

TRANSFORMATION OF AGRICULTURAL MARKET AND ITS IMPACT ON AGRICULTURAL DEVELOPMENT

(A case study of Sehore District of Madhya Pradesh)

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Agriculture in India has two fold phenomena: production and marketing. Production is a resultant of material, financial inputs and labour, while marketing is an-act of exchange of products for money (Rajagopal, p.p4-12). The basic purpose of exchange is to enable the farmer to have accessibility for a wider range of goods through established or regulated markets. The concept of market emerges as a socio-economic device to facilitate the need of people. Marketing occupies an important place in the process of agricultural development. To an 'agriculturist' market means sale and purchase of agricultural products according to his need. In order to make full use of improved techniques for agricultural development, it is very essential to have a proper marketing system so that it can match with production surplus.

Study Area

This particular study deals with Sehore District of Bhopal division lies in the central part of Madhya Pradesh. Geographically, it lies on the eastern part of Malwa Plateau and includes a narrow belt of Narmada alluvial plain which joins the district with Hoshangabad district. Originally, Sehore district comprised of seven Development Blocks namely f-Hujur, Sehore, Berasia, Ashta, Nasrullahganj, Ichhawar and Budni. On 20th Oct, 1972, when Sehore district was reorganized Bhopal district comprising of Hujur and Berasia were separated from Sehore district. Presently, this district comprises of five development blocks—(1) Sehore (2) Ashta (3) Ichhawar (4) Nasrullahganj (5) Budni.

There are 16 Revenue Circles, 1,019 inhabited villages and 37 uninhabited villages. Headquarter of the district is Sehore town. It comprises of 450 Grampanchayats, 35 Forest villages and six Krishi Upaj Mandis. The shape of the district is roughly triangular, with most of its area is plain except the Vindhya ranges. The lands are mostly agricultural with large patches of forest are found in south west, along the boundary of Raisen district. The extremities of Sehore district measures from 22°30' to 23°40' North latitudes and from 76°22' to 78°03' East longitudes. The Tropic of Cancer passes through its northern part. The district covers 6,578 kilometers and its north south extent is 457 meters to 609 meters above the sea level. The district

boundary is aligned with the natural features on three sides. The Narmada River forms the southern boundary. The eastern boundary is marked by forests and hills. The Parbati River flows along the western and northwestern boundary, separating Shajapur and Rajgarh districts. The district is bounded by districts of Bhopal on the north, Raisen on eastern side, Hoshangabad on southeast and Dewas on southwest. The entire district is drained by numerous nalas and streams which denude the area during rainy season but remain mostly dry in rest of the year. The northern portion is drained by rivers Newaj, Parbati, Betwa and their tributaries. The Narmada drains the southern portion of the district, including most of the northern slopes of the main Vindhya ranges. The climate of Sehore district is relatively hot and dry except in Monsoon season. Due to diverse relief, somewhat greater extremes are encountered in the hilly regions and the Narmada valley. The Tropic of Cancer is passing through northern part of the district therefore; the temperatures remain high throughout the year. Thus it is the rainfall, which is the decisive factor in selection of crops. However, temperature is also considered important for growth of crops. The type of soil mainly found in Sehore District is **black cotton soil or Regur soil**. It covers large tracts of the district and is mainly found at the foot-hills in the valleys and plains. In Sehore district it is found with variable fertility.

Sehore District covers an area of 172,888 hectares, under forest reserves which is 26.34 percent of total geographical area (656,368 hectares). The main type of vegetation found in this region is **Moist** Deciduous forests. **Teak** (*Tectona Grandis*) is predominant species found in district. According to 2001 census report, the existing population estimated in Sehore district was 107,869 which is 1.79 percent of total population (60,385,118) of Madhya Pradesh. Sehore District ranked 35th in population among forty-five districts of state. The density of rural population was 135 during 2001 census. The proportion of rural population in Sehore district is 82.04 percent (885,172) in its total population (1,078,912) according to 2001 census. Agricultural development in the district is keeping a good pace as compared to other districts of Madhya Pradesh. This is

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mainly due to its being close to capital-region. The other factor which is responsible for its being agriculturally developed is its location. It lies on National highway number 12 which passes through Bhopal and Indore. Hence, it has the privilege of good transportation facilities. The net cropped area in the district was 378,998 hectares according to 2002-03 records. The total or gross cropped area, which also includes Double crop area, was 546,210 hectares in total geographical area of 656,368 hectares. Therefore, the cropping intensity in the year 2004-04 was 144. The gross irrigated area is 48.52 percent (183,901 hectares) of net cropped area according to 2004-05 records.

Form of agricultural markets in Sehore District—In a backward state like Madhya Pradesh during the decade of fifties and sixties, in most of the villages agricultural market was in its simplest form. Here buying and selling of agricultural produce took place. There were periodical markets called ‘Haat’ or ‘Bazaar’ in local language in several villages of Sehore District. These markets assemble once in a week or bi-weekly, where transfer of small agricultural surplus from vegetables to grains takes place between consumers and producers. Prior to independence, the agricultural marketing which tends to be one of the biggest components of rural economy remained unorganized. The actual transformation of agricultural market in India took place only towards the end of seventies. The lack of institutional support in providing forward and backward linkages have been identified as major setback in promotion of rural markets (Rajagopal, p.29). The government of Madhya Pradesh started its efforts to regulate the unorganized rural markets. This action was taken in order to secure a remunerative price for the produce that a farmer takes to the market. It became necessary to regularize the working of market and to put an end to the malpractices. It was sought to be achieved under agriculture produce market act (1937) which was enforced by number of state government (Vasant Desai, 1991, p.11.12). In Madhya Pradesh these regulated markets came into existence in rural areas in shape of Krishi Upaj Mandis, i.e. crop market centers. In Sehore district the first crop market center was established in Ashta block in 1962. Presently, there are six crop market centers Ashta, Sehore, Nasrullahganj, Shyampur, Ichhawar, and Rehti.

Krishi Upaj Mandis of Sehore District

Name of	Date of Reg.	Area in Hect.	Mandi Sub-Mandi	Blockcovered
Sehore	2010/7/70	23.28	Bilquisganj	Sehore Tahsil
Ashta	11/06/162	8.68	Jawar Siddiquiganj Maina	Ashta Tahsil
Shyampur	21/11/72	2.34	Ahmedpur	Sehore Tahsil
Ichhawar	09/02/79	8.09	Amlaha	Ichhawar Tahsil
Nasrullahganj	14/05/68	3.137	—	Nasrullahganj Tahsil
Rehti	09/1 0191	5.675	Baktara	Budni Tahsil

Source: Website of Mandi Board

Besides these regulated markets crop market center there are number of retail market centers these are Ashta, Sehore, Nasrullahganj, Shyampur, Ichhawar, Rehti, Siddiquiganj, Bilquisganj, Doraha, Ahemadpur, Dobi, Shahganj and Baktara in all five blocks of Sehore District. All these market centers provide the service weekly or bi-weekly. Weekly markets in all blocks are the main channels of distribution of local agricultural produce and consumers goods brought from the urban area. Fairs are also a form of periodical markets which are held once or twice a year and serve a wider area. These fairs are inevitable part of religious life in rural areas of district. In Sehore District fairs seemed to be more traditional. Their initial growth in form of social gatherings at the time of religious festivals or at some holy place, later on exchange of commodities and trade in smaller quantity have been started in order to fulfill the needs of the people of the limited area. In Sehore District these fairs are mainly organized by gram panchayats and state animal husbandry depalment. These fairs are mainly held in Ashta, Sehore, Nasrullahganj, Ichhawar, Baktara and Rehti. Among five blocks the highest numbers of fairs are held in Nasrullahganj block. Now days the faces of fairs have changed due to increase in income level in rural areas. Automobiles like tractors, jeeps, motorcycles, etc. and fast moving consumer goods (FMCG) such as television sets, refrigerators, music systems, cell phones, toiletries, cosmetics, shoes and readymade garments are commonly found items in these fairs. These modern household items are becoming popular in rural markets.

New trends in agriculture markets

“Today more than any thing else the agriculture sector needs well functioning markets to drive growth, employment and economic prosperity in rural areas of the country” stated by present Union Minister, Mr, Sharad Pawar, To provide model agricultural marketing law for guidance to the states in 2003, the central government had requested the state governments to suitably amend their respective agricultural produce marketing committee (APMC) to act for deregulation of marketing system in the country. This is mainly to promote investment in marketing infrastructure, motive corporate sector to undertake direct marketing and to facilitate national integrated markets. In Madhya Pradesh in general and Sehore District in particular, in recent years the agriculture markets acquired a new shape. This is due to entry of corporate world in this field. In order to provide better rates to farmers and create competition government of Madhya Pradesh during the reign of Shri Digvijay Singh (former chief minister of Madhya

Pradesh) in 2001-02 opened the doors of agriculture marketing for corporate sector. As a result many multinational companies entered into rural market. ITC was the first company who grabbed the opportunity and entered into rural markets of many districts of Madhya Pradesh including Sehore District with a new concept of E-Choupal. ITC entered into Sehore District for trading mainly oilseeds, and food grains. This company brought the idea of E-Choupal which is called Soya-Choupal in district. It is equipped with V -Sat and internet. This company for the first time tried to conceive a supply chain aimed at delivering value to its customers (farmers) in the district on sustainable basis. A big shopping mall has been constructed by the company for farmers and rural population about 10-12 Kms from Sehore on state highway no. 22. This Choupal is becoming popular among farmers as “Soya Choupal”. This mall is linked up with 20-25 E-Choupals. Farmers can bring their produce for selling at pre-declared prices, which more or less are equal to MSP (Market Selling Prices). These private companies not only purchase the agro-products, such as food grains, oilseeds, vegetables and fruits from local farmers but also sell the consumer items like, cooking oil, cosmetics, shoes, readymade garments, etc. along with these items farmer can also purchase pump sets, pesticides and fertilizers from such malls. ITC Company has tied up with some tractor companies so that farmers do not have to travel to big cities to purchase them. Another company which entered into the market is Reliance Company through retail marketing and contract farming. This Company purchased acres of land to produce vegetables to sell their product in retail. market centers called ‘Reliance

Fresh’. In some areas contract farming method was adopted. In this method the cultivators only plant the company’s crop and it provides selected inputs like seeds, saplings, modern implements, regular inspection of the crop and the advisory service on crop management. Such type of farming has proved successful and beneficial in terms of The commercialization of agriculture and the entry of corporate world have increased the margins for procuring and processing in Sehore district. The profits in agribusiness are very high at the same time the income of farmers have also increased two- three times in last three decades which is expected to multiply in the coming years.

Change in per hectare yield (1975-2005)

Crops	1975-76 (in Kgs.)	2004-05 (In kgs.)
Cereals	612	1383
Pulses	526	847
Oilseeds	397	967

The pace of agriculture development has been accelerated in last decade as a result the income levels have gone up which is being reflected in the changing life style and the consumption pattern. Upward trend in literacy level, women and girl child education, awareness about health and cleanliness, etc. in all five blocks of district indicates the positive change in social life. Therefore, it can be interpreted that growth of agriculture enhances the purchasing power and income level of rural population which changes socio-economic life of any region. Hence, it is advisable for the growth and development of agriculture that large investment should be made and to apply the new technology at village level.

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