



Role of Agricultural Produce Market Committees in Agricultural Marketing: Insights from Gondia District

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Abstract

It acts as a lifeline of agricultural community to provide agriculture marketing services, Also agriculture marketing helps to get fair prices, distribution, development in agriculture. Agricultural Produce Market Committees (APMCs) were introduced as a protective framework for farmers against exploitation by middlemen and to promote transparency in marketing transactions. Focus of Study This research paper emphasizes the role of APMCs in agricultural marketing in the Gondia District in Maharashtra. These deficiencies lead the study to assess APMCs in terms of their administrative efficiency, infrastructure facilities such as warehousing, pricing mechanisms, and service delivery. Through methodical questionnaires, the study collects primary data from the five identified APMCs, with secondary insights supported by a comprehensive review of formal governmental and institutional reports that lend credence to the operational opportunities and challenges faced by the APMCs in the region. The findings of this review indicate that APMCs have played a substantial role in regulated marketing and farmer welfare but vice versa issues of modernization, market accessibility, transparency, and responsiveness to farmer needs persist. Finally, the paper ends with suggestions to strengthen the role of APMCs and help them face the increasingly changed market reform and enhancing the APMCs impact on agricultural growth and rural development.

Keywords: Agricultural Produce Market Committee, Agricultural Marketing, Gondia District, Farmer Welfare, Market Regulation, APMC Efficiency.

Introduction

Agricultural marketing is one of the significant reasons for the rural economy; it connects agricultural production with consumption. Since a large part of the Indian populace is engaged in agriculture and agriculture forms a great deal of the GDP, a good, efficient marketing system is crucial not just for the economic well-being of farmers, but also for the growth of the agriculture-based economic sector as a whole in the country. The Government of India, acknowledging this need, initiated a regulated marketing approach by way of Agricultural Produce Market Committees (APMCs) aimed at facilitating the agricultural trade & granting remunerative to farmers. These committees as per various state-level Agricultural Produce Marketing (Regulation) Acts were established with a view to providing a competitive and equitable platform for the transaction of agricultural produce.

APMCs are supposed to regulate market yards, ensure that farmers were not exploited by middlemen, guarantee fair pricing either through open auction or a tender system, provide storage and infrastructure facilities, and promote efficiency and competitiveness in agricultural trade. Over the decades APMCs have developed themselves as nodal institutions aiding the marketing of the agricultural commodities and preventing distress sale and encouraging the standardization and grading of produce. APMCs have been instrumental in linking the rural agricultural producer with a larger market landscape in Maharashtra. Rising in the east of Maharashtra, Gondia district has a strong agricultural base, with its chief crops being rice, pulses, and oilseeds.

While APMCs perform a vital function, several studies and reports have pointed to the various challenges faced by APMCs such as widespread inefficiencies, corruption, lack of



modernization, dominance of commission agents, and limited access to markets, particularly for small and marginal farmers. Additionally, as we face recent reforms aimed at agricultural liberalization and ongoing conversations about liberalizing agricultural marketing in the recent past, the relevance and functioning of these markets has been questioned again. Against such backdrop, critically analysing the role of APMCs in helping with agricultural marketing, more specifically at the district level, becomes need of the hour.

The present study addresses this means and focuses on the aspect of operational dynamics, administrative efficiency, service delivery, and the infrastructural provisions of APMCs in the Gondia district. By conducting empirical analysis of primary data collected from farmers, market officials, and other stakeholders, and secondary data from official records and literature, the research intends to throw light on the extent to which APMCs are meeting their objectives. The paper further explores farmers' perceptions on other correlates such as transparency in price discovery, access to market facilities, warehousing and quality grading services, and the role of market officials.

With growing emphasis on market-led agricultural development and the need to integrate farmers with competitive value chains, there is a need to revisit the role of APMCs and strengthen these markets to make them relevant for today and tomorrow. This study feed in the policy discussion through discerning the strengths and weaknesses of the existing APMC structure framed in Gondia and providing practical ways to enhance its effectiveness. The idea behind this initiative is to provide policymakers, market regulators, agricultural economists, and farmers organizations, who are actively pursuing to improve the agricultural marketing architecture in India, with useful inputs.

Literature Review

Agricultural Produce Market Committee (APMCs) performances have been widely studied in the context of agricultural marketing and rural development in India. APMCs are established through state legislation and are a regulation market to safeguard farmers' interests and make sure about fair trade practices. A number of the studies have examined how APMCs function, their challenges, and future prospects in different states.

According to Jairath (2004), a well-built agricultural marketing infrastructure is crucial for the effective distribution of agricultural products as well as to minimize post-harvest losses. The study noted that APMCs should improve their infrastructure — including storage facilities, weighing machines and transportation networks — to better serve the farmers.

Export oriented infrastructure in APMCs is very limited, observed by Rangi and Sidhu (1996) according to their case study of APMCs and this lack of export oriented infrastructure in APMCs greatly hampers agro-product exports. They also called for reforms in the functioning of markets and improved physical infrastructure for perishable and non-perishable goods.

Singh (1996) considered the development of marketing infrastructure and agro-processing in Gujarat. His findings indicated that APMCs should not only act as facilitators of trade but also play a proactive role in promoting value addition through processing units for better realisation on the part of producers.

Bradosti and Singh (2015)-Urged the need for creating public awareness concerning the financial sides of agricultural marketing. In their work on farmer behaviour in regulated markets in Iraqi Kurdistan, they found farmer education and awareness as key to allowing trust and active participation.

Further investigations on the mental systems, vertical coordination and competition in such supply chains for marketing of vegetables have been conducted by Singh and Mishra (2014) where they claim that inputs and transactions can be optimized between APMCs and the stakeholders in a supply chain.



Agricultural trends in the Indian economy have been investigated by Kahlon and George (1995), who stated that not only do agricultural exports require proper functioning market infrastructure but also market modernization, which needs strategic intervention for policy support and private sector participation in market is required.

The Planning Commission (2006) recommended the strengthening of rural markets and APMCs to maintain a fair price mechanism and reduce the middlemen phenomena in its XI Five-Year Plan report. It also pointed out that the transparency and efficiency of IT-enabled services needed to be improved.

Pattnaik et al. However, 2012. studied inbound logistics for the steel industry, making an analogy with agricultural marketing by proposing that adjustments in logistics and market coordination would greatly improve both efficiency and cost-effectiveness.

The majority of marketing systems in developing countries are non-competitive, marked by inadequate access to market, poor support services resulting in distress sale (Singh and Yadav (2013)). They proposed to the integration of ICT and digital tools in APMCs for better farmer connectivity and price realization.

The reports released by the Government of India (2001, 2009) were also quite along similar lines which identified major lacunas across grading, standardization, storage, and digital platform usage raising the need for adopting modern technology and institutional strengthening of APMCs.

The current studies however, recognize the importance of APMCs, yet also note the glaring issues of obsolescent infrastructure, lack of price discovery transparency, inadequate participation of farmers and bureaucratic inefficiencies. Yet, limited studies have examined such analyses, especially of the performance of APMCs at the district level scale in Gondia district of Maharashtra, with a unique agro-economic profile.

This literature review paves the way for region-based empirical study to evaluate functioning and performance of APMCs. Bridging this gap, the present study evaluates operational efficiency, farmer satisfaction & contribution of APMCs towards agricultural marketing in the region of Gondia. This will therefore serve as the basis for evaluating on-ground realities of APMC functioning in this district against the theoretical and policy frameworks governing it.

Objectives of the study

1. To assess the operational efficiency of Agricultural Produce Market Committees (APMCs) in Gondia district.
2. To evaluate the role of APMCs in facilitating fair and transparent agricultural marketing.
3. To examine farmers' satisfaction with the services provided by APMCs.

Hypothesis

Alternative Hypothesis (H₁): There is a significant role of Agricultural Produce Market Committees (APMCs) in facilitating fair and transparent agricultural marketing.

Null Hypothesis (H₀): There is no significant role of Agricultural Produce Market Committees (APMCs) in facilitating fair and transparent agricultural marketing.

Research methodology

This study employs descriptive and analytical methods to assess the effectiveness of Agricultural Produce Market Committees (APMCs) in promoting equitable and transparent agricultural marketing in the Gondia district. The research is based mainly on primary and secondary data. Structured questionnaires were employed for primary data collection, along with personal interviews with key stakeholders (farmers, traders, and APMC officials). The study adopted a stratified random sampling method to ensure representation from different market committees in the district. Secondary data were drawn from government reports, published research papers and official APMC records (Associated Agricultural Produce



Market, India) and literature. The collected data was analyzed using statistical tools; descriptive statistics, frequency distribution, percentage and inferential statistics; chi square, correlation analysis services. This method helped in the assessment of operational efficiency, transparency, and fairness ensured by APMCs as a part of the agricultural marketing system.

Descriptive Statistics Table

Variables	N	Minimum	Maximum	Mean	Standard Deviation
Timely Price Information Availability	150	1	5	3.92	0.81
Transparency in Transaction	150	2	5	4.10	0.69
Fairness in Commission Charges	150	1	5	3.75	0.93
Infrastructure Facilities (Weighing, Storage, etc.)	150	2	5	3.88	0.85
Satisfaction with APMC Services	150	1	5	4.02	0.72

The descriptive statistics provide further insight into how respondents perceived the role of Agricultural Produce Market Committees (APMCs) in ensuring fair and transparent agricultural marketing in Gondia District. The analysis results indicate a generally positive perception of APMC functions among the respondents. The average scores (mean and standard deviation) for timely price information availability were 3.92 and 0.81 respectively, showing a moderately high level of satisfaction and relatively homogenous opinions. Transaction processes transparency got the highest mean (4.10), indicating that most of the respondents perceive that in the transaction process APMCs contribute a significant role in making the marketing system transparent, with a low variability (SD = 0.69), which signifies high consensus among the respondents.

Likewise, the average score for an agreement with commission fee fairness was 3.75, again indicative of a fair to moderate agreement with commission systems overall, yet also produced a marginally higher standard deviation (0.93), which signified a greater fluctuation of opinions as to whether these systems were fair in their charging method. Infrastructure facilities with a mean maximum score of 3.88, encompassing elements like weighing, storage, and auction spaces, indicated overall contentment, yet identified potential areas for improvement to reach higher ratings. In terms of overall satisfaction toward APMC services, average of 4.02 was obtained from the stakeholders reflecting positive perception towards it. Such findings highlight the importance of APMCs in enhancing transparency in prices and services for farmers and other stakeholders, while revealing opportunities for further improvement in certain areas.

Table: One-Sample t-Test for Role of APMCs in Facilitating Fair and Transparent Agricultural Marketing

Test Variable	N	Mean Score	Test Value	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference
Perceived Role of APMCs (Likert Scale)	120	3.68	3.00	8.45	119	0.000	0.68	Lower: 0.52, Upper: 0.84

The one-sample t-test conducted above to assess the role of APMCS in the market shows statistically significant results. The mean score of respondents' perception regarding the role of APMCs was 3.68 on a 5-point Likert scale and the test value (3.00) denotes a neutral



position. The computed t was 8.45 df: 119, $p < 0.001$ (Sig. = 0.000), indicating a relationship as $p < 0.05$.

Indicating a significant departure from the null hypothesis that APMCs (through the existence/operations of APMCs) do not play a prominent role in enabling fair and transparent agricultural marketing. Because the p -value is smaller than the alpha level, we reject the null hypothesis. A positive mean difference of 0.68 further suggests that all respondents believe APMC works in the direction of fair and transparent agricultural marketing practices. These results substantiate that APMCs are serving a key role, positively recognized in the agricultural marketing system in Gondia district.

Discussion

Agricultural Produce Market Committees (APMCs) are local markets in India designed specifically for agricultural trade, as their name implies. Analysis results such as descriptive statistics and hypothesis testing using a one-sample t -test facilitate a holistic grasp of the current perceptions and actualities relating to the performance of APMCs.

So APMCs, APMCs definitely help in making agricultural markets more fair and less corrupted. This perception translates into relatively high mean scores for the surveyed sample, the majority of whom potentially interact with or witness the operations of these committees on a regular basis. Notably, the rejection for the null hypothesis endorses that the role played by APMCs is not just symbolic or administrative, but is also perceived as functional and valuable by stakeholders in the agricultural ecosystem.

Yet, whilst the data lends itself to a positive assessment, it's important to note the "significance" readers see may not be evenly spread across the operational areas. Some qualitative feedback revealed some demanders were frustrated that bureaucratic paper delays and the limited use of digital tools and inconsistent information dissemination on prices hindered their participating in the market. These are the issues that highlight the ongoing need for reforms and modernization in the existing APMC structure.

Finally the relevance of APMCs in the context of private mandis and direct-to-consumer platforms should be recognised. However, they are also at risk of becoming obsolete if they don't evolve along with changes in policy, technology and farmer expectations. So in that sense, this discussion isn't simply about giving them a pat on the back — it's a mild warning, too, with statistical bite.

Another note of interest is the variety of stakeholder opinion. While the traders and agents were more critical of APMCs, possibly due to operational inefficiencies or statutory constraints, farmers rated these institutions relatively better on market access and price transparency. This gap calls for further examination of how well the interests and perceptions of each stakeholder group are aligned.

To sum up, while the study confirms the positive contribution of APMCs, it also points to areas where the APMCs should evolve to better cater to farmers, more so those who are small and marginal. It's sort of a round of applause and a little bit of a polite cough to let them know that they haven't quite reached perfection yet.

Conclusion of the Study

The research paper entitled "Role of Agricultural Produce Market Committees in Agricultural Marketing: Insights from Gondia District" presents a holistic perspective on the experience and challenges faced as well as stakeholders perceptions regarding operations of APMC's for facilitating fair and transparent agricultural marketing. Utilizing both primary and secondary data, the paper purports to examine APMC's operational performance, regulatory influence, and institutional contribution in the region.

From the study, it can be concluded that APMCs in Gondia district are an important part and



integral part of agricultural marketing system. They made a considerable contribution in having standardized pricing, reducing farmer exploitation by intermediaries and providing farmers with greater access to market infrastructure. Furthermore, the mechanism of hypothesis testing confirmed that the adoption of APMCs leads to significant attraction of transparency and fairness in the entire ecosystem of the market.

Descriptive statistics caveat that most of respondents, especially the farmers, opine that APMCs serve as bonafide marketing arena for selling of their farm produce. Amenities such as weighing, storage, auction systems, and price dissemination were typically associated with positive effects. But assumptions on inefficiencies, absence of an e-governance, delayed payments, administrative bottlenecks and other imperatives were flagged as major areas of concern requiring the right response.

One of the important findings of the study was the urgent need to modernise APMCs in view of changes in the policy environment with the APMC Act (1966), emergence of private markets, e-NAM (National Agriculture Market) and increased awareness among farmers. APMCs still being a relevant, are an inseparable part of our economy, but emerging differences are something that needs to be adapted by APMCs if they want to sustain the importance and execution for years to come.

The findings also highlighted the need for capacity building of APMC staff, transparency in the tendering and licensing processes, better grievance redressal system and use of digital tools for the real-time market information. By enacting checks and balances on APMCs through empowering farmers can bridge the trust and accountability gap.

To sum up, APMCs in Gondia district have been on the right path to improve marketing in the agriculture sector. They are important institutions for farmer benefit and for regulating the market. But to remain relevant in the future, they will need to undergo reforms that ensure transparency, efficiency and inclusivity. They advocate that through appropriate policy interventions and cooperation of various stakeholders, APMCs can remain both a significant catalyst of agricultural growth and the face of market justice in rural India.

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