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# A Study on the Performance of Regulated Markets in Coimbatore - An Overview

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## Abstract

*The present paper intends to analyze the performance of regulated market in Coimbatore districts. This paper also portrays the origin, facilities, and available agricultural commodities in the regulated markets of Coimbatore districts. Secondary data were used to analyze the performance of these markets.*

**Keywords:** Regulated markets, Agriculture

## Introduction

Indian economy is an agrarian economy, and a major part of the population is engaged in agriculture. The welfare of them depends on the farm returns and also ultimately on the prices received for farm products. A genuine breakthrough in Indian agriculture production, which has moved from scarcity to surplus during the late '60s and '70s, has raised our status from domestic trading to exporting. This results in complexity.

Realizing the importance of agricultural marketing, the Indian government has been making its utmost effort to reorganize the whole system for the benefit of small and marginal farmers. But it is unfortunate to observe that the necessary infrastructure has not yet been developed for effective channelizing. Comparatively, agricultural marketing in India lags far behind that of developed countries.

## Need for the Study

The establishment of Regulated markets helped in creating orderly and transparent marketing conditions in primary assembling markets. The increase in the number of Regulated markets, from 286 at the time of independence to 7114 in the year 2014, helped the farmers to have more access to Regulated markets. This development, coupled with the construction of approach roads and roads network linking primary markets with secondary wholesale and terminal markets, also improved price discovery at the primary market level, where most of the small farmers dispose of their produce. An increase in physical access of farmers to market places, apart from reducing transaction costs of farmers, helped small farmers more who have a low-marketing surplus and fewer transport facilities to long distance. Though precise data on the proportion of benefits of Regulated markets to the small and marginal farmers are not available, there is evidence to show that expansion of such physical infrastructure in rural areas helped small and marginal farmers more by increasing their access to the markets.

## Review of Literature

Singh. Prasad and Singh (1992) conducted a study on “Measures to Promote Arrivals of Agricultural Produce in the Regulated markets in Uttar Pradesh.” They stated the main constraints responsible for poor arrivals of agricultural produce in the Regulated markets In Uttar Pradesh, based on an opinion survey of the farmers in the adjoining areas selected.

Singh (1991), in his article on “Regulated market on Bihar - An Appraisal of Their Working. Revealed an appraisal practiced all over the world revamping the traditional structure of rural marketing and there by structuring the bargaining power of producers and sellers.

Tardos (1993) analyzed “The Conditions of Developing a Regulated market” This study proves that the markets cannot be operated alone in the economy without labor, money, and capital. The problem of this study is that money and labor are insufficient in a few areas. According to the analyses, more efficient utilization of the market than the present one requires a more fundamental change in the traditional method of control of the socialist economy than offered by the current modifications.

Banakar (1992) conducted a study to identify the farmers influencing the “Performance of the Regulated markets in Karnataka.” In the study, principle component analyses were in analyzing the performance indicators of the Regulated markets during the pre and post-investment period. It was identified that there were 34 impact indicators for the pre-investment period among all the physical variables, number of the commission agent, and number of wholesalers influence the competition during the pre-investment period concerning post-investment period, cultivation of market yard, age of the market, number of commodities notified, the average size of the market and an average turnover of selected crops reflected the physical performance.

Devillers and Scott (2005) analyzed “Research and Development Expenditure in Regulated and Unregulated markets.” This paper examines the expenditure by supplying a product to both a regulated and an unregulated market. This relationship is empirically tested with primary data. The study finds the retention of the Regulated market to be essential to provide research and development funds.

Kerur Gaddi and Villas Kulkarni (2011) analyzed “Respondents Attitudes towards Policy Reforms In Regulated markets Of Karnataka – A Cluster Analysis Approach.” The purpose of the study is to elicit an opinion from farmers and traders about the performance and the policy. The information through the display on the notice board and payment of produce over 15 days after the sale affect the performance of the markets. This study concludes that spot payment is necessary or leads to loss of income to the market committee with the introduction of the cleaning house scheme.

Rehman, Syed, and Selvaraj (2012) analyzed the “Regulated Agricultural Marketing In India’. It highlights the major problems and challenges that regulated agricultural marketing are facing for a farmer the strategic function is to offer him a convenient outlet at a remunerative price which represents a balance between the consumer’s ability to pay and the farmers need for incentives to produce the main weakness is about lack of transparency in weighing and actions and large variations in the market charges across the districts states. Thus the study concludes that the (APMC) Agriculture produce markets committee act has prevented the private sector from taking initiatives to develop agricultural marketing.

Sangeetha and Sakthivel (2014) analyzed “A Study on the Performance of Regulated Agricultural Market” to study the awareness of the respondents about the Regulated markets and to explain the problem faced by the farmers. The main problem of the study is most of the farmers are illiterate. The study Concludes that 80 percent of respondents are using the entire facilities of the Regulated market and 55 percent of the respondents are satisfied with the performance of the Regulated Market. If the government provides fair prices and increase the facility, the future of the market and the farmer will be benefited.

Atchyata Rao (2015) analyzed a study on “The Regulated market and their working in Andhra Pradesh “Is to analyze the financial aspect and to evaluate the market efficiency of the selected Regulated market. This study is observed by both primary and secondary data. The main problem of this Regulated market is to eradicate the regional

economic imbalance, and this is only done by proper planning and attention.

### Statement of the Problem

The marketing of agricultural commodities is more complicated than the marketing of manufactured goods. Farmers are facing so many difficulties while marketing their produce. The farm problem is usually associated with unstable and relatively low farm prices and thereby low income. Agricultural output comes from many small units operated independently. The production largely depends on monsoon conditions. Today the lack of efficient modern Regulated markets and the existing marketing problems faced by the farmers are responsible for the low market arrivals of agricultural produce in the Regulated markets and low production of farm yields. The Madras Agricultural Produce Market Act had provided several sections regarding the facilities and services in the regulated markets, but in actual practices, most of them are missing.

Regulated markets are established with the prime objective of benefiting the farmers through better price and fair market practices deleting malpractices. Still, most of the farmers are keeping away from the regulated markets and sell only 15% of their products through the regulated markets. Some of the farmers sell food products through regulated markets, and the rest of the products are sold to the village traders. More over as per regulations, brokers are not permitted in the regulated markets, but still, they are acting on behalf of the traders.

### Objectives

The aim of the study is to assess the working of the Regulated markets in the Coimbatore district. Besides, the following are the broad objectives of the study:

1. To study the origin, growth, and development of Regulated markets of Coimbatore.
2. To study the functioning of Regulated markets.
3. To identify the infrastructure facilities available in the existing Regulated markets.

### Methodology

#### Design of the Study

The aim of this study was to find out the economy

of the Coimbatore regulated market. Coimbatore district has ten regulated markets, namely Coimbatore, Annur, Karamadai, Sular, Anaimalai, Pollachi, Senjeri, Nagamam, Kinathukadavu, Thondamuthur. Among these markets, Coimbatore regulated market, which is the oldest in Tamil Nadu, which has been started in the year 1958. So the present study selects the Coimbatore regulated market.

### Collection of Data

For the present study, the secondary data were collected from the following published sources for ten years from 2005-2015.

### Sources of Data

- Statistical Handbook of Coimbatore district
- Annual Report of Regulated market, Regulated market, Ramanathapuram, Coimbatore.
- Census report 2011 published by the regulated market
- Tamil Nadu Agricultural University, Coimbatore.

As per table 1, there are ten regulated markets in the Coimbatore District viz Coimbatore, Annur, Karamadai, Sular, Anaimalai, Pollachi, Senjeri, Nagamam, Kinathukadavu, and Thondamuthur. Coimbatore Regulated market is the district head quarter market. There is only one sub market in vadakampatti under the Kinathukadavu market. Coimbatore regulated market is the oldest market in Tamil Nadu, which dates back to 1958, famous for turmeric.

**Table 1: Establishment of Regulated Markets in Coimbatore**

S. No	Taluk	Date of Origin
1.	Coimbatore	01/04/1958
2.	Annur	01/04/1964
3.	Karamadai	01/07/1973
4.	Sular	26/09/1983
5.	Anaimalai	15/07/1970
6.	Pollachi	01/11/1952
7.	Senjeri	03/06/1974
8.	Nagamam	26/09/1983
9.	Kinathukadavu	04/11/1968
10.	Thondamuthur	01/11/1968

Facilities Available in Coimbatore Regulated market is explaining the table 2. In the Coimbatore district, there are ten regulated markets; the following table explain the details of facilities available. There are some common facilities available in the market they are own land (18 number), Godown (58), Rural godown (11), Transaction shed (19), Drying yard (21), farmers rest house (6), sanitary facilities (14) and drinking water facilities (12).

**Table 2: Facilities Available in Coimbatore Regulated Market**

S. No	Facilities Available	Numbers
1	Own land	18
2	God own	58
3	Rural god own	11
4	Transaction shed	19
5	Drying yard	21
6	Farmers rest shed	6
7	Sanitary facilities	14
8	Drinking water facilities	12
<b>Total</b>		159

Commodities Available in Coimbatore District Regulated markets is given in Table : 3. Among the ten markets in the Coimbatore district, the most sold commodities are Coconut, cotton and turmeric, maize, Bengal gram, paddy, sugarcane, jaggery, groundnut, jowar, and tobacco. Coimbatore district regulated market-wise commodities available. Coimbatore Regulated market (Turmeric, Maize, Coconut, Cotton), Pollachi Regulated market (Coconut, Bengal Gram, Cotton, Maize), Kinathukadavu Regulated market (Coconut, Turmeric, Cotton, Maize), Thondamuthur Regulated market (Turmeric, Maize, Bengal gram), Anaimalai Regulated market (Paddy, Coconut, Sugarcane, Jiggery, Groundnut), Karamadai Regulated market (Cotton, Jowar,

Tobacco, Maize), Annur Regulated market (Cotton, Maize, Coconut, Tobacco), Negamam Regulated market (Maize, Coconut, Jowar, Bengal gram), Sular Regulated market (Turmeric, Maize, Coconut, Cotton), and Senjeri Regulated market (Coconut, Cotton).

**Table 3: Commodities Available in Coimbatore District Regulated Markets**

S. No	Regulated Markets	Commodities Available
1	Coimbatore	Turmeric, Maize, Coconut, Cotton
2	Pollachi	Coconut, Bengal Gram, Cotton, Maize
3	Kinathukadavu	Coconut, Turmeric, Cotton, Maize
4	Thondamuthur	Turmeric, Maize, Bengal gram
5	Anaimalai	Paddy, Coconut, Sugarcane, Jiggery, Groundnut
6	Karamadai	Cotton, Jowar, Tobacco, Maize
7	Annur	Cotton, Maize, Coconut, Tobacco
8	Negamam	Maize, Coconut, Jowar, Bengalgram
9	Sular	Turmeric, Maize, Coconut, Cotton
10	Senjeri	Coconut, Cotton

Table 4 reported that in Coimbatore regulated market, there are eight permanent staffs and seven temporary staff, which includes Superintendent, supervisor, junior assistant, Field supervisor, office assistant, watch man, sweeper, check post supervisor, and office assistant, etc.

**Table 4: Office Staffs of Coimbatore Regulated Markets**

S. No	Designation	Permanent	Temporary	Total
1.	Superintend	1	0	1
2.	Supervisor	1	1	2
3.	Junior assistant	2	0	2
4.	Field supervisor	0	1	1
5.	Office assistant	1	1	2
6.	Watchman	2	0	2

7.	Sweeper scavenger	1	0	1
8.	Check post supervisor	0	2	2
9.	Office assistant	0	2	2
<b>Total</b>		<b>8</b>	<b>7</b>	<b>15</b>

Table 5 states that the Facilities available in Coimbatore Regulated market is given in the Construction of storage godowns, auction platforms, office building, laying of internal roads, rest houses for the farmers and traders, canteen facility for the users, and other constructional works to a specified level are necessary for smooth conduct of transaction at the Regulated market. In the research area, Seventeen types of facilities available, namely information and price display, notice board canteen, internal roads, toilet, parking, fencing, bank, fire extinguisher, drinking water facility, electricity, auction platform, and market office building out of twenty-seven facilities.

**Table 5: Facilities Available in Coimbatore Regulated Market**

S. No	Particulars	Availability
1	Information Notice Board Electric Display Board	Yes
2	Price displaying on the Notice Board	Yes
3	Producers able to read the information displayed on Board	Yes
4	Canteen	Yes
5	Restaurant	Yes
6	Toilets	Yes
7	Internal Roads	Yes
8	Parking	Yes
9	Fencing	Yes
10	Bank	Yes
11	Fire Extinguishers	Yes
12	Rest house for farmers	Yes
13	Drinking Water	Yes
14	Electricity	Yes
15	Auction Platform	Yes
16	Grading and Analyzing Laboratory	Yes
17	Market office building	Yes

## Conclusion

Agriculture constitutes the core of the economy in most of the developing countries. Constructive progress in their agricultural sector is an indispensable prerequisite for the rapid economic growth and rural development of these countries. To achieve this, developing countries now aim at restructuring their agricultural sector along a successful line. India being a developing country, is no exception to this phenomenon.

Agriculture is the primary sector, is the mainstay of the Indian economy and is central to all strategies of its planned economic development. In India, efforts to develop agriculture seem to be directed more towards production than marketing. But, it has to be realized that even the most sophisticated production system would be incapable to attain and maintain its peak efficiency levels if the distribution system fails to function at the desired level of efficiency. Therefore, the success of any agricultural development rests ultimately on the efficiency of the marketing system.

## Suggestions

In light of these findings, a few suggestions to improve the effective functioning of the regulated market. It is suggested that the growers may be educated regarding the benefits of using the godowns provided by the market committee. Further, the storage accommodation owned by the regulated markets is also not adequate about the requirements of grower-seller. Hence the agricultural marketing department may take necessary steps to increase the storage capacity to reduce the problems of the growers in the context.

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