

**CONSTRAINTS AND OPPURTUNITIES TO IMPROVE
AGRICULTURAL MARKETING SYSTEMS IN KURNOOL
DISTRICT OF ANDHRA PRADESH**

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ABSTRACT:

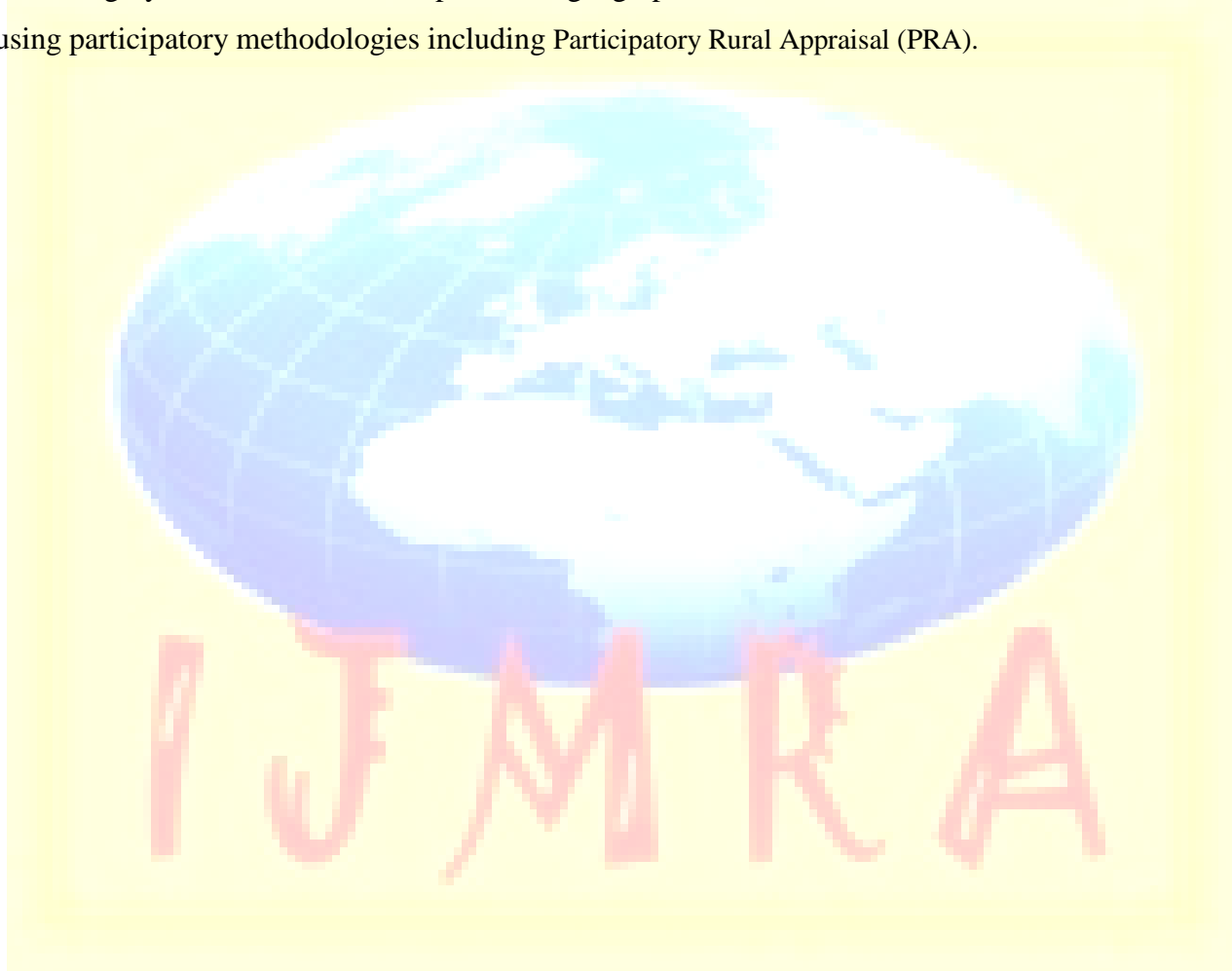
Agricultural Marketing in a broader sense is concerned with the marketing of farm products produced by farmers and of farm inputs required by them in the production of these products. Agriculture sector in Kurnool district is blessed with good resources. About three-fourths of the soils are black cotton soils with good moisture retention capacity. Crops like paddy, sunflower, Bengal gram, ground nut and red gram have good scope for further development. The district is developing in to an important seed production center. The research stations and agricultural college in the district are providing technology support for the growth of agricultural sector in the district. Irrigation sources are diversified and they are being further developed under the Jalayagnam program of the state government. In this atmosphere, one can hope for rapid growth in agricultural productivity. However, Marketing is one of the important aspects to the farming community. The economy of the farmers directly depends on market price which farmers get for their produce. In Kurnool district, there are 12 Market committees existing but few of them are catering to the marketing needs of farming community. It has 27 sub yards in the district.

The various problems that led to poor marketing of agricultural products in the district are fluctuations in agriculture prices and supplies (surpluses/scarcities), Conflicting interests of farmers,

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middlemen and consumers, under utilization and improper functioning of resources such as rural warehouses, market yards etc. Inadequate transportation, communication and information network, increased agricultural production leads to glut in the market and ultimately fall in price. Among these problems, communication plays a vital role in determining the success or failure of commercialization/ marketing of the agricultural produce in rural India. At this juncture it becomes imperative to study and understand the local marketing constraints and opportunities to improve the marketing system suitable to that particular geographical area based on information collected by using participatory methodologies including Participatory Rural Appraisal (PRA).



INTRODUCTION

Agricultural Marketing in a broader sense is concerned with the marketing of farm products produced by farmers and of farm inputs required by them in the production of these products. Thus, the subject of Agriculture marketing includes product marketing as well as input marketing. The importance of output marketing has become conspicuous in the recent past with the increased marketable surplus of the crops following the technological breakthrough. The farmers produce their products for the markets.

Agriculture sector in Kurnool district is blessed with good resources. About three-fourths of the soils are black cotton soils with good moisture retention capacity. Crops like paddy, sunflower, Bengal gram, ground nut and red gram have good scope for further development. The district is developing in to an important seed production center. The research stations and agricultural college in the district are providing technology support for the growth of agricultural sector in the district. Irrigation sources are diversified and they are being further developed under the Jalayagnam program of the state government. In this atmosphere, one can hope for rapid growth in agricultural productivity. Marketing is one of the important aspects to the farming community. The economy of the farmers directly depends on market price which farmers get for their produce. In Kurnool district, there are 12 Market committees existing but few of them are catering to the marketing needs of farming community. It has 27 sub yards in the district.

As agriculture and Society develops, marketing becomes more important. In subsistence agriculture a farmer will mainly be feeding himself and his neighbors. The local community taste and requirements are well understood. As the populations of the cities increases, farmers have the added responsibility of feeding not only the rural market but also the growing distant urban markets. Even though, the share of agriculture in India's GDP has declined from over one-third to just one-fourth, the Central Statistical Organization survey clearly envisages that the share of agricultural enterprises in terms of number and employment is on the rise.

Even since the introduction of agriculture technological interventions the share of agricultural enterprises has been continuously rising, therefore forcing farmer to take on commercial and marketing skills. The extension agent at the grass root level has high responsibility in developing these among them. Before understanding the concept of marketing and its importance it is imperative to understand the role of farmers in Indian agriculture.

PURPOSE OF THE STUDY

The various problems that led to poor marketing of agricultural products in the district are fluctuations in agriculture prices and supplies (surpluses/scarcities), Conflicting interests of farmers, middlemen and consumers, under utilization and improper functioning of resources such as rural warehouses, market yards etc. Inadequate transportation, communication and information network, Problem of plenty due to increased agricultural production leads to glut in the market and ultimately fall in price. Among these problems, communication plays a vital role in determining the success or failure of commercialization/marketing of the agricultural produce in rural India. At this juncture it becomes imperative to study and understand the local marketing constraints and opportunities to improve the marketing system suitable to that particular geographical area based on information collected by using participatory methodologies including Participatory Rural Appraisal (PRA).

OBJECTIVES

The overall objective is to understand the present marketing situation, understand the constraints and opportunities in agricultural marketing to increase farmers' incomes.

METHODOLOGY

Four AMC's (Agricultural Market Committee) were selected using random sampling method. From each sampled AMC two or three villages selected randomly and from each village information is collecting by using participatory methodologies including participatory rural appraisal (PRA) and interview schedule. The required primary data on key constraints and available market infrastructure and required market infrastructure gathered from the primary source from sample farmers through designed interview schedules. The required other data collected through interactions with AMC officials, traders, commission agents, hamalies in the market yards and also interacted with different department officials like marketing, agriculture, horticulture, animal husbandry and fisheries. The data collected was analyzed through both conventional and functional analysis. Based on the results the interference is drawn and given below.

RESULTS:

Key Marketing Constraints in the area

Heavy village sales of Agricultural Commodities:

Like the other parts of the state rather country; a majority of the farmers in the district are selling large part of their produce in villages, which results in low returns for their produce. There is a difference in the prices prevailing at different levels of marketing, i.e. the village, the primary wholesale market, the secondary wholesale and retail levels. The extent of village sales varies from area to area, commodity to commodity and also with the status of the farmer. The village sale is 20 to 60 percent in food grains, 35 to 80 percent in cash crops and 80 to 90 percent in perishable commodities including dairy and fish products. The reasons for village sales include:

- **Agriculture Indebtedness:** Despite the credit facilities offered by government, non-government and SHGs, farmers in the district are still indebted to village moneylenders, traders or landlords to various extents. They often forced either to enter into advanced sales contracts or sell the produce to them at low prices.
- **Poor retention power** of the farmers arising out of their pressing need for cash to repay their debts and meet their cash needs, for the payment of land revenue, the purchase of items of basic necessity, and for meeting their social obligations – all of which are conducted primarily in the off-season.
- **Inadequate storage facilities** available in the villages, either by private or public bodies
- **Fear of loss** of the produced by fire, theft and other calamities
- **Lack of entrepreneurship** and the low risk bearing ability of the farmers
- **Transport bottlenecks:** Many villages are not connected by all weather roads. There are villages which are connected by roads and have transport facilities but due to the long distance and non functional/improper functionality of markets; farmers are not showing interest to bring their produce to markets
- **Small quantity of marketable surplus** with a majority of farmers because of the small size holdings
- **Farmers are hard pressed** to meet their social and other obligations, often forced to sell their produce right in the villages
- **Perishability of the produce:** Most of the perishable products need to be marketed in the village because of their low “keeping” quality and non-availability of quick and affordable transport means
- **Farmers dislike city markets** mainly because of their lack of knowledge about prevailing market practices, non conducive environment in the markets, prevailing mal-practices by hamalis, commission agents, marketing staff and etc

- **The information on the prices** obtaining in the near-by primary and secondary wholesale markets is not readily available to the farmers
- The strong hold of traditional traders, commission agents, mediators, collection agents operating outside the purview of public enterprise is very strong compelling the farmers to sell their produce at the buyers mercy. The traders also have assumed the role of input suppliers and money lenders. Private money lenders clutches are strong and their vice grip is tormenting the farmers.
- **Existence of many middlemen:** The marketing of agricultural products is a business which does not attract any restriction, such as social or governmental, for entry as market middleman. There are, therefore, a number of middlemen acting between the producer and consumer. As a result, the length of the marketing channel is increasing, and the cost of marketing and market–margins is also going up.
- **Multiplicity of the market charges:** The cost of marketing of produce worth rate 100 is very high for agriculture goods compared to that of the products of other sectors. A large number of market charges – commission, brokerage, weighment, hamali, karda (impurity charge), dhalt (excessive moisture charge), muddat (charge for making cash payment) etc., are paid. Some of these charges do not have any relationship with the farmers. The rates of many charges are high.
- **Existence of malpractices:** Many malpractices – deduction of unauthorized market charges, spurious deductions, unfair weighment of the produce, unhealthy sale method, reducing the quantity even for clean produce, taking away a part of the produce as sample by bidders, bungling in accounts, taking ½ to 1 Kg extra for every quintal, carryover of food grains, arbitrary deduction for religious and charitable purposes etc., were very much common in the marketing of agricultural products in the district.
- **Lack of reliable and up-to-date market information:** There is no reliable channel for the communication of price information to producer-farmers, who are isolated in remote villages. In the absence of this information, farmers are dependent on the ear say reports, which they receive from village merchants. Village merchants do not reveal the correct price information prevailing in primary and secondary whole sale markets **because** of their personal interest in buying the produce from the farmers at low prices. In such an uncertain situation farmers are selling the produce right in the villages at low prices.
- **Absence of grading and standardization of produce:** A large number of farmers have little knowledge of the practice of the grading of the produce prior to its sale. They usually are mixing

up superior and inferior quality products to make a single lot. As a result they are getting lower price for their produce. Sometimes farmers are being penalized by traders for the existence of a small percentage of poor quality produce in the lot. In the absence of grading, there is the practice of deliberate adulteration of products by traders as well as farmers during the marketing processes. These practices include the addition of water in milk, chilly, cotton and wool, the adulterating of better quality food rains with inferior quality grains, the addition of sand and clay pebbles in groundnut. These practices lowering the market prestige and consumers are losing confidence in the quality of the product.

- **Inadequacy of institutional marketing infrastructure and lack of producers' organizations:** Farmers were disorganized and marketed their produce individually. Because of their low bargaining power, they had to deal with traders having a strong organization. They could not, therefore, insist on a reservation price for their produce. Producers are watching the auction of the produce as salient spectators and are being exploited by traders. The reasons for the lack of organization among them which, in turn, was responsible for their poor bargaining power, are:
 - Location disadvantage and difficulty in bringing them under organization
 - Difference in the size of holding and the surplus available with the farmers
 - The marketing aspect was not given due consideration by the farmers because of their ignorance.
 - Even now no effective farmers' organization exists.

BASE LINE OF EXISTING MARKETING PROBLEMS ACCORDING TO FARMERS:

Majority of the sample farmers are not happy with the existing marketing facilities available in the district. Lack of facilities in the markets, lack of drying platforms and basic amenities, poor access to markets, less number of trades, delay in payments by local traders, mal practices by the staff, hamalis, agents and traders in the markets are few areas of concerns affecting agriculture marketing in the district. The same situation is prevailed in all kinds of markets like agriculture, horticulture and livestock. Majority of the farmers are not aware of government's initiative Rhythu Bandu Pathaka, as in most of the cases buyers are diverting the funds available in the scheme with the help of implementing authorities. To understand the accessibility of the markets, 20 villages have been selected randomly and inquired about the distance to markets; the details are presented in the following table. Further the detailed description of the problems pertaining to each produce and existing AMCs is presented in the below paragraphs:

Table - 1: Accessibility of marketing from the randomly selected villages

SL No	Name of the Mandal	Village name	Crop Name	Marketing Channel	Place of distance of marketing
1	Kurnool	Gargeypuram	Tomato	Private - same village, Rythu Bazar, AMC	Kurnool - 10 KM
2	Kurnool	shivapuram	Tomato	Private - same village, Rythu Bazar, AMC	Kurnool - 14 KM
3	Bethamcherla	Rudravaram	Mango	Private - contract Out side - AMC - local market	Nandyal - 42 KM, Hyderabad - 260 KM
4	Bethamcherla	Emabi	Mango	Private - contract Out side- AMC - local market	Nandyal - 42 KM, Hyderabad - 260 KM
5	Nandyal	Pusuluru	Chilli	Private - same village, AMC	Kurnool - 60 KM, Guntur - 320 KM
6	Nandyal	Panduragapuram	Chilli	Private - same village, AMC	Kurnool - 60 KM, Guntur - 320 KM
7	Mahanadi	thimmapuram	Banana	Private - same village Out side AMC	Guntur - 320 KM, Vijayawada - 310 KM
8	Mahanadi	srinagaram	Banana	Private - same village Out side AMC	Guntur - 320 KM, Vijayawada - 310 KM
9	Mahanandi	srinagaram	Turmeric	Private - same village Out side AMC	Kurnool - 60 KM, Duggirala - 280 KM, Sangi - 550 KM
10	Nahanandi	Allinagaram	Turmeric	Private - same village Out side AMC	Kurnool - 60 KM, Duggirala - 280 KM, Sangi - 550 KM
11	Dhone	Thimmapuram	Onion	Private - same village Out side/local AMC	Kurnool - 65 KM, tadepallygudem - 560 KM,
12	Dhone	Kamiganekuntla	Onion	Private - same village Out side/local AMC	Kurnool - 65 KM, tadepallygudem - 560 KM,
13	Krishnagiri	chenchuyerigudi	Sweet lemon	Private same village out side AMC	Banglore - 320 KM, Hyderabad - 260 KM
14	Krishnagiri	Bappannadoddi	Sweet lemon	Private same village out side AMC	Banglore - 320 KM, Hyderabad - 260 KM
15	Kallur	chinnatekkuru	Castor	Local AMC	Kurnool - 18 KM
16	Kallur	Bastipadu	Castor	Local AMC	Kurnool - 28 KM
17	Oravakallu	Byrapuram	Soya bean	Private factory local AMC	Kurnool - 35 KM
18	Oravakallu	Kethapuram	Soya bean	Private factory local AMC	Kurnool - 35 KM
19	Oravakallu	Uppalpadu	Maize	Private, IKP MARKFED Local AMC	Kurnool - 40 KM
20	Midthuru	Peerashabpet	Maize	Private, IKP MARKFED Local AMC	Kurnool - 25 KM

PROBLEMS WITH AGRICULTURE MARKET COMMITTEES

- Existence of non transparent market conditions
- Inaccessible markets
- Credit facilities for immediate needs to meet farmers expenses is not easily forthcoming
- Inaccessible external markets for small and marginal farmers
- Poor conditions of existing roads
- Excessive rat problems in the warehouses
- Un hygienic rest houses
- Mal practices in weighment and auction system
- Too many intermediaries in supply chain system of marketing
- More price fluctuations of sensitive commodities tomato, onion etc
- Lack of enforcement of implementation of minimum support price for agricultural commodities coming to the market
- Lack of electronic weighing machines and mal practices in the manual weighing
- Lack of market information/intelligence
- Lack of facilities for cleaning, grading, drying and storage
- Lack of cold storage facilities
- Lack of proper functioning of sub market yards
- Lack of inadequate infrastructure facilities in existing markets
- Lack of auction halls
- Lack of tarpaulin covers to protect produce in case of rains
- Lack of covered platforms
- Lack of locally established processing units

MARKETING PROBLEMS OF AGRICULTURE AND ALLIED SECTORS

i. Agriculture crops

Maize, Castor and Soya bean

- Poor accessibility of markets for selling of produce
- Delay in payments by local buyers
- Lack of drying and storage platforms at the village as well at the markets
- Non availability of mechanized weighment and mal practices in the manual weighment
- Inappropriate deduction of moisture and wastage charges
- Poor tendering system and syndicate of buyers during tendering of produce
- Purchase of produce by buyers at relatively lesser price than minimum support price
- Beating with sticks for separating castor seeds from pods causing more damages to seeds
- No markets for Soya bean in the AMC
- Lack of buyers to purchase Soya bean

ii. Horticulture crops

Mango, Banana and Sweet Orange

- 70% of farmers are selling mango crop on contract basis to private traders at time of flowering stage and remain 30% of farmers are selling mango produce at local market and outside markets
- Lack of fruit market at district level
- More expenditure to meet travel expenses to sell mango and banana produce at outside markets at Bangalore and Hyderabad which are at long distance from the district
- More amount of damage - around 15% of - during transportation
- In appropriate rather commission charges at AMCs
- Delay in payments by local buyers
- Inappropriate rather excessive hamali charges at markets
- Not following of grading of the produce
- Malpractices in weighment in outside markets
- Frequent fluctuations in market prices
- Lack of information about outside markets
- Lack of processing units
- Lack of awareness on grading, packing of the produce among farmers

- Lack of facilities like intermediary storage sheds, storage facilities, plastic crates for transportation and ripening chambers for Mango and Banana
- Lack of storage facilities at market place
- Syndicate by the buyers
- More damage to the mango produce during transportation due to traditional methods of packing using paddy straw absence of cold chain system for mango preservation

iii. Cash crops

Dry chilly and turmeric

- Lack of local markets
- Inaccessibility of markets to sell chilly as farmers have to travel either to Kurnool or to Guntur to sell their produce which are located 70 and 320 KMs respectively. The same situation is prevailed for selling turmeric as farmers have to sell the turmeric produce either at long distance Duggirala or Kadapa or Sangi markets
- Not availability of markets for turmeric and lack of traders to buy turmeric
- Inadequate cold storage facilities
- Exorbitant service charges by private cold storage plants
- Lack of grading and quality control at field as well as market level
- Lack of drying and storage facilities at village level
- Lack of processing units
- Lack of mechanized weighment and malpractices in weighment
- Excessive commission charges
- Lack of availability of market information on market prices
- Lack of procurement/collection centers either at village or cluster level

iv. Vegetables

Tomato and Onion

- Inappropriate rather Excessive commission charges
- Excessive transpiration damage, which account for loss of nearly 10-15%
- Inaccessibility of markets to sell onion as farmers have to travel either to Kurnool or to Tadepallygudem to sell their produce which are located 70 and 560 KMs respectively. The same

situation is prevailed for selling turmeric as farmers have to sell the turmeric produce either at long distance Duggirala or Kadapa or Sangi markets

- Inappropriate practice of buying tomato in baskets rather than buying according to weight
- Participation of less number of traders in the auction
- Lack of drying platforms either at village or market level for the drying of onion
- Lack of package materials

- Lack of storage facilities in the market
- Lack of ventilated warehouse for onions in the market
- Lack of rather no processing industries
- frequent fluctuations of market prices

v. Fish marketing

- Lack of fish collection centers at big and medium irrigation reservoirs
- Lack of basic facilities in existing fish markets like water facility, storage facility, ice boxes etc
- Lack of awareness on preservation of fish
- Lack of fish retails outlets at markets
- Lack of refrigerated transport vehicle with cooling chambers for transport of fish

vi. Live stock markets

- Excessive fee collection by contractors than the fixed amount by the authorities
- Lack of own lands
- Lack of basic amenities like loading and unloading ramps
- Lack of veterinary first aid centers
- Lack of availability of fodder and animal feed at the market place
- Lack of all kinds of required facilities in the markets managed by municipalities

FARMER USER VIEW OF THE NEED FOR IMPROVEMENTS IN MANDI OPERATIONS:

Since there are several problems like lack of facilities in the markets, in proper functioning of markets lack of drying platforms and basic amenities, poor access to markets, less number of trades, delay in payments by local traders, mal practices by the staff, hamalis, agents and traders, farmers are expressing

the following areas regarding crop wise marketing and AMC functionality to be addressed for assuring proper functioning of existing markets, establishment of new markets and strengthening of existing markets:

SUGGESTIONS FOR THE IMPROVEMENT OF EXISTING AMCS

- Evolving transparent and hassle free system of selling of produce and buying of inputs in the market assuring and opportunity for direct seller –buyer interactions and to avoid middle men/commission agents
- Strict enforcement of (MSP) minimum support price in all existing markets
- Promotion and encouragement for Direct Sales System, which removes commission agent's role in the marketing
- Establishment of Spoke and village marts to address the issue of accessibility
- Effective implementation of raithu bandu pathakam to avoid distress sale immediately after harvest
- Creation of enabling environment to farmers to ensure access to credit at nominal interest rates through public sector banks
- Establishment of efficient information centers to provides information on outside markets
- Measures to handle the rat problems in the warehouses
- Establishment of out let for selling seeds and fertilizers
- Erection of electronic weighing machines and action on mal practices in the manual weighing
- Providing facilities for cleaning, grading, drying and storage
- Establishment of cold storage facilities
- Introduction of measures for the proper functioning of sub market yards
- Establishment of auction halls
- Procurement and supply of tarpaulin covers to protect produce in case of rains
- Establishment of covered sheds
- Proper maintenance of rest houses
- Fostering courtesy and descent behavior among hamalies through behavioral change trainings
- Activities to reduce intermediaries in supply chain system of marketing

- Introduction of measures to counter price fluctuations of sensitive commodities like tomato, onion etc
- Establishment of processing units at various strategic locations in the district
- Formation of farmer produce /produce specific groups for easy access of marketing
- Capacity building of commodity interest groups/producers groups on aspect of grading and quality aspects to get better prices
- Training to farmers on basic transactions and procedures of banking system
- Upgrade the roads for easy accessibility to markets
- Improvement in existing supply chain management
- Initiation of efforts for the proper functioning of non functional markets
- Involvement of women groups in commodity marketing
- Introduction and strict implementation of tender system in markets to avoid mal practices in auction system
- Awareness training to farmers on quality standers/specifications
- Awareness on post harvest management practices
- Evolve direct sale marketing system like CIG (Commodity Interest Groups) and IKP (Indira Kranthi Pathakam) groups
- Encouragement for establishment of more processing units locally
- Establishment of computers, internet facility, web site for market information and dissemination

Agriculture crops

Maize, Castor and Soya bean

- Establishment of local procurement/collection centers at village level
- Awareness creation to farmers on grading, cleaning and proper drying of produce
- Supply of moisture meters to maize farmers at subsidized rates and training programs to train them on usage
- Strict monitoring by the AMCs on the support price for the produce
- Provision for local storage and drying facilities in the village level
- Supply of low cost decorators to farmers at subsidized rates to save money on decorating of maize at field level

- Introduction of electronic weighing machines to avoid mal practices in weighment
- Encouragement of MARKFED, IKP to be encouraged to do marketing of maize at village level
- Awareness generation on Rythu Band pathakam among farmers and assurance of the proper implementation of the same

Horticulture crops:

Mango, Banana and Sweet Orange

- Establishment of regulated fruit market under AMC Kurnool to increase accessibility and reduce transport burden like transportation charges and transport losses
- Initiative to replace banana purchasing according to bunches with weighment
- Encourage of grading practices in banana marketing
- Establishment of rural cold storage facilities
- Supplying packing materials at subsidized rates to farmers to prevent losses during transportation
- Construction of ripening chambers at market level village and cluster level
- Awareness generation on grading and packing system
- Establishment of cold storage facilities at market level
- Supply harvesting mango fruit equipment like dapoli or IIHR harvesters at subsidized rates
- Supply of transport material like plastic crates at subsidized rates
- Strict monitoring on commission charges levied by agents
- Establishment of market information centers in the market
- Establishment of processing units

Cash crops

Dry chilly and turmeric

- Establishment of more procurement and collection center at village/cluster of villages
- Encouragement of more traders to participate in AMC Kurnool for chili marketing
- Awareness generation on grading, cleaning and maintaining proper moisture of chilly produce
- Supply of moisture meters on subsidized rates and training programs to impart knowledge on using of the same

- Supply of low cost polishing machines at subsidized rates to turmeric farmers
- Construction of drying platforms at village level
- Establishment of storage facilities at village level
- Creation of infrastructure like cold storage by AMCs
- Proper implementation of Rathu Bandhu Pathakam to avoid distress sale of produce immediately after harvest
- Introduction of electronic weighing machines to avoid mal practices in weighing

Vegetables

Tomato and Onion

- Establishment of local markets for the marketing of onion produce
- Efforts should be made by AMC to check inappropriate commission charges against the fixed charges
- Introduction of weightment practice for all vegetables and introduction of electronic weighing machines for the same
- Supply of packing materials like plastic crates at subsidized rates
- Establishment of storage facilities at market level
- Establishment of cold storage facilities in the markets
- Encourage more number of traders to participate in trading to get better prices for vegetables
- Establishment of market information centre at the market
- Establishment of processing units at local level

Fish marketing

- Improving the infrastructure and marketing of fish collection centers at large reservoirs as fish marts
- Establishment of fish collection centers to
- Establishment of fish marts at medium size reservoirs
- Strengthening of existing markets with all basic amenities
- Development retail fish markets by providing cold chain in major production and consumption centers

- Supply of ice boxes to fisher women
- Training and skill development for preservation and marketing of fish and aquaculture products
- Support and promote the activities of primary co-operative societies, self help groups and GIG at village level to promote marketing activities
- Providing of refrigerated transport vehicle with cooling chambers

Live stock marketing

- Establishment of tree grove with land leveling for shelter for livestock brought for sale
- Digging of bore wells with over head tank with pipe lines to provided drinking water for livestock and other needs
- Establishment of loading/unloading ramps and foot paths for animals for safe unloading and loading of livestock
- Drinking water troughs for livestock
- Establishment of weigh bridge with platform and border railings to
- Establishment of veterinary first aid for emergency veterinary care
- Establishment of rest house for farmers
- Providing toilets and bath facilities
- Providing canteen facilities to farmers
- Establishment of fodder and animal feed sales counter
- Erection of fencing

POTENTIAL MARKETING OPPORTUNITIES

Based on the field experiences, it was observed that the establishment of Hub and spoke Markets in selected locations to market different types of farm produce including field crops and horticultural crops, livestock, livestock products namely milk and meat and fisheries and aquaculture products and establishment of Procurement Centers (PCs) / Collection Centers (CCs) at the village level together helps to energize the agriculture marketing infra structure and functioning in the district to benefit the small and marginal farmers including livestock and fisheries sectors. The activity will improve the agri-marketing of specially different commodities including field crops – rice, pulses, ground nut, maize, sunflower and castor, fruit crops - mango, spice and condiments chilly, turmeric and vegetable crops tomato and onion. The reasons for targeting these agricultural crops are that the cultivated area under these crop save

exhibited constant increase over the past five years and the prices have exhibited wide variations in the markets. In fact, for some of the crops like mango, chilly, onion, the prices have even been volatile and unstable.

Castor is considered as a poor man's crop, admirably suited for cultivation under rain fed conditions by resource poor small and marginal farmers. The area under the crop has also exhibited a constant increase because of its adaptability for cultivation under varying agro-climatic conditions and the increase in demand for castor oil by the lubricating oil industry, pharmaceuticals, nutraceuticals and cosmoceuticals manufacturing industry. In fact, the pharmaceutical industry seems to have reinvented the beneficial properties of castor oil as a natural laxative and for other applications particularly in the manufacture of cosmoceuticals.

Chilly are crops cultivated traditionally in several regions of the District. Among the two crops, chilly has exhibited serious price volatility because of increase in the area under the crop and the productivity enhancement contributed by improved technologies such as an array of a wide variety of chilly released for cultivation under varying agro-climatic conditions, improved cultivation practices, enlargement of irrigation potential and a perception among the farmers to realize a better and equitable price by the farmers. But more often, the hopes of the farmers to realize a better price have not always turned out to be true leading to very serious problems of price instability and distress sale by farmers.

Among all the vegetable crops - the two targeted crops - onion and tomato have specific problems in marketing. Due to the adoption of better cultivation practices including the use of improved varieties of onion and tomato, the yields of the two crops have increased substantially. In fact, the introduction of few high-yielding onion varieties by farm universities in Maharashtra has singularly contributed to perceivable yield advantage. Even with tomato like onion, adoption of intensive cultivation practices and adopting high-yielding varieties have enhanced productivity. With improvement in purchasing power of the vast majority of population under low and middle income groups, the demand for the two vegetables have been going up constantly and the two crops are commanding a fairly good price in the retail market. However, the farm-gate price realized by the farmer continues to be a cause of worry for the two crops which are essential components of cuisine and used every day by most of the house-holds in the country. The unregulated large-volume arrivals of the two vegetables itself are causing very serious price instability on a day-to-day basis. The perishable nature of tomato on the other hand adds further to the problem of price volatility. Providing better access to markets for the two commodities helps in

mitigating the problems of price volatility and incapacity to get a better farm-gate price by the farmers. The case of tomato is particularly a cause of worry for the markets. Storage facility to extend the shelf-life at a reasonable cost, primary processing to convert the produce to juice (Tomato puree) or dried tomato flakes by using solar driers can be a few alternatives to overcome the problems of price instability. Regulating the acreage under the two crops with proper market intelligence interventions can help in overcoming the gluts which are encountered very often. Crop insurance coverage is yet another positive and pro-active measure to overcome the problems often encountered with aberrant weather conditions and market forces.

Livestock products

The situation with regard to marketing of live animals or livestock products like meat in the district is not very regulated. Live-livestock such as cattle, sheep and to a limited extent pigs are traded in designated market yards. Most of such market yards are under the dual control of the local gram panchayat or municipality and the Department of Agricultural Marketing. The Agricultural Marketing department has provided basic amenities in these yards but the trading is done by traders and middlemen in these yards, the operations being not totally advantageous to the livestock farmers who rear these live animals with care and bring them to the market yards. To improve the conditions which include providing additional infrastructure, physical facilities and reorganize the marketing practices some radical changes and initiatives are needed which include ownership of lands of market yards, collaborative arrangements with the concerned department namely, Animal Husbandry to provide support in terms of preventive health care and nutritive feed supply, sanitary conditions to station the animals, at the market yards providing shelter to livestock and their owners and regulation of trading practices. Livestock brought to market yards for sale also need drinking water, shelter and fodder. The livestock owners also need basic amenities for lodging and boarding.

Implementation of sanitary practices for rearing, slaughter, collection of meat and other products, safe handling of the same for live stock marketing. Present specific problems which need to be dealt carefully to make the operations vibrant and transparent ultimately to benefit the livestock farmers. A wholly integrated approach is the need of the hour to improve infrastructure and market operations with regard to livestock products such as meat, pork, hides and skins of slaughtered animals. Providing safe and sanitary conditions for animals, their slaughter and subsequent sale is of primary importance for better price realization and at the same time deliver meat of good quality to the purchaser/consumers for both domestic and export markets.

Marketing of Milk and Milk Products

The position with regard to marketing of milk and eggs in district is fairly good as facilities of collection, grading and transportation of milk and collection of eggs are in place. However, backyard poultry products like eggs and poultry meat need more attention. The eggs and meat of local birds have a good sale value and command a premium in poultry markets. The report envisages to support the marketing of milk products such as flavored milk, fresh milk, cheese and other milk products by providing support for establishing mobile and stationery kiosks with the dual purpose of supporting additional sales of these products and at the same time provide self-employment opportunities for unemployed women and youth.

Conclusion

In process of decentralized farmer-centric activities, it is also proposed to take up core market activities such as processing and grading by using standardization techniques, including storage, weighing and certification be performed at the farm or village level to ease out congestion in regulated markets. The approach is not a new idea but revival of forgotten market extension activity re-oriented with appropriate technological support. Strengthening of rural credit will facilitate the adoption of new technologies.

Key words

- Heavy village sales of Agricultural Commodities
- Multiplicity of the market charges
- Inadequacy of institutional marketing infrastructure and lack of producers' organizations
- Agriculture market committees
- Marketing problems of agriculture and allied sectors
- Potential marketing opportunities

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