

# **Economic Evaluation of UP State Agricultural Produce Markets Board with Reference to Lucknow**

**(SUMMARY)  
DISSERTATION**

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## **Introduction**

The present research study is a substantial contributory to workers or researchers who are keenly engrossed in the issues of agrarian sectors that act as an obstacle to the advancement of the primary sector as well as for the betterment of Indian farmers. Since initiation of first five-year plan agriculture an allied sector has been anguishing with the various glitches. Intricacy in agriculture sector can be classified into two major groups on the basis of finished output or produce, and hurdles faces till the cultivation of crops. The present work is confronted with major problems that occur when the finished produces are ready to come in the circulation of an economic activity. Hence, the role of the market is significant in itself for the sale and purchase of various crops at a right price and at a reasonable time. As we know marketing is a significant tool in order to raise and promote the sale and purchase of secondary and service sector but it seems to weaken in the case of agrarian sector, and due to this farmers are not able to get a genuine price for their crops, this leads to less effective economic activity operated by them. Delicate economic activity further pushes towards an abatement of the socio-economic stature of Indian farmers. Therefore, the role of marketing in agriculture cannot be deniable as it acts as a forward linkage to other sectors of an economy and to farmers too.

This study examines and evaluates the role of Uttar Pradesh State Agricultural Produce Markets Board and participation of farmers in boosting the Marketing for promoting the sale of crops as marketing acts as a link between the farms produce and disposal of an agricultural commodity. The Significance of marketing can be described as the sufficient and abundant review that embraces an importance of marketing in agriculture division. Studies related to regulated agricultural marketing in India has been executed, which analyze the impact of the fair means of regulating marketing on the returns from the produce, problem and challenges of the regulated agricultural markets, evaluate the market practices and services of agencies involved in the emerging marketing channel, constraints faced by farmers in the emerging marketing channel as compared to the traditional marketing channels. Most of the issues mentioned above have highlighted the role of marketing in providing fair prices to the farmers, in agri-processing industries, in trade and distribution.

## **Objective of the Study**

In this direction, the following objectives of the studies have been listed which is described below in detail. The major objectives of the study are:

1. Economic evaluation of the Board in terms of Income, Expenditure, Construction of mandi, Educational Fellowship, loan disbursement, Stock accommodating facility.
2. To Study the participation of farmers in Agricultural Marketing Board.

## **Hypothesis**

For the accomplishment of the above objectives, a unified hypothesis has been framed.

- The Board has a positive impact on the marketing of agricultural Products from farmers.

## **Research Methodology**

The present study is a case study as the Head office of State Agricultural Produce markets Board situated in Lucknow, Uttar Pradesh. The study is based on both secondary as well as primary data to accomplish the predetermined objectives. To achieve the first objective the official records of the board has been taken into account. The secondary data has been collected from published as well as unpublished sources of the Board. For the second objective, the primary data has been collected from the 100 sample of farmers who are directly participating in the activity of agricultural marketing board in Mandis. As per the designed research study, data has been analyzed on the basis of the secondary and primary source; certain conclusions can be inferred. Some practical and manageable suggestions are forwarded for the improvement of the working in State Agricultural Produce Marketing Board of Uttar Pradesh on the basis of statistical inferences drawn from the data. The conclusions and the suggestions provide an insight into the lacuna between in the State Agricultural Produce Marketing Board working and the present scenario prevailing in the mandis.

## **Significance of Study**

The agony of farmers within the agricultural sector is not a hidden agenda in present economic system and this agony becomes worse when the farmers reach to market in expectation of the fair prices for their hard die crops. There are innumerable charges, levies, and exactions which the agricultural farmers have to pay without their knowledge. Sometimes, they are overcharged either due to ignorance or for the fraudulent purpose. In a matter of disputes between the seller and the buyer, the farmer is generally put at a disadvantage by being given low prices in the markets. The producer is also denied a large part of his produce by manipulation and defective use of weights and scales in the market. Therefore, Government of India and the various committees and commissions appointed to study the conditions prevailing in the agricultural markets within the economy, for inviting the attention of the State Government from time to time towards improving the conditions of these markets. However, many studies have been done mainly on the working and management of Uttar Pradesh State agricultural produce markets board with the purpose of evaluating the agriculture marketing system in India but the study of marketing board through farmer's oriented approach has not executed yet. Hence, present study emphasize the significance in accessing the participation of the farmers in the working of U.P. state agriculture produces market board. The prime and foremost crave of this study is to fill this lacuna by integrating the farmer's participation in the working of the Board.

## **Chapterisation**

The whole study has been categorized under five chapters keeping in mind the predetermined objectives.

Chapter 1- Introduction

Chapter 2- Theoretical framework of agricultural marketing

Chapter 3- Economic evaluation of Uttar Pradesh State Agricultural Produce Markets Board

Chapter 4- Participation of the farmers in Agricultural Mandis

Chapter 5- Summary & Conclusion

The First chapter is about the identification of the research problem, review of the literature, the relevance of the study, objectives, hypotheses and research methodology of the study. In order to strengthen the background of this contemporary study rational of various theoretical frameworks, chapter two has been framed. The foremost theories are associated with agriculture and marketing attributes. Primarily, an economist has an interest in two variables; environmental variable (Income, Preference of consumer) to farmers and the other which influence their decision making directly (Price), but the former category plays an important role in marketing activity. Indeed the knowledge of environmental variables is essential for efficient marketing, for example, the prediction about consumer income in future is relevant in the context of marketing demand of consumers. However, economist attention confined to theories dealing with marketing decision only. Theories that considered in forming theoretic contextual are industrial or location Model, The Dorfman-Steiner theorem, Cobweb Model, Theories of Prices and Firms, Partial Model, Behaviour Studies, Diffusion Theory. These all agrarian marketing oriented theories draw their core in the utilization of time and place utility from the point of view of farmers as well as from the point of view of the expansion of the market to enlarge the economic activity, reinforce infrastructure, consumer persuasion, stock or finished output accommodation and environmental effectiveness. Principally, the entire theoretical framework comprises of Indian agriculture operations and several marketing theories. With an amalgamation of above mentioned various agriculture marketing theories, the significance of marketing chain and its structure cannot be deniable. Theories are well-built evidence that reinforce the value of marketing in agrarian Indian economy. Therefore marketing is an elemental weapon in order to accentuate the scope and its efficient cultivated yield's distribution system without compromising the betterment of farmers of the country like India.

The Chapter three of the research study has been organized and equipped with the secondary data for the economic evaluation of the “Uttar Pradesh State Agricultural Produce Markets Board” The study revealed that the revenue along with expenditure of the board whether in the form of parishad nidhi or MVN/CMN raised manifold times during the fifteen years. For instance revenue analysis of parishad nidhi explicates that the contribution from

Samities is one of the regular sources of revenue and it went through various ups and down from 2000-01 to 2014-05. On the other hand, it is pertinent to mention that the bank balance and the interest earned is the unused part of the Parishad Nidhi which is shown as bank balance in the accounts. The research work revealed that the share of bank balance share has always been higher than the 50 percent in almost every year except 2008-09, 2009-10 and 2011-12. On the other hand, under the mandi vikas nidhi facts have reflected that mandi vikas fee and vikas cess is the major regular source of revenue. The share of mandi vikas nidhi never went below to 26.14 percent during 2000-01 till 2014-15. While the fees levied on the name of central mandi nidhi (Vikas cess) at the rate of ½ percent, is one of the regular source of the income after mandi vikas nidhi. However, the rate was only the ½ percent consequently the share was also small in comparison to mandi vikas nidhi. These two funds together contributed around 47 percent share in the total revenue under the MVN/CMN fund. Similarly, the study revealed the facts for the overall expenditure pattern under the share of administrative head that is as high as 46 percent among all the heads. While expenditure on the physical head accounted for the second highest share of 44 percent. The technical head is the least relevant as the share of expenditure is negligible in comparison to other heads. However, the share of the institutional head is 10 percent only. Thus board has might be indulging in funding their own expenses which were as high as 46 percent while least focus has been paying on the technical and institutional head. Besides 46 percent expenditure has also incurred on the physical head. Consequently, no doubt the primary arrival or income of the mandi samities has been raised to manifold times for the given time period.

The chapter four of the research study have been endorsed and equipped with the primary data. A major fact revealed under the primary data that the agriculture product which is coming into mandi has been reflecting a rising pattern from 2000-01 to 2014-15 due to the attraction of facilities and comfort provided to the farmers such as Yard Facility, Bank Facility, Kishan Bazar Facility, Payment on time and Fair means of weighing with the construction of more mandis within the U.P. The arrival of agril produce in mandi which stood at 263.4 Lakhs m.ton in 2000-01 rises to 491.25 Lakhs m.ton in 2014-15. Consequently, the income of mandis has also been showing a rising pattern from 260.7 crores in 2000-01 to 1156.91 crores as high in 2014-15. Furthermore, despite the fact that various efforts have been made on the part of the board to improve the facility provided through the support of mandi samities. The story is quite different

on the real ground. However the condition of “A plus” as well as “A” class Mandi came much better in terms of the weighing tool, unauthorized fees levied on the farmers. While in terms of the awareness and usage of the facilities among farmers for the facilities like bank, post office, police chowki is very poor in “B” and “C” class mandi. While all four mandis deprived in case of shed & Chara facility, cleaning and straining of jinso, availability of rural godown, telephone, canteen, grading of agricultural facility. A noteworthy fact revealed by the data that despite of the several claims by mandi samities regarding construction of storage facility, 97 percent farmers admit that they stored their crop at the home. Furthermore, a major portion of farmers near about 55 percent visited mandi on the regular basis. Hence the arrangement provided to these farmers for encouraging their arrival in the mandi plays a significant role in terms of facility provided by the mandi samities. It is pertinent to mention here that almost every farmer deny the fact that they have charged for illegal fees when asked. But some of the farmers who belong to downtrodden society admit that they have been charged with a minimum of 10 rupees to a maximum of 50 rupees inside the mandi. Similarly, on asking of the mode of transport for bringing the produce all farmers used either owned or hired mechanized mean of transport. The primary study also revealed that the proper weighing tools have been used only in A+, A mandi as compare to B and C mandi. Further, there is no Dharmakata, post office and banking facility in B and C category of mandi. One interesting fact was found that allocation of funds on shed and Chara facility for animals is an unnecessary use of funds as no farmer has been carrying their yields to mandis by bullock cart in the present day. The study clearly explicates that Kisan help line, Kisan Upahar Yojana, Compensation Schemes in the case of death & PD and the transportation facility to nearest location are not showing optimum usage by farmers.

## **Conclusion**

On the basis of the entire study, there is no doubt that the expenditure of the board has been raised manifold during the given time period which ultimately raised the primary arrival in the mandi as well as the income of mandi samities. But still, there are many drawbacks which can be wiped-out to further raise the farmer satisfaction by providing them genuine price for their hard efforts, as still the bumper crop give them a lower income while a poor crop fetches a better price in the mandi. Some recommendations have been enlisted as given below:

1. The role of mandi samities should bring a step ahead by tie up with the agro-processed industries so that in the case of a bumper crop the farmers get the genuine price for their crop.
2. Further, the awareness for the various schemes running by the board among farmers is very poor. So the proper arrangement should be made to give the information about the schemes running on behalf of mandi by proper campaigning, or displaying through advertisement, hoarding, and banners.
3. Expansion of Mandis at the village level should be taken up.
4. Storage and Cold Storage Facilities should be constructed by the Board at the village level.
5. Instead of providing a loan to the employee, the Board has to focus on securing the crop of poor's farmers via crop Insurance.
6. Technical support should be provided by the Marketing Board.
7. The Board has to ensure minimum support price to the farmers in case of a bumper crop.
8. Pick and drop facility of agricultural produce by the Board should be extended at the level of the state.
9. Malpractices involved as improper weighing measures and in any other form should be removed.
10. Further, the arrangement of drinking water, washroom and canteen facility should be properly maintained and managed.

### **Limitation of the Study**

Every research work has its own limitation which should be kept in mind at the time of further add-on in the study. Firstly, the study could be further extended by the inclusion of the traders along with farmers, as the board working is not limited to farmers only but also for the traders whose impact in the marketing process is being significant, which can be included in the future. Secondly, due to time constraint in the course duration, the sample size is restrained to 100 only. Further, four different mandis in the nearby Lucknow region have been selected for the study whereas the total mandis in the U.P is 250. Hence, the generalization could be further improved if more mandis in each class would be analyzed to evaluate the performance of farmers as well as traders.