



## ISSUES AND CHALLENGES OF THE FARMERS IN AGRICULTURAL COMMODITY WHOLESALE MARKETS IN KERALA

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### Abstract

Economic reforms that aim to enhance the standard of living of common people concentrate upon the overall development of agriculture sector throughout the world. It is to understand that, among the three sectors, agriculture sector has its prime role to play as it is the source of food. For that reason, agriculture is considered as a prominent industry in the world. Basically, India is an agricultural Nation, and more than fifty per cent of its population depends on agriculture and allied activities for their livelihood. While considering the state Kerala, the recent statistical reports could reveal that there exists a declining trend in agricultural activities. Farmers in Kerala seem to have experienced a lot of problems in relation with production and the prompt disposal of their agriculture produce at reasonable rates. Government of Kerala has introduced several schemes and programmes with the ultimate aim of boosting up agricultural activities in the State. Another important landmark in the history of agricultural marketing in the State of Kerala is the formation of six Agricultural Commodity Wholesale Markets (ACWMs) by the Government of Kerala in order to tackle with the marketing issues faced by farmers under 'Kerala Agricultural Markets project'. In this circumstance, it is worthwhile to study the issues and challenges faced by the farmers in the ACWMs. The present paper is an earnest attempt in this direction. The study concluded that farmers in ACWMs found to have experienced a lot of problems, but the nature of gravity of the problems differs.

**Keywords:** Agricultural Commodity Wholesale Markets, Direct platform, Beneficiary farmers, Auction, Vermi compost unit etc.

### 1. INTRODUCTION

Among the six agricultural wholesale markets in Kerala, three of them are situated in the urban and rest three markets are situated in the rural regions. The urban ACWMs are located at Anayara in Thiruvananthapuram, Maradu in Ernakulam and Vengeri in Kozhikode Districts. The rural markets are functioning in Nedumangadu (Thiruvananthapuram), Muvattupuzha (Ernakulam) and Sulthan Bathery (Wayanad). The period of initiation of Maradu and Muvattupuzha markets were during 1999, Vengeri and Sulthan Bathery were during 2000, whereas, Anayara and Nedumangadu in the year of 2003 and 2004 respectively. The major auction procedures were started in the markets only during 2010-11.

### 2. STATEMENT OF THE PROBLEM

In the recent years the significance of agricultural activities in Kerala has shown a declined trend and the state started to depend on other states to satisfy its daily requirements. Traders in Kerala also promotes the arrival of agriculture produce from other states as they could get those produces at cheaper rates than that of the produce which is cultivated in Kerala through organic farming (Naadan). Rise in the prices of the agriculture produce grown up in Kerala is due to the interference of intermediaries in marketing of such produce. Unfortunately instead of the producer getting the benefits, the middlemen are enjoying the benefits at the cost and the disability of the farmer. Thus the problem lies in the system of marketing. Keeping this in view, Government of Kerala initiated steps to set up ACWMs in Kerala to support the farmers in the field of marketing under Kerala Agricultural Markets Project (KAMP). These markets have been functioning in the State for the last fifteen years with series of initiatives and activities to assist the farmers in the State. The ACWMs have introduced various innovative schemes as per the bye-laws for the benefit of the ultimate beneficiaries. At this juncture, it is very relevant to identify the issues and challenges if any faced by the farmers since their functioning during the early's of 2000.

### 3. OBJECTIVE OF THE PAPER

The specific objective of the present paper is to identify the problems if any faced by the registered farmers in the ACWMs in Kerala.

### 4. METHODOLOGY AND DATA BASE

The main objective of this paper is to identify the problems, if any, experienced by the farmers while enjoying these services. Primary data used for the purpose of this study were collected from sample farmers through observation and with the help of pre-tested structured interview schedules. About two hundred farmers are registered in each of ACWMs through their respective Krishi Bhavans. Out of these, only 25 per cent of farmers attend regularly during auctions. The data were collected from those farmers who regularly attended the auctions. As the study is mainly comparative in nature a sample of 50 farmers

from each ACWMs were selected by employing Simple Random Sampling Method. Thus, a total sample size of 300 farmers is selected. Statistical tool namely Paired ranking method is employed for the analysis.

## 5. PROBLEMS OF BENEFICIARY FARMERS

In spite of sustained efforts on the part of ACWMs, the survey data shows that the farmers of various ACWMs still experienced problems. Therefore, an attempt has been made to identify the problems. Paired ranking method is used to find out the relative weight of the problems. The effectiveness of each problem upon the farmers is identified from the total weighted score. The problems of the farmers are different in the six markets. Hence, they are shown separately in the following pages.

Table 1 displays the problems experienced by the sample farmers in the Anayara market.

**Table 1, Problem of Farmers in Anayara Market**

No.	Problems	Wt.	No. of Respondents	%	Total Wt. Score	Wt. Rank
1	Lack of alternative auctions	6	47	94.00	282.00	3
2	Cancellation of auctions during sudden	6	49	98.00	294.00	2
3	Disputes between HORTICORP staff and	8	50	100.00	400.00	1
4	Existence of trade union	2	8	16.00	16.00	13
5	Opinion of farmers are not considered while	3	43	86.00	129.00	6
6	Cash settlement delay	4	37	74.00	148.00	4
7	Lack of Market information centre	3	8	16.00	24.00	11.5
8	Lack of more traders	8	18	36.00	144.00	5
9	Lack of export opportunities	3	4	8.00	12.00	14.5
10	Lack of publicity	3	4	8.00	12.00	14.5
11	Lack of market sub-centre	4	8	16.00	32.00	10
12	Lack of delivery van facility to transport the	5	17	34.00	85.00	8
13	Lack of mobile sales services in nearby	5	7	14.00	35.00	9
14	Lack of vermi compost unit to dump	6	4	8.00	24.00	11.5
15	Exploitation from outside lobby	4	24	48.00	96.00	7

Source: Survey Data.

From the table it is found that, in Anayara market dispute between HORTICORP staff and farmers seemed to be the major problem faced by the farmers, the score being 400. Cancellation of auctions during sudden declared holidays is the next major problem faced by the farmers (score is 294). Lack of alternative auctions, cash settlement delay, lack of more traders, opinion of farmers are not considered while fixing auction prices, exploitation from the outside lobby, lack of delivery van facility to transport the agriculture produce from farm field /pooling centre to the auction platform, lack of mobile sales services in nearby places, lack of market sub-centre, lack of market information centre, lack of vermi compost unit to dump vegetable waste, existence of trade union, lack of export opportunities and lack of publicity are the other major problems. Problems faced by farmers of Maradu market are mentioned in Table 2.

**Table 2 ,Problems of Farmers in Maradu Market**

No.	Problems	Wt.	No. of Respondent	%	Total Wt. Score	Wt. Rank
1	Lack of effective auctions	3	23	46.00	69.00	3
2	Lack of more auction days	6	40	80.00	240.00	1
3	Lack of proper Executive committee meeting	3	8	16.00	24.00	7
4	Functionless/damaged weighing machines	2	2	4.00	4.00	10
5	Lack of more traders	6	22	44.00	132.00	2
6	Lack of retail sales	3	7	14.00	21.00	8
7	Lack of sufficient market staff to conduct auctions	4	4	8.00	16.00	9

8	Lack of canteen facilities	4	7	14.00	28.00	6
9	Lack of delivery van facility to transport the	5	11	22.00	55.00	4
10	Lack of proper toilet facilities	4	12	24.00	48.00	5

Source: Survey Data.

It is obvious that in Maradu market lack of more auction days is the major problem faced by farmers (score is 240). Lack of more traders, lack of effective auctions, lack of delivery van facility to transport the agriculture produce from farm field /pooling centre to the auction platform, lack of proper toilet facilities, lack of canteen facilities, lack of proper Executive committee meeting, lack of retail sales, lack of sufficient market staff to conduct auctions and fuctionless/damaged weighing machines are the other major problems reported by farmers in Maradu market. Problems faced by farmers of Vengeri market are given in Table 3.

**Table 3, Problems of Farmers in Vengeri Market**

No.	Problems	Wt.	No. of Respondents	%	Total Wt. Score	Wt. Rank
1	Lack of export opportunities	3	7	14.00	21.00	5
2	Lack of participation of vegetable traders within	5	27	54.00	135.00	2
3	Lack of proper market internet facility	3	10	20.00	30.00	4
4	Lack of delivery van facility to transport the agriculture produce from farm field /pooling	3	5	10.00	15.00	6
5	Lack of proper toilet facilities	3	17	34.00	51.00	3
6	Lack of more traders	6	30	60.00	180.00	1

It is clear that in Vengeri market, lack of more traders is the major problem faced by the farmers, (the score being 180). The other major problems are lack of participation of vegetable traders within the ACWMs during the auction, lack of proper toilet facilities, lack of proper market internet facility, lack of export opportunities and lack of delivery van facility to transport the agriculture produce from farm field/pooling centre to the auction platform.

Table 4 presents the problems faced by the farmers in Nedumangadu market.

**Table 4, Problems of Farmers in Nedumangadu Market**

No.	Problems	Wt.	No. of Respondent	%	Total Wt. Score	Wt. Rank
1	Lack of modernized auction facilities	4	11	22.00	44.00	4
2	Functionless/damaged weighing machines	4	18	36.00	72.00	3
3	Traditional way of exhibiting the agricultural produce	3	11	22.00	33.00	6
4	Lack of proper cleanliness	2	7	14.00	14.00	9
5	Lack of more traders	6	15	30.00	90.00	1
6	Lack of large containers to handle the agricultural produce	4	6	12.00	24.00	7
7	Lack of proper market internet facility	3	2	4.00	6.00	10
8	Lack of delivery van facility to transport the agriculture produce from farm field /pooling centre to the auction	4	10	20.00	40.00	5
9	Lack of cold storage facilities	3	28	56.00	84.00	2
10	Lack of proper Government support	3	5	10.00	15.00	8

Source: Survey Data.

From the above Table it is clear that in Nedumangadu market lack of more traders is the major problem faced by the farmers, (the score being 90). Lack of cold storage facilities is the next major problem stated by the farmers, (the score 84). The other problems in the order of rank are functionless/damaged weighing machines, lack of modernized auction facilities, lack of

delivery van facility to transport the agriculture produce from farm field/ pooling centre to the auction platform, traditional way of exhibiting the agriculture produce, lack of large containers to handle the agricultural produce, lack of proper Government support, lack of proper cleanliness, and the lack of proper market internet facility.

Table 5 displays the problems faced by the farmers of Muvattupuzha market.

**Table 5, Problems of Farmers in Muvattupuzha Market**

No.	Problems	Wt.	No. of Respondents	%	Total Wt. Score	Wt. Rank
1	Lack of more auction days	6	18	36.00	108.00	3
2	Lack of trading in certain varieties of produce such as pepper, nutmeg, rubber etc.	4	13	26.00	52.00	5
3	Lack of strengthened farmers committee	3	11	22.00	33.00	7
4	Cash settlement delay	5	25	50.00	125.00	2
5	Dispute between HORTICORP staff and farmers	5	27	54.00	135.00	1
6	Lack of exporters participation	3	4	8.00	12.00	12
7	Lack of proper market internet facility	3	6	12.00	18.00	10.5
8	Lack of vermi compost unit to dump vegetable waste	4	13	26.00	52.00	5
9	Traditional method of payment schedules (cash payment)	3	6	12.00	18.00	10.5
10	Lack of retail sales	4	13	26.00	52.00	5
11	Lack of proper market staff to conduct auctions	4	7	14.00	28.00	8
12	Lack of conveners meeting to discuss upon the improvement of auctions	3	8	16.00	24.00	9

Source: Survey Data.

It is obvious that in Muvattupuzha market dispute between HORTICORP staff and farmers is found to be the major problem faced by farmers, (the score being 135). Cash settlement delay is the next major problem stated by the farmers, (the score being 125). Lack of more auction days, lack of trading in certain varieties of produce such as pepper, nutmeg, rubber etc., lack of vermi compost unit to dump vegetable waste, lack of retail sales, lack of strengthened farmers committee, lack of proper market staff to conduct auctions, lack of conveners meeting to discuss upon the improvement of auction, lack of proper market internet facility, traditional method of payment schedules (cash payment) and lack of exporters participation are the other problems experienced by the farmers.

The Problems faced by the farmers in Bathery market are shown in Table 6.

**Table 6 ,Problems of Farmers in Sulthan Bathery Market**

No.	Problems	Wt.	No. of Respondents	%	Total Wt. Score	Wt. Rank
1	Lack of proper Government support	6	50	100.00	300.00	4
2	Lack of auction dealings in certain varieties of produce such as rubber, cardamom, orange etc.	5	47	94.00	235.00	7
3	Cluster representatives have to seek buyers during auction	5	50	100.00	250.00	6
4	Non- participation of HORTICORP during auctions	8	50	100.00	400.00	2
5	Lack of developmental activities	6	49	98.00	294.00	5
6	Lack of proper toilet facilities	4	9	18.00	36.00	11
7	Lack of cold storage facilities	5	22	44.00	110.00	8
8	Lack of proper auction procedures	10	47	94.00	470.00	1
9	Insufficient transport subsidy	8	48	96.00	384.00	3
10	Lack of sufficient market staff to conduct auctions	5	8	16.00	40.00	10
11	Functionless weighbridge	9	12	24.00	108.00	9

Source: Survey Data.

It is evident that in Bathery market, lack of proper auction procedures is the major problem faced by the farmers, (score 470). The other major problems in the order of rank are non - participation of HORTICORP during auctions, in-sufficient transport subsidy, lack of proper Government support, lack of developmental activities, cluster representatives have to seek buyers during auctions, lack of auction dealings in certain varieties of produce such as rubber, cardamom, orange etc., lack of cold storage facilities, functionless weighbridge, lack of sufficient market staff to conduct auctions and lack of proper toilet facilities.

## 6. FINDINGS OF THE STUDY

1. Among the problems experienced by farmers in Anayara market, dispute between HORTICORP staff and farmers seemed to be the major one (score is 400). The other major problems in the order of rank are cancellation of auctions during sudden declared holidays, lack of alternative auction, cash settlement delay, lack of more traders, opinion of farmers are not considered while fixing auction prices, exploitation from the outside lobby, lack of delivery van facility to transport the agriculture produce from farm field to the auction platform, lack of mobile sales services in nearby places, lack of market sub-centers, lack of market information centre, lack of vermi compost unit to dump vegetable waste, existence of trade union, lack of export opportunities and lack of publicity.
2. Lack of more auction days is the major problem faced by the farmers in Maradu market (score=240). Lack of more traders, lack of effective auctions, lack of delivery van facility to transport the agriculture produce from farm field to auction platform, lack of proper toilet facilities, lack of canteen facilities, lack of proper executive committee meeting, lack of retail sales, lack of proper market staff to conduct auctions and damaged weighing machines are the other major problems reported by the farmers.
3. As far as the problems of farmers in Vengeri market are concerned, lack of more traders is the major problem experienced (the score being 180). The other major problems are lack of participation of vegetable traders within ACWMs during the auction, lack of proper toilet facilities, lack of market internet facility, lack of export opportunities and lack of delivery van facility to transport the agriculture produce from farm field to the auction platform.
4. It was observed that, lack of more traders is the major problem faced by farmers in Nedumangadu market (score=90). The other major problems noticed are lack of cold storage facilities, functionless weighing machines, lack of modernized auction facilities, lack of delivery van facility to transport the produce to the agriculture produce to the auction platform, traditional way of exhibiting produce, lack of large containers to handle the agriculture produce, lack of proper government support, lack of proper cleanliness and lack of market internet facility.
5. Dispute between HORTICORP staff and farmers seems to be the major issue among the farmers in Muvattupuzha market, the score being 135. Cash settlement delay, lack of more auction days, lack of trading in certain varieties of produce such as pepper, nutmeg, rubber etc., lack of waste vermin compost unit to dump vegetable waste, lack of retail sales, lack of strengthened farmers committee, lack of proper market staff to conduct auctions, lack of conveners meeting to discuss upon the improvement of auctions, lack of market internet facility, traditional method of payment schedules and lack of exporter's participation are the other major problems in the order of rank.
6. Among the problems faced by farmers in Bathery market, the major one seems to be the lack of proper auction procedures (score=470). The other major problems faced by the farmers include non-participation of HORTICORP during auctions, insufficient transport subsidy, lack of proper Government support, lack of developmental activities, cluster representatives have to seek the buyers during auction, lack of auction dealings in certain varieties of produce such as rubber, cardamom, orange etc., lack of cold storage facilities, functionless weighbridge, unavailability of sufficient staff to conduct auctions and lack of proper toilet facilities.

## 7. CONCLUSION & RECOMMENDATIONS

With respect to problems, farmers in ACWMs found to have experienced a lot of problems, but the nature of gravity of the problems differs. Farmers in Anayara market seem to have faced more number of problems in comparison with other farmers.

1. As a step to motivate the farmers in contributing more agriculture produce through ACWMs, the market authority can start up 'retail sub-centers' outside the market premises. Such sub-centers of the wholesale markets are to be situated in different places throughout the city, so that even the retail consumers could purchase agriculture produce directly from the farmers. Moreover, farmers could earn more out of retail sales. Thus the farmers are motivated to produce more and contribute more through ACWMs.
2. It seems the responsibility of the Department of Agriculture marketing to ensure the participation of HORTICORP during auctions in Bathery market. Even though Bathery market is in the better position in handling more quantities of produce, participation of HORTICORP could make the market an outstanding one based on performance.





3. Department can take up initiatives to implement sales centers of HORTICORP in Wayanad District itself, so that difficulties in respect to transporting of agriculture produce can be avoided. Another suggestion that can be put forth is that by allowing refrigerated mobile van services to HORTICORP so that the produces can be brought to Kozhikode District without much delay by maintaining its freshness.
4. To facilitate the farmers, Bathery market authorities have to take up corrective steps to make the weighbridge functioning. For that purpose they have to utilize their market development fund.
5. As a part of farmer motivation, like that of Nedumangadu market, all the other market authorities have to allow bonus payment to farmers, as well as have to take up initiatives to conduct study tours for farmers as it could enrich their knowledge based on innovative farming.
6. Cancellation of auctions during the sudden declared holidays i.e., strikes, hartals etc. is one of the major issues faced by the farmers in ACWMs. During such situations farmers are compelled to seek the local markets for selling his perishable produces. To avoid such situations market authorities have to fix up alternative auctions to cover the farmer's risk.
7. Lack of more traders seems to be the major problem faced by the farmers in ACWMs. As a solution to attract more traders, market authority have to motivate the farmers to bring in more quantities as well as varieties of vegetable produces during auctions. Moreover, market authorities have to take up initiatives to implement modernized auction facilities as well as improved way of exhibiting the produce. Damaged weighing machines are to be replaced by utilizing the market fund. Market authority, specifically in Anayara market and Muvattupuzha market must be cautious enough to manage and settle the disputes that arise between the HORTICORP staff and farmers.

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