

## Market-Led-Extension activities of APMCs

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### ABSTRACT

*Agriculture is nobler and better profession in the world as its outputs are used for food, fibre and shelter which are basic necessities of life and for human survival. In spite of all these nobilities, most of the farmers of India are not getting the remunerative price for their produces and, therefore, farmers remain scares regarding better living of their family. One of the best ways of increasing the agricultural productivity, profitability and sustainability of small farm holdings is an assured and remunerative marketing. Market led Extension is the market ward orientation of agriculture through extension includes agriculture & economics is the perfect blend for reaching at the door steps of farming community with the help of appropriate technology. The functions of the MLE is to provide market information, financing, facilitating functions like; Grading, Standardization, Processing, Storage of farm produce The APMCs have been established with a view to protect the interests of the farmers in general and small and marginal farmers, in particular. Hence, they can be considered as the prospective institutions for performing the roles relating to agricultural market-led-extension. As per the reforms in the APMC act, the APMC has to perform the market led extension activities to facilitate the farmers visiting the market. But with review of research on the facilities and services available at APMC it was found that only few facilities were available in the markets under study or it was not satisfactory. In the age of liberalization and globalization of markets, the agriculture has to be market driven, more cost effective, competitive, innovative and responsive to high tech with IT applications. There is need to build capacity of each of the beneficiary group in 'Good Marketing Practices' and providing information in simple and practically useful manner. Further, in several areas the farmers are to be fully familiarized with APMC through the activities of Market Led Extension. Awareness will enable the farmers to plan their production and sale more economically.*

**Keywords:** Attitude, Agro processing

### INTRODUCTION

Agriculture is nobler and better profession in the world as its outputs are used for food, fibre and shelter which are basic necessities of life and for human survival. In spite of all these nobilities, most of the farmers of India are not getting the remunerative price for their produces and, therefore, farmers remain scares regarding better living of their family.

The prices are increasing but the benefit does not reach to farmers. For example, in 1951-52, about 90% of what the consumer paid for food reached to the farmers and in the mid 1980s, it was about 50% but now in 2011, only 35% or so reaches to the farmers and the remaining 65%

goes to the middlemen. (Ali, 2011).

One of the best ways of increasing the agricultural productivity, profitability and sustainability of small farm holdings is an assured and remunerative marketing.

The APMC Act was designed to ensure that the farmer brought his produce to the Mandi so that he can get greater choice.

### Market-led Extension

Market led Extension is the market ward orientation of agriculture through extension includes agriculture & economics is the perfect blend for reaching at the door steps of farming community with the help of appropriate

technology. (Kaleel, 2007)

### **Function of MLE for converting agriculture sector into profit oriented business**

- Market intelligence/ information
- Financing
- Facilitating Functions
- Grading
- Standardization
- Processing
- Storage of farm produce

### **Information technology**

Information technology should be able to provide answers to questions like what and how much to produce, when to produce, in what form to sell, at what price to sell, when to sell and where to sell. This kind of information to the farmers with 'press a button' on the computer on a continuous updated basis.

### **Essentials of Marketing Information**

Accuracy, availability, applicability and analysis are the four "A's" of market information. If MIS are to have any meaning for farmers the information they provide must be accurate and farmers must understand to which product, quality, etc. the prices refer. Further, even if prices are completely accurate, they are of much use if they are only available to farmers in time for them to use effectively. Thirdly, farmers need to be able to apply the accurate information made available to them. This requires knowledge of how to convert prices they receive from the MIS into a realistic price at their local market or farm gate. Finally, farmers need long-term data, which has been analyzed in such a way that they can make decisions about when to plant and harvest and what new crops to diversify into.

### **Market intelligence**

The process of collecting, interpreting, and disseminating information relevant to marketing decisions is known as market intelligence.

No organization can sit still and expect things to be the same month after month, year after year. At some point, something will happen to change your assumptions. And almost every decision (especially a strategic decision) is based on certain assumptions. Over time, these assumptions fall apart and if

you fail to adjust with a continuous flow of new intelligence, then you will be forced to react in a way that makes it difficult to compete. Therefore, Market Intelligence can help test and validate your assumptions. Competitive intelligence also fills in gaps, covering areas that you failed to consider in your assumptions. And of course, competitive intelligence can yield some basic benefits.

### **Financing**

In almost any production system there are inevitable lags between investing in the necessary raw materials (e.g. machinery, seeds, fertilizers, packaging, flavorings, stocks etc.) and receiving payment for the sale of produce. During these lag periods some individual or institution must finance the investment. The question of where the funding of the investment is to come from, at all points between production and consumption, is one that marketing must address.

### **Facilitating Functions**

#### **(a) Grading**

It is important to have a grading system, which accurately describes products in a uniform and meaningful manner. Grades and standards contribute to operational and pricing efficiency by providing buyers and sellers with a system of communicating price and product information. By definition, commodities are indistinguishable from one another. Prices vary among the grades depending upon the relative supply of and demand for each grade.

#### **(b) Standardization**

It is concerned with the establishment and maintenance of uniform measurements of produce quality and /or quantity. This function simplifies buying and selling as well as reducing marketing costs by enabling buyers to specify precisely what they want and suppliers to communicate what they are able and willing to supply with respect to both quantity and quality of product.

#### **(c) Processing**

Most agriculture produce is not in a form suitable for direct delivery to the consumer when it is first harvested. Rather it needs to be changed in some way before it can be used.

#### **(d) Storage**

Of course, processing is not the only way of adding value to a product. Storing products until such time as they are needed adds utility and therefore adds value. Similarly, transporting commodities to purchasing points convenient to

the consumer adds value. In short, any action, which increases the utility of the good or service to prospective buyers, also adds value to that product or service.

Agricultural Produce Marketing Committee (APMC) consisting of the representatives of growers, traders, merchants, local bodies and government nominees as administrators at each market. The APMCs have been established with a view to protect the interests of the farmers in general and small and marginal farmers, in particular. Hence, they can be considered as the prospective institutions for performing the roles relating to agricultural market-led-extension.

#### Market-Led-Extension activities of APMC

As per the reforms in the APMC act, the APMC has to perform the market led extension activities as under in order to facilitate the farmers visiting the market.

- **Advice on production planning:** Careful selection of the crop from marketability viewpoint-internal or for export
- **Marketing information:** Price and arrivals, forecasting of market trends, demand of other markets, facilities available in the target markets, quality requirements, market fees etc.
- **Securing markets for the farmers:** Awareness about regulated market laws and reforms, Information regarding procurement by Govt. agencies, contract farming arrangement for cash crops with wholesalers, processors etc.
- **Advice on improved marketing practices:** Packaging, appropriate storing methods, standardization and grading and other post harvest management practices such as maintenance of quality, awareness about post-harvest losses etc.
- **Advice on establishing and operating markets:** Farmers groups to set up and run their own markets within framework of rules
- **Processing and value addition:** Farmers to be educated about value addition through primary processing
- **Group action:** Promotion of informal groups and Self Help Groups(SHG)s
- **Marketing Credit:** Educating farmers about different schemes of marketing credits, Advice on warehousing with pledge finance scheme

- **Marketing extension for export market:** WTO implications, Codex, Euro gap standards, Awareness on ill effects of pesticide/insecticides residue etc

#### Review of Facilities and Services of APMCs

The review of work done on the facilities and services of APMCs in the different part of the country is as under:

**Table 1 : Infrastructure Needed in an Ideal Market**

Core Facilities	Support Infrastructure
Platforms for Automatic weighing	Water Supply
Auction Platforms	Power
Packaging & Labeling Equipments	Veterinary Services
Drying Yards	Sanitary Facilities
Loading, Unloading & Dispatch Facilities	Posts & Telephones
Grading Facilities	Banking
Standardization Facilities	Input supply and Daily Necessity Outlets
Price Display Mechanism	POL
Information Centres	Repair/Maintenance Service
Storage/Cold Rooms	Office
Ripening Chambers	Computerized Systems
Public Address System	Rain Proofing
Extension and Training to Farmers	
Service Infrastructure	Maintenance Infrastructure
Rest Rooms	Cleaning and Sanitation
Parking	Garbage Collection & Disposal
Sheds for Animals	Waste Utilization
Market Education	Vermi-Composting
Soil Testing Facilities	Bio-gas Production/ Power
Drainage	

Chauhan (2007) reported that the infrastructure needed in an ideal market for effective and efficient working of any market is core facilities, service, support and maintenance infrastructure (table 1).

**Table 2 : Farmer's response regarding different facilities available in the selected markets for the marketing of paddy, wheat and cotton in Punjab, 1998-99. (per cent) n=60**

Sr. No.	Facilities	Adequate	Partially adequate	Not adequate
1	Knowledge about the rate of incidental charges	18.89	10.00	71.11
2	Space for unloading	47.78	16.67	35.55
3	Labour availability	87.78	10.00	2.22
4	Parking space at the time of unloading	50.00	15.56	34.44
5	Parking space after unloading	45.56	11.11	43.33
6	Overnight parking	10.00	6.67	83.33
7	Proper sheds	6.67	20.00	73.33
8	Electricity	41.11	37.78	21.11
9	Drinking water	24.45	36.66	38.89
10	Arrangement for food & tea	5.55	7.78	86.67
11	Sitting arrangement	4.45	11.11	84.44

Sukhsanjam *et al.* (2000) studied the farmer's response regarding different facilities available in the selected markets (table 2), they found that labour availability and parking space at the time of unloading were adequate, while other facilities were not adequate up to the mark.

**Table 3 : Status of Essential, Market and Non-market Services n=60**

APMC	Market services (24)			Non-market services (22)			Essential services (14)			Overall
	Present	Absent	% present	Present	Absent	% present	Present	Absent	% present	% of total facilities present
Azadpur	9	15	37.50	8	14	36.36	9	5	64.29	<b>43.33</b>
Nashik	7	17	29.17	5	17	22.73	7	7	50.00	<b>31.67</b>
Kolar	5	19	20.83	4	18	18.18	7	7	50.00	<b>26.67</b>
Hassan	5	19	20.83	5	17	22.73	6	8	42.86	<b>26.67</b>
Belgaum	9	15	37.50	6	16	27.27	8	6	57.14	<b>38.33</b>
<b>Average</b>			<b>29.17</b>			<b>25.45</b>			<b>52.86</b>	<b>33.33</b>

Yadav and Randhawa (2008) studied the status of essential, market and non-market services (table 3) and they found that very few (33%) facilities were present in the five markets they have studied.

**Table 4 : Farmers' Perception on Facilities availability in Farmers Market n=60**

Sl. No.	Facilities	Nil /not usable	Poor	Average	Good
1	Stall size	0	6	26	28
2	Store room	0	12	24	24
3	Standardisation	8	8	14	30
4	Cold storage	60	0	0	0
5	Transport	10	4	16	30
6	Garbage disposal	12	4	10	34
7	Price notification	0	2	30	28
8	Weighing devices	2	0	10	48
9	Parking place	1	28	15	16
10	Canteen	42	9	8	1
11	Drinking water	10	9	19	22
12	Rest room	11	27	22	0
13	Toilet	60	0	0	0

Rajendran and Thamilmmani (2009) studied the farmers perception on facilities availability in farmers markets, they found that only weighing devices, garbage disposal, transport and standardization in somewhat good availability, while others were average to not usable (table 4).

**Table 5 : Status of Services provided in APMCs**

Services provided to farmers	No. of APMCs Providing the Respective Service / Facility (figures in nos.) (N=61)								
	MH	AP	TN	RJ	GJ	PB	HP	KAR	Total
a) Grading	nil	nil	4	1	1	1	3	2	12
b) Sorting	nil	nil	nil	1	1	1	3	2	8
c) Quality Certification	nil	nil	5	nil	nil	5	nil	nil	10
d) Standardization	nil	nil	nil	nil	nil	nil	nil	nil	nil
e) Information brochure	nil	8	3	nil	nil	2	nil	nil	13
f) Market rates of commodity on notice board of market	8	8	8	8	8	8	5	8	61
Total	8	16	20	10	10	17	11	12	

It was found in a study on status of services provided in APMCs (table 5) that only market rate on notice board is found in all the markets while other services found in very few markets (Anonymous, 2010).

### CONCLUSION

Agricultural Marketing in the country is witnessing major changes owing to liberalization and globalization of markets. The agriculture has to be market driven, more cost effective, competitive, innovative and responsive to high tech with IT applications. There is need to build capacity of each of the beneficiary group in 'Good Marketing Practices' and providing information in simple and practically useful manner. Further, in several areas the farmers are to be fully familiarized with APMC through the activities of Market Led Extension. Awareness will enable the farmers to plan their production and sale more economically.

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