1972 (Act No. 24 of 1973).Amendments were made on notification no./krishi/mandi/D/2006/15/14-3 dated on 16-12-2000. Since year 2000 APMCs are working in Chhattisgarh. This paper talks about the important crops produced in Chhattisgarh , income, and expenditure of APMCs of Chhattisgarh from 2001-02 to 2012-13.

Keywords :

APMC (Agricultural produce marketing committee) , MANDIS, GDP (Gross Domestic Product), Agricultural marketing, Agricultural produce of Chhattisgarh, income and expenditure of APMCs.

INTRODUCTION

India is an agricultural country and one third population depends on the agricultural sector directly or indirectly. Agriculture remains as the main stay of the Indian economy since times immemorial. Indian agriculture contribution to the national gross domestic product (GDP) is about 14 per cent. India is today consistently producing 250 million tonnes (MT) of food grains, 100 MT of rice, 90 MT of wheat, 35 million bales of cotton, and more than 18 MT of pulses. The growth is facilitated mainly by Krishi Vigyan Kendras (KVK) system which is spread across the country. The Prime Minister's Economic Advisory Council (PMEAC) has estimated farm sector growth for current fiscal at 4.8 per cent, more than double from last year's 1.9 per cent. India has emerged as a major player in the global agriculture market. In the last five years, the country's agriculture exports have tripled from around Rs 80,000 crore (US\$ 12.75 billion) to Rs 2.32 trillion (US\$ 33.99 billion), said Mr Sharad Pawar, Union Minister for Agriculture, Government of India. Total exports of Indian agri and processed food products from April to August 2013 stood at US\$ 9,711.09 million as compared to US\$ 8,806.41 million during the same period last year, according to the data released by the Agricultural and Processed Food Products Export Development Authority (APEDA). [1] With food being the crowning need of mankind, much emphasis has been on commercializing agricultural production. For this reason, adequate production and even distribution of food has of late become a high priority global concern. This work is done through Agricultural marketing. Agricultural marketing is mainly the buying

and selling of agricultural products. In earlier days when the village economy was more or less self-sufficient the marketing of agricultural products presented no difficulty as the farmer sold his produce to the consumer on a cash or barter basis. Today's agricultural marketing has to undergo a series of exchanges or transfers from one person to another before it reaches the consumer. There are three marketing functions involved in this, assembling, preparation for consumption and distribution. The importance of marketing in agriculture is very well expressed by saying *"that a good Farmer has one eye on the plough and the other on the market"*. In India the percentage of agricultural land in year 2011-12 was **60.5%**. Agriculture produce means all produce (whether processed or not) of agriculture, horticulture and pisciculture and forests. The APMCs were established by the state government for regulating the marketing of different kinds of agriculture and pisciculture produce for the same market area or any part thereof [2]. Agricultural Markets in most parts of the Country are established and regulated under the State APMC Acts. 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. There are in all 7,246 Regulated Markets in the country (as on 30.6 2011) and 21,238 Rural Periodic Markets, about 20 per cent of which, function under the ambit of regulation.[3]

Chhattisgarh APMC (Agricultural Produce Marketing Committee)

Chhattisgarh, the 26th state of the Indian Union came into existence on November 1, 2000. The total geographical area is around 137.90 lakh **hectare**. of which cultivable land area is 46.77 lakh **hectare** & forest land area is 63.53 lakh **hectare** with more than 2.55 Crore population. About 80 percent of the population in the state is engaged in agriculture and 43 percent of the entire land is under cultivation. Paddy is the principal crop.[4] The central plains of Chhattisgarh are known as rice bowl of central India. Other major crops are coarse grains, wheat, maize, groundnut, pulses and oilseeds. The region is also suitable for growing mango, banana, guava & other fruits and a variety of vegetables with 44 percent of its area under forests it has one of the richest bio-diversity areas in the country. It has abundant minor forest produce like tendu leaves, Sal seed, etc. In the mid-1990s, most of Chhattisgarh was still a monocrop belt. Only one-fourth to one-fifth of the sown area was double-cropped. In

Chhattisgarh APMCs are responsible for the marketing of the agricultural produce. There are three levels of administration which operates in Chhattisgarh and takes care of the marketing of agricultural produce. The **upper level** of administration is *Chhattisgarh government's agricultural department*, **Middle level** is *Mandi board (which works under the jurisdiction of agricultural department)* and the **lower level** is *Agricultural Produce Marketing Committee (which works under the jurisdiction of Mandi board and board reports to agricultural department of Chhattisgarh)*. The agricultural minister of Chhattisgarh is the head (Chairperson) of Mandi board. After him there are other members as Managing director, upper director, joint director, assistant director, accountant, assistant accountant, executive engineer, assistant engineer, Inspectors and assistants. In *Mandi* secretary is the higher authority, then we have Mandi inspectors, Accountant, Computer operator, Bidders, authority for keeping record of weight, hammals, drivers, peon, and other hands for maintenance of work there. In Agricultural produce marketing committee there are 12 members. Among them 11 members represent farmers and 1 member represents the businessmen. This committee works under Mandi board. According to the rules of APMC Act, the purchasers should get registered and should get license from APMC. On the basis of delivery, the produce is taken in the Market-Yard on the place of auction by standard weights. Then real weight is given after taking the delivery of the produce. A cash memo is prepared by the general commission agent or purchaser

and one copy of memo is given to the seller with cash payment, another to market committee and one copy is kept for his own record.

Thus all the work is finished on the same day of arrivals .The commission agent prepares a sale slip in triplicate, one copy given to purchaser, one given to Market Committee with Market fees and one for his own record and recovers the value of sale from the purchaser next day with Market fee. APMC gets 2% of the amount as there market fees. The purchaser pays this to APMC. Chhattisgarh state is having total **73** Mandis and **111** upmandis.**12** Mandis are of grade A, **17** Mandis are of grade B, **30** Mandis are having grade C,and **14** Mandis are of grade D. [5]

Table-1 CURRENNT REPORT ON NUMBER OF MANDIS IN CHHATTISGARH

GRADE	NO. OF MANDIS
A	12
B	17
C	30
D	14
TOTAL	73

Source : Annual Reports of APMCs (<http://www.samb.cg.gov.in>)

OBJECTIVE OF THE STUDY:-

- To understand what is the role of agricultural marketing and

agricultural produce marketing committee in agricultural marketing.

- To study the details of agricultural produce reached to the APMCs of Chhattisgarh of the time period 2001-2002 to 2012-13.
- To study the details of total income and expenses of APMCs of Chhattisgarh of the time period 2001-2002 to 2012-13.

Methodology:

The study is based on secondary data taken from published annual reports of APMCs. The published annual reports of APMCs of CAHHATTISGARH region are collected from the offices of APMCs APMC (Agricultural Produce Marketing Committee). Various publications of the APMCs act as the primary source for the collection of relevant information in this regard. The period considered for study has been for twelve years say from 2001-02 to 2012-2013. Various reports and publication so issued by relevant authorities are used for this purpose. Other information related to the APMCs has been collected from Economic times, financial express, periodicals, journals and from various relevant concerned Websites.

Details of agricultural produce of Chhattisgarh :

Chhattisgarh state is rich in the area of agricultural crops .Paddy is the principal crop and the central plains of Chhattisgarh are known as rice bowl of central India. Other major crops are coarse grains, wheat, maize, groundnut, pulses and oilseeds. Apart

from paddy, cereals like maize, kodo-kutki and other small millets, pulses like tur and kulthi and oilseeds like groundnut, soyabean, niger and sunflower are also grown. Chhattisgarh used to produce nearly half of all food grains, and one third of all major crops grown in the undivided Madhya Pradesh during the kharif season. The main rabi crops of Chhattisgarh are jowar, gram, urad, mong and moth. Chhattisgarh produces very little wheat. Most of Chhattisgarh is still a mono-crop belt. Only one fourth to one fifth of the sown area was double cropped. When a very substantial portion of the population is dependent on agriculture, a situation where nearly 80 percent of a states area is covered only by mono cropping needs immediate attention to turn them into double crop areas. Also there are very few cash crops grown in Chhattisgarh, and there is a need to diversify the agriculture produce towards oilseeds and other cash crops.[6]

Sources of income :-

Revenue Income is considered to be as the major factor for judging the activity of an **APMC (Agricultural Produce Marketing Committee)**. It is true that total resource available in business is to a large extent is affected by the subject matter *i.e.* Income. Profit or loss of APMS depends upon the revenue earn by the APMC, that is depends on arrival of agricultural produce in market yard. APMC has various sources of revenue income such as market fees, license fees, rent income, interest received etc. The quality, quantity and regularity of flow of revenue income govern are physical existence and internal condition of the organization. Indeed with higher value of revenue income, the APMC operate with

great profits and effectiveness and operation are speeded up.[7]

Sources of Expenses :-

APMC has various sources of expenses also. the main sources of expenses of APMC are salaries and allowances of the employees, contribution in provident fund., stationary expenses, weighing machine expenses, repairing expenses, expenses in safety of agricultural produce, legal expenses ,advertisement expenses, canteen expenses, cleaning expenses, electricity expenses, water and telephone expenses etc.


Table - 2 Detail of total Incoming produce, Total income and total expense of C.G Mandis

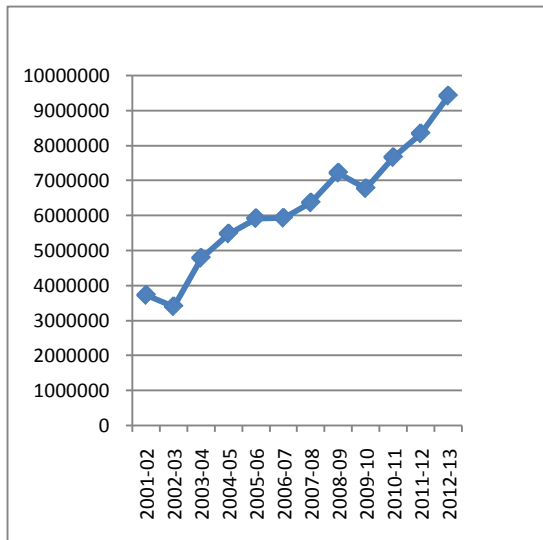
YEAR	INCOMING AGRICULTURAL PRODUCE (in tons)	TOTAL INCOME (in lakhs)	TOTAL EXPENSE (in lakhs)	% OF INCOME TO EXPENSE
2001-2002	3726345.00	4115.26	4231.37	97.26
2002-2003	3402308.00	4546.44	3676.64	123.65
2003-2004	4791344.00	5201.32	4325.80	120.23
2004-2005	5484668.00	4928.63	5573.21	88.43
2005-2006	5923222.00	5552.67	6744.91	82.32
2006-2007	5934149.00	8723.97	7719.57	113.01
2007-2008	6372304.00	9022.53	9926.01	90.89
2008-2009	7225250.00	10546.88	11768.71	89.62
2009-2010	6778734.00	9512.76	12053.54	78.92
2010-2011	7668595.00	16413.46	15603.64	105.19
2011-2012	8348811.00	17153.17	14731.41	116.43
2012-2013	9426299.00	18846.23	17655.40	106.74

Source : Computed and Compiled from the Annual Reports of APMCs(<http://www.samb.cg.gov.in/Transaction.htm>)[8]

Chart 1 Details of total agricultural produce (in tons)

came to APMCs from 2001-02 to 2012-13

agricultural produce 



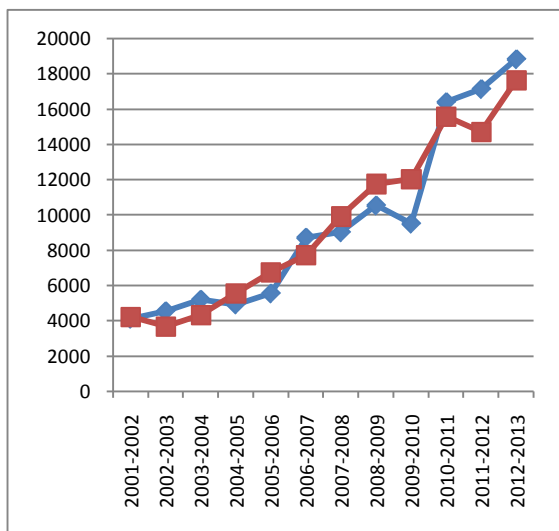
Data analysis:-

Through chart 1 and incoming agricultural produce column of the table 2 we can see that in the year the quantity of incoming produce in APMCs has decreased in the year 2002-03 and in 2009-10 other than these two years the quantity of incoming produce has increased. This shows that the farmers of Chhattisgarh are having faith in the APMCs and they understand the importance and benefits of APMCs. By looking at chart 2 If we talk about total income it is increasing gradually except the years 2004-05 and 2009-10. We can easily see that there is a gradual increase in the amount of the income of the APMCs. We can see that there is a huge difference in the amount of income of the year 2001-02 and 2012-13 near about (14730.97 lakhs). In expenses it decreased in the years 2002-03 and 2011-12. From the last column of this table we can see that in 2001-02, 2004-05, 2005-06, 2007-08, 2008-09, 2009-2010 income is lesser than expenses of APMCs. In rest of the years income is more than expense. It is clear that from the last three years APMCs of Chhattisgarh are maintaining the excess of income over expenses and it is a strong positive sign.

Chart 2 details of total income and expenditure of APMCs from 2001-02 to 2012-13

Income 

expenses 



Conclusion

India is a developing country, facing number of problems, such as population explosion, low per capital income, low productivity, low living standards, and so on. India consists of above 16% of world population and sustains on 2.4% of land resources. Agricultural sector is only livelihood to above 2\3 of work force. It is an important source of raw materials to large no. of industries. One of the objectives of new economic policy are to impart a new element of dynamism to agriculture ,which seems to be possible only when there is proper co- ordination between farmers, customers and management of APMCs. Chhattisgarh APMCs are doing well but they are far more behind with the APMCs of some other states like Maharashtra, Gujarat, Andhra Pradesh Punjab and Haryana. Chhattisgarh APMCs improper co- ordination and improper implementation of the government schemes are the root causes of the average performance of the APMCs. Proper awareness about the importance and benefits of APMCs among the farmers is also necessary.

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