Economic Impact of Himachal Pradesh State Agricultural Produce Marketing Board in Himachal Pradesh

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Abstract

Himachal Pradesh as a land of diversity, geographically as well as ethnically, faces different climatic conditioning that determines the flow of life by and large. Agriculture is the essential occupation of people where survival is found in its varied forms viz. orchards, horticulture, pisciculture, floriculture, apiculture and vegetables. Himachal Pradesh State Agricultural Produce Marketing Board (HPSAPMB) provides facilities in marketing of agricultural produce and development of efficient marketing system in the State. It ensures a level of competitiveness in the market to be operated by setting minimum standards. The Marketing Board provides the facilities through the various schemes to the benefit of the farmers. This paper evaluates the economic impact of various schemes and satisfaction of services provided by APMB to the beneficiaries.

KEYWORDS: Agricultural, Efficient, Satisfaction, Beneficiaries

Introduction

The Himachal Pradesh State Agriculture Marketing department is to strengthen agrarian economy of the State It has been conferred 'State Agriculture Leadership Award' in 2010 for its Outstanding Policy Initiatives and Performance in Agriculture Sector. The State Government has taken goal- oriented initiatives which proved as a mile stone in the history of agricultural economy of the State. Schemes and programs have been introduced by the State Government to develop the agricultural sector and to uplift of farmers and people engaged in the agriculture. Agricultural Marketing is one of these programs started by the State Government for better regulation of buying and selling of agricultural produce and to safeguard the interests of the agrarian community. To provide for a uniform law relating to the better regulation of buying and selling of agricultural produce and for the establishment of markets for agricultural produce throughout the State, The Himachal Pradesh Agricultural Produce Markets Act, 1969 was enacted in the State from 5.2.1972. Later on, for the regulation of agricultural produce in the State, Himachal Pradesh Agricultural/Horticulture Produce Marketing Act, 2005 has been enforced (implemented). The law was re-enacted for:

1. Improved regulation in marketing of agricultural produce,
2. Development of efficient marketing system,
3. Promotion of agri-processing and agricultural exports,
4. Establishment and proper administration of markets for agricultural produce in the State.
5. To ensure competitive markets to operate through setting of minimum standards for facilities, procedures and systems, thereby promoting the

establishment of well administered and efficient infrastructure for marketing of agricultural produce in and from the State of Himachal Pradesh.

Under this Act, Himachal Pradesh State Marketing Board (HPAMB) has been established at the State level. The State has been divided into ten notified market areas /Agricultural Produce Market Committees (APMCs). These APMCs are: Bilaspur, Hamirpur, Solan, Shimla, Kinnaur, Kullu, Mandi, Una, Chamba, Sirmour and Kangra. The APMC of Solan is a modernized market complex and functioning for marketing of agriculture produce. The Board (HPAMB) has also decided for the expansion and modernization of market at Dhalli and re-planned for the new infrastructure of Terminal Market at Parwanoo. In each APMC; there are one Principal Market yard and one or more Sub- Yards and Collection Centers. These all APMCs work under the Supervision and Control of the Himachal Pradesh State Marketing Board. There is a provision of collection of marketing fee from the farmers which is a charge in lieu of the services provided. However, this amount is quite nominal and recently there has been reduction in market fees from 2 percent to 1 percent for the benefit of the farmers. The revenue generated is utilized for raising infrastructure for ensuring remunerative marketing of the agriculture produce. The HP Agriculture Produce Market Act was also amended on the basis of Model Act circulated by Government of India. With this, a provision has been made to set-up private markets, allowing direct marketing and contact farming with a single point levy of entry fee.

Review of Literature

Thompso and Kunda (2000)[1], in their research paper **"E-Commerce on Agricultural Markets"** have found that the impact of lower transactions cost associated with e –commerce and markets for agricultural products will be become more competitive. **Benjamin and Brandt (2002)[2],** analyzed in their paper **"Agriculture and Income Distribution in Rural Vietnam under Economic Reforms"** this paper have been found that direct linkages between rice market liberalization and income, however, find the greatest increases in agricultural output occurred in non-rice crops. **Maurice and Burfisher (2009)[3],** in their research paper **"Growth and Equity Effects of Agricultural Marketing Efficiency Gains in India"** have been found that improved agricultural marketing efficiency contrast significantly with the impacts of reducing agricultural subsidies and tariffs and also found that Indian policy makers face domestic and international pressures to reduce input subsidies and tariffs in the farm sector. **Punnaiah (2018)[4]** in his article **"Impact of GST on Agricultural Sector in India"** has examined that impact agriculture very badly by increasing the input cost of raw material used by farmers due to the rise in inflation.

Research Gap

The authors focused only to transactions cost, direct linkages between rice market liberalization and income, improved agricultural marketing efficiency contrast significantly with the impacts of reducing agricultural subsidies and tariffs and Indian policy makers face domestic and international pressures to reduce input subsidies and tariffs in the farm sector, increase farmers' income, productivity and facilities provided to them by government. But the only thing that matters at large is the success rate of such facilities. For this direction is instrumental which has not been paid attention by the researchers. The study endows to fill this gap.

Objective of the study

1. To analysis that opinion of people about satisfaction from services provided by APMB.
2. To study that opinion of people regarding economic benefits of the different scheme provided by APMB.

Scope of the Study

The study limits to selected from two APMCs covering four districts (1. Shimla & Kinnaur, 2. Kullu & Lahaul –Spiti).

Research Methodology

The paper is based on descriptive research. The data has been collected through interview schedule. The used tools are Chi- Square test, mean, Standard deviation, Skewness and Kurtosis.

Sample Deigns

Multi- Stage stratified random sample has been used. Out of ten committees of APMB, two have been selected for sample .These are districts eight blocks, sixteen panchayats, thirty two villages selecting 10 respondents from each village through convince sampling and there are the total 320 respondents producers from both the selected APMCs.

Hypotheses

H_{01} = There is no significant difference in the opinion of respondents with regard to satisfaction from services provided by Board.

H_{02} = There is no significant difference in the opinion of respondents with regard to benefits of the schemes provided by Board.

Analysis and Interpretation
1 Demographical Distribution of the Sample

Demographical characteristics of the respondents are shown in table No 1 on the basis of Gender, Age, Marital Status, Educational Qualification, Income, Agricultural Income and Occupation.

Table No: 1 Demographic Profile of Respondents

Demographic Profile	Category	No. of Respondents	Valid %
Gender	Male	184	57.5
	Female	136	42.5
Age	Below25	67	20.9
	25-50	197	61.6
	Above 50	56	17.5
Material Status	Married	201	62.8
	Unmarried	119	37.2
Educational Qualification	Illiterate	45	14.1
	Matriculation	74	23.1
	Below Graduate	103	32.2
	Above Graduate	98	30.6
Income (Monthly)	Below Rs.100000	83	25.9

	100000-200000	75	23.4
	200000-300000	84	26.3
	Above 300000	78	24.4
Agricultural Income(Monthly)	Below 50000	154	48.1
	50000-100000	55	17.2
	100000-150000	37	11.6
	Above150000	74	23.1
Occupation	Service	91	28.4
	Business	72	22.5
	Agriculture	142	44.4
	Student	15	4.7

Source: Computed from Primary Data

On the basis of gender, 57.5 percent respondents are male against 42.5 percent female and majority is below 25 years that represents 20.9 percent of the population, while 61.6 percent of the respondents are aged between 25-50 years and 17.5 percent are representing the age group above 50 years. As for as marital status is 62.8 percent are married and 37.2 percent aren't married. Amongst respondents, 14.1 percent are illiterate, 23.1 percent are matriculate. 32.2 percent are below graduate and 30.6 percent have education qualification above graduation. Income wise 25.9 percent respondents are below Rs 1,00,000, 23.4 percent are between Rs 1,00,000-2,00,000, 26.3 percent are between Rs 2, 00,000- 3,00,000, 24.4 percent are above Rs.3,00,000. On the Agricultural income 48.1 percent respondents are below Rs 50,000, 17.2 percent respondents are between Rs. 50,000 – 1, 00,000, 11.6 percent are between Rs1,00,000-1,50,000 and 23.1 percent of them are above Rs 1, 50,000. On occupation wise 28.4 percent of respondents are in service, 22.5 percent are businessmen, 44.4 percent are associated with agriculture and 4.7 percent are students.

2. Opinion Regarding Satisfaction from Services provided by Board

The following table shows opinion of respondents regarding satisfaction of the different services provided by market yards is as under:

Table No. 2
Opinion Regarding Satisfaction From

Statement	No. of Response					Total	Mean	S.D	S.K	Kurtosis	Chi-Square	P-value
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree							
Purchases and Sale of produce	93 (29.1)	112 (35)	92 (28.8)	16 (5)	7 (2.2)	320 (100)	3.837	.975	-.57	-.025	148.16	.000
Storage facility	5 (1.9)	139 (43.4)	86 (26.9)	37 (11.6)	7 (2.2)	320 (100)	3.593	.962	-.49	-.16	160.25	.000
Grading of produce	43 (13.4)	111 (34.7)	108 (33.8)	43 (13.4)	15 (4.7)	320 (100)	3.387	1.029	-.35	-.31	116.06	.000

Services Provided by APMB
Source: Computed from Primary Data

Note: Figures in Parentheses Represents Percentages

The mean score and standard deviation of responses regarding purchase and sale of produce of responses is 3.84 and 0.97 respectively. It can be stated that the purchases and sale of produce were ranked agree (It varies between neutral and strongly agree). Further, skewness is calculated -0.57 which analyzes that the responses are negatively skewed. So, it can be concluded that opinion of people regarding purchases and sale of produce services provided by market yards is satisfied. The kurtosis is calculated-0.025. It reveals that distribution is platykurtic. While applying chi- square test, P-value is calculated 0.000 hence null hypothesis is rejected (less than at 5%). Thus, it can be stated that there is significant difference in opinion of people regarding satisfaction of purchase and sale services provided by market yards.

Regarding storage facility, the mean score of responses is calculated 3.59. It can be stated that responses about storage facility were ranked agree and it varies between neutral and strongly agree because the value of standard deviation is 0.96. Further, the negative value of skewness (-0.49) depicts the responses are towards higher side of mean value. Which analyzes that the responses are inclined toward agree. So, it concluded that respondents about storage of produce services provided by market yard are satisfied. The value of kurtosis (-0.16) express the distribution of opinion is platykurtic. While applying chi- square test and P-value is calculated 0.000 which is less than 5 percent level of significance and null hypothesis is rejected. Thus, it can be stated that there is significant difference in opinion of people regarding satisfaction of storage of produce services provided by market yards.

As shown in above table regarding grading of produce, the mean score calculated is 3.38 with standard deviation as 1.03. It can be stated that opinion regarding grading of produce falls under rank 'agree' while it varies between disagree and agree. Further, skewness is calculated -0.35 which analyzes that the responses are negatively skewed. Thus, it means that respondents are satisfied regarding grading of produce services provided by market yards. The value of kurtosis is express the distribution of opinion is platykurtic. While applying chi- square test and P-value is calculated 0.000 hence null hypothesis is rejected (less than at 5 %). Thus, it can be stated that there is significant difference opinion of people regarding satisfaction of grading produce services provided by market yards.

3. Opinion of People Regarding Economic Benefits of the Schemes

The following table analyzes opinion of respondents regarding Economic benefits of the schemes.

Table No. 3
Opinion of People Regarding Economic Benefits of the Schemes

Statement	No. of Response					Total	Mean	S.D	SK	Kurtosis	Chi-Square	P-value
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree							
Benefits of new techniques	90 (28.1)	160 (50)	44 (13.8)	19 (5.9)	7 (2.2)	320 (100)	3.959	0.924	-1.046	0.136	243.219	.000
Growth of Agro Based Industries	73 (22.8)	158 (49.4)	66 (20.6)	19 (5.9)	4 (1.2)	320 (100)	3.8656	0.877	-0.718	0.528	227.281	.000
Increase in Income	70 (21.9)	144 (45)	77 (24.1)	26 (8.1)	3 (0.9)	320 (100)	3.787	0.909	-0.525	-0.091	183.906	.000

Increase in Productivity and Efficiency	73(22.8)	149(46.6)	71(22.2)	19(5.9)	8(2.5)	320 (100)	3.812	0.938	-0.787	0.609	195.563	.000
Employment Creation	65(20.3)	130(40.6)	52(16.2)	57(17.8)	16(5)	320 (100)	3.53	1.156	-0.536	-0.654	107.094	.000

Source: Computed from Primary Data

Note: Figures in Parentheses Represents Percentages

Regarding the mean score of responses about benefits of new techniques, it stated that respondents are benefits of new techniques 'agree' because the mean score is 3.96 and it varies between strongly agree and neutral because standard deviation value is 0.92. Skewness is calculated -1.04. The negative value of skewness depicts the responses are towards higher side of mean value, which analyzes that the responses are inclined towards the agree. It means that opinion of respondents regarding benefit of the new techniques is agreed. The value of kurtosis express the distribution of opinion is platykurtic. While applying chi- square test and P-value is calculated 0.000 and null hypothesis is rejected. Thus, it can be stated that there is opinion of people significant differences in opinion of people regarding benefits of the new techniques.

As shown in above table, responses regarding the benefits of agro based industries, since the mean value calculated on five point Likert Scale is 3.86 with standard deviation as 0.877, it can be stated that the benefits of agro based industries falls under rank agree, and it varies between strongly agree and neutral. Further, Skewness is calculated -0.718, which analyzes that the responses are negatively skewed. It means that the benefit of agro based industries is agree. The kurtosis is calculated 0.528. It reveals that distribution is platykurtic. While applying chi- square test and P-value is calculated 0.000 and null hypothesis is rejected. Thus, it can be stated that there is significant differences opinion of people with regard benefits of the agro based industries.

Regarding the increase in income , mean value of responses is calculated 3.78 with standard deviation as 0.91, it can be stated that there is increase in income fall under rank agree, while it varies between strongly agree and neutral. Further, skewness is calculated -0.525 which analyzes that the responses are inclined towards the mean. It means that responses about benefits of increase in income are agreed. The value of kurtosis express the distribution of opinion is platykurtic. While applying chi- square test and P-value is calculated 0.000. The null hypothesis is rejected. Thus, it can be stated that there is significant differences opinion of people with regard to benefits of the increase in income.

The mean score and standard deviation regarding increase in productivity and efficiency are calculated 3.81 and 0.938 respectively. It can be stated that the benefits of increase in productivity and efficiency falls under rank agree, and it varies between strongly agree and neutral. Further, skewness is calculated -0.787, which analyzes that the responses are negatively skewed. It means that responses about benefits of increase in productivity and efficiency are agreed. The kurtosis is calculated -0.609, it reveals that distribution is platykurtic. While applying chi- square test, P-value is calculated 0.000 and null hypothesis is rejected. Thus, it can be stated that there is significant differences in opinion of people regarding benefits of the increase in productivity and efficiency.

From the above table, responses regarding benefits of employment creation is agree and it varies between strongly agree and disagree, since value of mean is 3.53 and value of standard deviation is 1.15. Further, the value of skewness is -0.536 which analyzes that the responses are inclined towards mean. It means that opinion of respondents about benefits of employment creation is agreed. The value of kurtosis express the distribution of opinion is platykurtic. While applying chi- square test, P-value is calculated 0.000 and null hypothesis is rejected. Thus, it can be stated that there is significant differences in opinion of people regarding benefits of the employment creation.

Conclusion and Suggestions

The Himachal Pradesh state agricultural marketing Board regarding satisfaction from the services like purchase and sale of produce, storage facility and grading o produce being provide by Board and there is high level of consistency, and impact of various schemes, the responses are inclined to indicate that the majority of respondents agree that benefits of the schemes managed by APMB have impact producers are conversant of the new techniques, growth of agro based industries and increase in income, productivity, efficiency as well as employment generation. There is need to launch a training programmed to improve their knowledge in financial technological, marketing management and efficient transport facilities should be provided.

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