



E-ISSN: 2278-4136
P-ISSN: 2349-8234
JPP 2019; 8(5): 93-98
Received: 28-07-2019
Accepted: 30-08-2019

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Agriculture marketing reforms in India, relationship between awareness and attitude of commission agents in APMC Mansa (Punjab)

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Abstract

Agricultural marketing reforms are the dire need of the country and commission agents have a role in this as entrenched stakeholders. The study examined if information intensive strategy will positively influence the opinion of the commission agents towards agricultural marketing reforms. It was found that mostly commission agents hold neutral or negative attitude for most of the agricultural marketing reforms. They are at least partially aware if not highly aware of most of the agricultural marketing reforms. Their awareness level appears to be higher for the reforms that appear to affect them directly. In most such cases the attitude of the commission agents is ambivalent which indicates that awareness by itself, even of the reforms that benefit commission agents, does not lead to a positive opinion with regard to the reform. This is further borne out by the fact that for most of the reforms there was no association between awareness and opinion.

Keywords: Agricultural marketing reforms, commission agent, attitude to reform

Introduction

Chand and Singh (2016) ^[1] argue ‘major factor for low growth in agriculture and rising disparities between agriculture and non agriculture sectors is asymmetry in the implementation of reforms in the two sectors.’ They state that non-agricultural sector comprising of the secondary and tertiary sectors have benefitted from the economic reforms since 1990, which has not been the case with the agricultural sector. The need for agricultural marketing reforms is also highlighted by Kumar and Bisen (2018) ^[6] who contend that post harvest losses in agriculture marketing system and prevalence of hunger despite India being the second largest producer of agricultural produce can perhaps be attributed to the inefficiencies in the agricultural marketing system of the country. The authors Kumar and Bisen (2018) ^[6] also contend that as part of the World Trade Organisation (WTO) regime agricultural markets of India faced enhanced competition which necessitated the need for liberalising domestic trade in agricultural produce to make the Indian producers competitive for international competition. One of the reasons for this tardy progress is that agriculture is a state list subject which means that it is the state governments and legislatures which must lead the reform process in their respective states. Chand and Singh (2016) ^[1] state that Punjab which ranks 14th in the implementation of farm related reforms has done poorly as compared to other states. Given the importance of the Punjab as the primary food growing state of the country, this is worrying sign and it needs to be seen how the most ingrained stakeholders in the traditional marketing system i.e. the commission agents view the agricultural marketing reforms. Further, it is important that the attitude of this important set of stakeholders is positive for the agricultural marketing reforms, as their negative attitude can pose as a resistance to the implementation of agricultural marketing reforms. That commission agents interest in maintaining the status quo is evident from the observation that Agricultural Produce Marketing Committee (APMC) Acts, which were enacted in the socialist era constrained the farmers to sell at a particular place through a limited number of commission agents, who had the license to operate in that market (Patnaik, I 2014) ^[10]. This system creates entry barriers which favour the existing players i.e. the commission agents (Patnaik, I 2014) ^[10]. Singh (2018, p 45) ^[13] observed that ‘It (Ministry of Agriculture and Farmers’ Welfare (MoAFW)) has also decided to take Contract Farming (CF) out of the APMC domain citing conflict of interest which is not letting the CF practice to spread as traders and commission agents oppose it due to their business being adversely affected because of the spread of CF as the contracted produce does not have to come to the APMC mandi and does not need to pass through the mandi agents.’, which testifies the power of commission agents in influencing agricultural marketing reform process. Further, Kumar *et al.* (2018) ^[6] in their study on the introduction of Unified Market Platform (UMP) in

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Karnataka also highlighted the role of commission agents and APMCs in agricultural marketing reforms. Earlier Rao I.V.Y. Rama (2017) while calling for agricultural reforms also stated that reforms are liked more by farmers and less by traders, thus alluding to the need to 'sell' the agricultural marketing reforms to the commission agents.

Many a times, it is assumed that it is lack of awareness or partial awareness which leads to negative attitude or opinion about a proposed change or reform. Thus, this paper seeks to examine the relationship between awareness and attitude of the commission agents towards agricultural marketing reforms. This will help policy makers to decide if information intensive strategy can help overcome the resistance to agricultural marketing reforms that commission agents may proffer. This is relevant even in case of agricultural marketing reforms like direct marketing and contract farming which have been adopted by the Punjab government, but can be made infructuous by the opposition to the reform. In this context views of Reddy and Mehjabeen (2019) are of immense relevance, as they call for 'convincing the traders and commission agents to use E-NAM', which is dependent upon the commission agents having a positive opinion or attitude towards E-NAM in addition to being aware of E-NAM in detail.

In this context, the objectives of the paper were:

- To study the awareness and opinion about selected agricultural marketing reforms among commission agents operating in APMC Mansa.
- To study the relationship between awareness and opinion of the commission agents about selected agricultural marketing reforms.

Methodology

APMC Mansa (Punjab) was selected purposively as it is an important APMC in the Punjab. Primary data was collected from the commission agents operating in APMC Mansa to study their awareness and opinion about agricultural reforms. A sample size of 61 commission agents was taken from the APMC area. This was considered adequate as the study was primarily exploratory in nature.

The primary data was collected by way of questionnaires that were filled in by the commission agents in face-to-face sessions. The questionnaire was designed to fulfil the aims of the study where the questionnaire elicited responses on the awareness of commission agents of the various agricultural marketing reforms, their attitude towards these reforms in addition to the usual demographic data related to the commission agents. The tools used to analyse the data so collected were Spearman's rank correlation and cross tables. Spearman's rank correlation and cross tables were used to study the relationship between awareness and attitude towards specific agricultural marketing reforms to check if there was a relationship between the two. Spearman's rank correlation was chosen as the parameters used likert type scale which is a ranking scale.

The formula used to work out rank correlation was

$$R = 1 - \frac{6\sum D^2}{N(N^2 - 1)}$$

Where, R=Rank coefficient of correlation.

D^2 = Squares of the rank differences between two series
N=Number of observations.

The Spearman's correlation coefficient can have values in the range of +1 to -1. The positive or negative sign of the Spearman's correlation shows the direction of the relationship between the two variables. If the Spearman's correlation coefficient is positive then both the variable change in the same direction, i.e. if one variable increases so does the other and vice-versa. If the Spearman's correlation coefficient is negative, then it indicates that if one variable increases the other variable will decrease and vice-versa. When the Spearman correlation is zero it points out that there is no relationship in the variations of the two variables being studied.

Results and Discussion

Table 1: Establishment of Private Wholesale Market

	High		Medium		Low	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Awareness	12	19.7	34	55.7	15	24.6
Opinion	33	54.1	24	39.3	4	6.6

Table number 1 is about the awareness and opinion of the commission agents about establishment of private wholesale markets. The table shows that 19.7 per cent of the respondents are highly aware, 55.7 per cent are partially aware and 24.6 per cent respondent are not aware of this reform. Further, 54.1 per cent commission agents have positive opinion, 39.3 per cent remain neutral and 6.6 per cent commission agents have negative opinion about the reform. It indicates that most of the commission agents from the sample data are partially aware of the reform and commission agents express positive

opinion for establishing of private wholesale market. Considering the result of the Spearman's Coorelation $r_s = 0.20403$, p (2-tailed) = 0.11476, it can be said that awareness and opinion are not associated in the case of establishing private wholesale markets. The positive opinion regarding this is being driven more by the survey, while the respondents are only partially aware of the nuances of this reform. Possibly, the positive attitude is stemming from the obvious opportunities for business growth and expansion that this move is making available to the commission agents.

Table 2: Direct purchase of agricultural product from agriculturist

	High		Medium		Low	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Awareness	14	23	39	63.9	14	23
Opinion	7	11.5	33	54.1	7	11.5

Table number 2 depicts the awareness and opinion of the commission agents regarding 'Direct purchase of agricultural product from agriculturist'. The table indicates that 23 per cent of the commission agents are well informed, 63.9 per cent are partially aware and 23 per cent commission agents are not aware of the reform. Further, 11.5 commission agents hold positive opinion, 54.1 per cent remains neutral and 11.5 per cent commission agents have negative opinion. The table

shows that most of the commission agents are partially aware of the reform and commission agents express neutral opinion regarding the reform. In light of the Spearman's correlation $r_s = -0.30453$, p (2-tailed) = 0.01702, by normal standards, the association between the two variables would be considered statistically significant. This is perhaps due to both the awareness being partial which is leading to an ambivalent attitude among the commission agents regarding this reform.

Table 3: Allowing/Permitting E- Trading

	High		Medium		Low	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Awareness	28	45.9	26	42.6	7	11.5
Opinion	-	-	17	27.9	44	72.1

Table number 3 shows the awareness and opinion of the respondent regarding 'Allow/permit E- trading'. The table indicates that 45.9 per cent of the commission agents are highly aware, 42.6 per cent are partially aware and 11.5 per cent respondent are not aware of this reform. Further, 27.9 per cent respondents held a neutral response and most of the 72.1 per cent respondent give negative opinion about the reform. It displays that most of the commission agents are well

informed of the reform and commission agents strongly disapprove of E-trading. The reason for this negative opinion may be that the commission agents feel insecure about their business due to this reform. The Spearman's correlation $r_s = 0.19553$, p (2-tailed) = 0.13099 shows that there is no statistically significant relationship between the awareness and attitude towards E-trading of agricultural commodities.

Table 4: Establishment of Farmers/Consumers Market in Private Sector

	High		Medium		Low	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Awareness	11	18	38	62.3	12	19.7
Opinion	24	39.3	29	47.5	8	13.1

Table number 4 presents the awareness and opinion of the respondent regarding 'Establishment of farmers/consumer market in private sector'. The table shows that 18 per cent of the commission agents are completely/highly aware, 62.3 per cent are partially aware and 19.7 per cent commission agents are not aware. Further, regarding establishment of farmers/consumer market in private sector, 39.3 per cent commission agents express positive opinion, 47.5 per cent remains neutral and 13.1 per cent commission agents hold negative opinion. This indicates that most of the commission

agents are only partially aware of the reform and commission agents express neutral opinion or are undecided about this reform. The neutral attitude may be arising from the possible opportunities that the reform presents and the lack of clarity about the reform. In light of the Spearman's correlation coefficient $r_s = -0.1639$, p (2-tailed) = 0.2069, there seems to be no relationship between the awareness and opinion regarding establishment of farmers/consumer market in private sector.

Table 5: Single Point levy of Market Fee

	High		Medium		Low	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Awareness	44	72.1	13	21.3	4	6.6
Opinion	3	4.9	38	62.3	20	32.8

Table 5 displays the awareness and opinion of the commission agents regarding 'Single point levy of market fee'. The table shows that 72.1 per cent of the arthias are completely/highly aware, 21.3 per cent are partially aware and 6.6 per cent arthias are not aware of this reform. With regard to the reform, 4.9 per cent commission agents /arthias hold positive opinion, 62.3 per cent remains neutral and 32.8 per

cent commission agents express negative opinion. This indicates that most of the arthias are highly aware of the reform and they have neutral opinion for single point of levy of market fee. Spearman's correlation coefficient $r_s = -0.06779$, p (2-tailed) = 0.60371 indicates that there is no association between awareness and opinion in this case.

Table 6: Single Trader License

	High		Medium		Low	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Awareness	41	67.2	17	27.9	3	4.9
Opinion	27	44.3	30	49.2	4	6.6

Table 6 portrays the awareness and opinion of the commission agents regarding 'Single trader license'. The table shows that 67.2 per cent of the commission agents are

highly aware, 27.9 per cent are partially aware and 4.9 per cent respondent are not aware of this reform. Further, 44.3 per cent commission agents hold high/positive opinion and 49.2

per cent commission agents have neutral opinion about the reform. This indicates that most of the commission agents are well informed of the reform and commission agents tend to approve of single trader license reform. Spearman's

correlation coefficient for the two variables in table 6 is $r_s = 0.21101$, p (2-tailed) = 0.10259, which indicates that the association between awareness and opinion regarding single trader license is not statistically significant.

Table 7: Contract Farming

	High		Medium		Low	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Awareness	24	39.3	34	55.7	3	4.9
Opinion	7	11.5	37	60.7	17	27.9

Table number 7 is about the awareness and opinion of the respondent regarding 'contract farming'. The table shows 39.3 per cent of the commission agents are highly aware, 55.7 per cent are partially aware and 4.9 per cent respondent are not aware of the reforms related to contract framing. Further, 11.5 per cent commission agents holds high/positive opinion about contract farming and 60 per cent commission agents express neutral opinion about the reform and 27.9 per cent

commission agents hold negative opinion about the reform. This indicates that most of the commission agents/arhtias are partially aware of the reforms concerning contract farming and have neutral opinion regarding the same. The result of the Spearman's correlation coefficient $r_s = 0.1723$, p (2-tailed) = 0.18424 indicate that there is no association between awareness and opinion of commission agents with regard to contract farming.

Table 8: Direct Sale By the Producer/Grower

	High		Medium		Low	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Awareness	33	54.1	23	37.7	5	8.2
Opinion	2	3.3	14	23.0	45	73.8

Table number 8 portrays the awareness and opinion of the commission agents regarding 'Direct sale by the producer/grower'. The table shows that 54.1 per cent of the commission agents are highly aware, 37.7 per cent are partially aware and 8.2 per cent respondent are not aware of this reform. It is also seen that 3.3 per cent commission agents hold high/positive opinion and 23 per cent commission agents hold neutral opinion about the reform and most 73.8 per cent commission agents expressed negative opinion about the

reform. This indicates that most of the commission agents are much aware of the reform and are strongly against the reform. Commission agents want that farmer/producers should go through commission agents for sale of their product. However, the Spearman's correlation coefficient calculation $r_s = -0.1067$, p (2-tailed) = 0.41309 shows that the association between the awareness and opinion of the commission agents regarding 'Direct sale by the producer/grower' is not statistically significant.

Table 9: E-NAM

	High		Medium		Low	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Awareness	9	14.8	38	62.3	14	23
Opinion	-	-	47	77	14	23

Table 9 is about the awareness and opinion of the commission agents regarding 'E-NAM'. The table indicates that 14.8 per cent of the commission agents are highly aware, 62.3 per cent are partially aware and 23 per cent commission agents are not aware of E-NAM. It is also observed that 77% commission agents have neutral opinion and 23 per cent commission agents express negative opinion about the reform. This indicates that most of the commission agents are only

partially aware of the reform related to E-NAM and they have a neutral opinion regarding the reform. Commission agents feel that lots of malpractices are done through E-NAM like sale of under value and diseased crops, as it lacks transparency. The results of the Spearman's rank correlation $r_s = -0.00385$, p (2-tailed) = 0.97649 show that there is no statistically significant relationship between awareness and opinion of commission agents in relation of E-NAM.

Table 10: Moving Fruits and Vegetables Out of APMC

	High		Medium		Low	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Awareness	-	-	36	59	25	41
Opinion	36	59	25	41	-	-

Table 10 shows the awareness and opinion of the arhtias regarding 'Moving fruits and vegetables out of APMC'. The table shows that 59 per cent arhtias are partially aware and 41 per cent commission agents /arhtias are not aware of this reform. Their opinion regarding the reform was sought after informing them of the reform. Most of the respondents i.e. 59 per cent indicated a positive opinion/high opinion and 41 per

cent respondent had an ambivalent attitude towards the reform. The positive opinion may be arising out of the high risks associated with highly perishable nature of fruits and vegetable. This shows that most of the commission agents /arhtias support that fruits and vegetables should be moved out of APMC. Using the Spearman's correlation coefficient $r_s = 0.22$, p (2-tailed) = 0.08845 it is seen that there is no

statistically significant relationship between the awareness and opinion regarding moving fruits and vegetables out of the purview of APMCs.

Conclusions

Commission agents are an important stakeholder in the existing agricultural marketing system. They prima-facie have an vested interest in the maintaining the existing systems which limits competition to the commission agents and

ensures them of good business. This vested interest is likely to result in opposition to agricultural marketing reforms. This anticipated opposition may be explicit and may also take the form of subterfuge. To overcome this opposition to facilitate the implementation of the agricultural reforms at the state level, this study was conducted to see if information intensive strategy can help influence the attitudes of the commission agents regarding different agricultural marketing reforms. Results of the study are summarised in table 11 below:

Table 11: Summary

S. No.	Agricultural Marketing Reform	Awareness	Opinion	Relationship between awareness and opinion regarding the reform
1.	Establishment of Private Wholesale Market	Partial	Positive	No
2.	Direct Purchase of Agricultural Product From Agriculturist	Partial	Neutral	Yes
3.	Allowing/Permitting E- Trading	High	Negative	No
4.	Establishment of Farmers/Consumers Market in Private Sector	Partial	Neutral	No
5.	Single Point levy of Market Fee	High	Neutral	No
6.	Single Trader License	High	Neutral	No
7.	Contract Farming	Partial	Neutral	No
8.	Direct Sale By the Producer/Grower	High	Negative	No
9.	E-NAM	Partial	Neutral	No
10.	Moving Fruits and Vegetables Out of APMC	Partial	Positive	No

It is noted that only in case of two reforms, i.e. establishment of private wholesale markets & moving of fruits and vegetables that commission agents have a positive opinion or attitude. The positive attitude towards these may be arising from the clear benefits that these reforms offer to the commission agents. That commission agents mostly hold neutral or negative attitude for most of the agricultural marketing reforms supports the assertion that the status quo benefits them and they are likely to oppose agricultural marketing reforms at the state level either openly or subtly.

The commission agents are not ignorant as they are at least partially aware if not highly aware of most of the agricultural marketing reforms. Their awareness level appears to be higher for the reforms that appear to effect them directly, e.g. direct sale by farmers, single point levy of market fee, single trader license, allowing/permitting of e- trading. In most such cases their attitude is ambivalent which indicates that awareness by itself, even of the reforms that benefit commission agents, does not lead to a positive opinion with regard to the reform. This is further borne out by the fact that for most of the reforms there was no association between awareness and opinion. The only reform for which a positive association was found was, direct purchase of agricultural product from agriculturist.

The managerial implication of this is that minions of the Ministry of Agriculture and Niti-Ayog will have to use another attitude change strategy instead of an information intensive strategy to bring the commission agents on side of the nationally critical agricultural marketing reforms that are underway.

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