

Challenges of Agricultural Commodity Markets in Kerala- (A Case Study of Agricultural Market in Anayara, Thiruvananthapuram)

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*The present paper attempts to identify the problems of the Agricultural Commodity markets in Kerala with particular reference to Anayara whole sale Agricultural Commodity market in Thiruvananthapuram City. The paper is mainly based on the primary data collected from the officials of the whole sale Agricultural Commodity market as well as the proprietors of the participant business units. A survey was conducted among the proprietors of the selected 2fi units functioning in the wholesale Agricultural market at Anayara in Thiruvananthapuram City. The major problems experienced by the facilitator of the services in the market are delay in collecting rent from the occupants, location disadvantage and Labour problems, Existence of well-organized markets in the central places of the city and Problem of Bad Debts.*

Keywords: Markets, Labour, Data, Books, Problems and Buyers.

The data had been collected with the help of a pre-tested structural interview schedule. The Chief Problems of the Occupant Business Units are Location Problems, Absence of Customer Awareness about the functioning of the Market, Inadequate inflow of Agricultural commodities in the Market, Lack of Interest in Agricultural Activities among the youth in Kerala also restricts the inflow of Agricultural Commodities to the Agricultural Commodity market, High cost of production of Agricultural commodities in the State and the interference of trade union

### Introduction

Indian Economy is mainly an Agrarian economy. India is a vast country with approximately 3.6 lakhs villages. Agriculture is the main occupation of the people residing in villages. However, in recent years the significance of agricultural activities has declined considerably on account of various reasons. Now, the land area earmarked for agricultural activities becomes meager and the people in the country are forced to consume substitutes for agricultural products.

The commodity market comprises all palpable markets that we come across in our daily

life. These markets cater the needs of consumers through exchange of goods for money. The Indian commodity market can be divided into two categories namely Wholesale market and Retail market. Under the whole sale market, the Wholesalers buy goods from farmers and manufacturers directly and sell the goods to the Retailers. The Retailers finally sell the goods to the ultimate Consumers. Recently, Indian commodity market is mainly concentrated in Retail Sector. All most every commodity under the sun both agricultural and industrial are now being provided as well as distributed by retail outlets throughout the country.

In Kerala, six wholesale Agricultural commodity markets are functioning. They are situated in the following places.

- Anayara, Thiruvananthapuram
- Marad, Ernakulam
- Vengeri, Kozhikode
- Nedumangad (Thiruvananthapuram District)
- Muvattupuzha (Ernakulam District)
- Sulthan Batheri (Wayanad District)

Out of these, the first three are urban wholesale commodity markets and the rest are Rural Agricultural commodity markets.

### Objectives of the Paper

The main objectives of the present paper are

- To identify the problems experienced by the facilitators of services of wholesale Agricultural Commodity Markets.
- To identify the problems of the participant business units in the whole sale Agricultural commodity market and
- To suggest suitable measures based on the findings of the study.

### Methodology and Database

The present study is confined to the Anayara Urban Agricultural Commodity market located in Thiruvananthapuram City. The paper is mainly based on the primary data collected from the officials of the whole sale Agricultural Commodity market as well as the proprietors of the participant business units. The data had been collected with the help of a pre-tested structural interview schedule. A survey was conducted among the proprietors of the selected 25 units functioning in the wholesale Agricultural market at Anayara in Thiruvananthapuram City. The data collected were analyzed to suit the requirements of the study. Secondary Data had also been collected and used for the preparation of the present paper. The major sources of the secondary Data are Books, Journals, Study reports, Seminar papers, Electronic sources etc.

## Results of the Survey

The results of the primary survey are summarized below.

A. Problems of Facilitators of Services in the Wholesale Agriculture Commodity Market. The Department of Agriculture, Government of Kerala is the facilitator of various services to the participant units. The Department offers the following facilities.

- Godown
- Electricity and Water
- Dormitory for farmers
- Canteen
- Storage facilities
- Parking facility
- Infrastructure facilities like Road, Telephone etc.

The primary data reveals that the following are the major problems of the facilitator of services.

Delay in collecting Rent from occupants.

The occupants of the various stalls in the whole sale Agriculture market are not prompt in remitting rent to the Department, even though the rent amount is very meager. They give flimsy reasons for the nonpayment of rent promptly.

Abrupt Discontinuation of the contract made between facilitator and occupants.

Certain occupants may discontinue the contract they entered into with the facilitator. Usually, they vacate the site without informing the reason for discontinuation to the officials concerned. This usually creates chaos among the facilitating officials.

Location Disadvantage

The wholesale Agricultural commodity market at Anayara is located far away from the main centers of the Thiruvananthapuram city. This will create many hardships to the people i.e. mainly to the dealers and customers.

Labour Problems

Even though this market is a union free zone, Labour Problems are not rare. Due to its frequency is quite large, many occupants are forced to give up the idea of running business ambitiously.

Existence of well-organized markets in the Central Places of the city

Chalai is one of the well-established Agricultural Commodity markets in the Thiruvananthapuram city. It caters all most all needs of the customers residing in and around the

city. This will create a negative impact for the growth of the Anayara whole sale Agricultural commodity market.

### Problem of Bad Debts

The facilitator always faces the problem in collecting amounts due from the occupant units on account of various dues such as rent, electricity, water charges etc. A huge amount of Bad debts always makes the operations of the facilitator of the market difficult.

### Problems of the Occupant Business Units

From the primary data, it is found that 84 stalls are offered by the facilitator to the tenants. Out of these 84 stalls, only 70 are occupied by various tenant units. However, during the current year it has been found that only 52 stalls are functioning. The survey conducted among the selected 25 occupant units shows that they are experiencing the following problems.

### Location Problems

Since the units are located far away from the city and transportation facilities are not frequent, the inflow of the customers is very poor. This is a serious setback experienced by the occupant units.

- Absence of Customer Awareness about the functioning of the Market Majority of the customers are not aware of the ware about of the whole sale Agricultural commodity market functioning in the Thiruvananthapuram city. As a result, the occupants of the units in the market face poor customer response and subsequent dip in their sales turnover.
- Inadequate Inflow of Agricultural commodities in the Market. The state of Kerala is depending to the neighbouring states particularly Tamil Nadu for its requirements of Agricultural products. However, agricultural commodities from Tamil Nadu usually reach in Chalai Market in Thiruvananthapuram city. As a result, the inflow of many agricultural commodities to this market is not adequate and also very poor.
- Lack of Interest in Agricultural Activities among the youth in Kerala also restricts the inflow of Agricultural Commodities to the whole sale Agricultural Commodity market.
- In Kerala, the cost of production of Agricultural commodities is more on account of different reasons such as high labour cost, shortage of cultivable land and so on. This also affects adversely the flow of goods to the whole sale Agricultural Commodity market.
- The interference of trade unions affects adversely the smooth running of the occupant units in the world market.

## Suggestions

- The following suggestions are offered to minimize the above-mentioned problems.
- It is a statutory obligation for the occupant units to remit the meagre amount of rent charged by the facilitator. Therefore, they should impose self-restriction to pay rent regularly.
  - Strict action may be imposed on those units who are absconding from the scene after executing the contract. Legal action as well as fines may be imposed to discourage this practice among the occupant units.
  - In order to minimize the locational disadvantage of the market the following measures may be implemented usefully.
    - Frequent Bus Services to the Market may be introduced.
    - More Government offices may be shifted to the nearby places of the market.
    - Chalai market may be shifted to the whole sale Agricultural commodity market at Anayara in a phased manner.
    - Onam fairs and other festival fairs like Christmas fair, Easter fair etc. may be organized in the wholesale Agricultural commodity market to attract more customers.
    - In order to make the farmers and customers aware about the operations of the wholesale Agricultural Commodity market, frequent meetings of these groups may be organized in Krishi Bhavans.
  - For increasing the turnover of the units, waiving of Cass charged on the products for sale is an immense help to them.

## Conclusion

Since the Agricultural activities in the state are diminishing considerably day by day, the whole sale Agricultural Commodity market can play a crucial role in balancing the demand and supply of Agricultural Products in the state. These markets are providing acceptable platforms for both the buyers and sellers to execute dealings with a mind of more satisfaction. The authorities are giving due importance for the development of these markets by considering their role and significance. This initiative should be continued with a more vigour and passion in order to achieve the mission fully.

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