

2.3. Agricultural Marketing and Quality Control

Agricultural marketing in the state, as in other parts of the country, is highly unorganized. Since farmers lack appropriate training in post-harvest handling, a significant percentage of the produce is lost by the time they reach the nearest market. The losses in the marketing chain have been estimated at around 10 percent for food grains and in excess of 30 percent for fruits and vegetables. Though there are 277 regulated markets, in Tamil Nadu, only 10 per cent of the food grains are traded in the regulated markets. The Co-operative marketing federations at the State and National level are involved in processing, storage, export and price stabilization activities. Farmers markets have also been organized in different states to eliminate intermediaries, especially in the marketing of fruits and vegetables. Most of these state sponsored institutions do not have the desirable impact at the grass root level. For example, in Tamil Nadu 65 per cent of the trade in rice, 70 per cent trade in oilseeds (groundnut and gingelly) and 92 per cent trade in maize is taking place through village traders. Commission agents account for nearly 85 per cent of trade in vegetables. In banana, 100 per cent is carried through village merchants and pre harvest contractors. The data reveals the dominance of unorganized non-formal channels in agricultural marketing. This calls for institutional innovations for efficient alternative systems, which are transparent and responsive to market signals and pass on maximum benefit to the farmers.

At present, there are 21 Market Committees with 277 regulated markets covering the entire state except Chennai. 42 important agricultural commodities have been notified so far under the Act. Though there is provision in the Act for notifying fruits and vegetables, cattle, poultry, sheep, pisciculture and apiculture products, these commodities are yet to be notified in Tamil Nadu. In order to grade the agricultural commodities brought to the regulated markets by the farmers according to the stipulated specifications, 96

Commercial grading centres, 11 Kapas grading centres and one Tobacco-grading Centre are functioning in the state. In these centres, the agricultural commodities are graded according to the quality specifications, free of cost. As the grades can be correlated with the prices, the bargaining power of the farmers is strengthened. Apart from this, the produce is also graded at the farm gate itself by the staff of these centres.

Strategies Proposed

The following strategies are envisaged for Agricultural Marketing for the year 2008-09

- Enhancing marketability of Agri commodities by providing necessary infrastructural facilities.
- Developing marketing platforms like periodic markets or rural primary markets by providing facilities like auction platforms, storage structures, grading facilities, traders' shops, weighing and packaging facilities, parking space and common facility centres.
- Preventing wastage through improved post harvest facilities
- Provision of backward and forward linkages through agro processing and contract farming
- Educating the farmers on marketing practices - with a strong extension network
- Revamping Regulated Markets with structural changes in the existing system
- Stepping up export of agri / horti produce - with setting up of AEZ and Establishment of Food Parks
- Commercialization of agriculture - market driven approach
- Policy interventions to attract private sector into storage and agro processing industries.

- Integrated approach - from planting to marketing which includes, choice of crops, grading, packaging, storage and marketing in domestic and international markets.

The Agricultural Marketing and Agri-Business Department is implementing the following programmes:

Uzhavar Sandhaigal

Uzhavar Sandhaigal (Farmers Markets) have been set up in the urban areas in Tamil Nadu for the benefit of farmers as well as the consumers. At present, 103 Uzhavar Sandhais are functioning to ensure that the farmers get a better price for their produce and to enable the consumers to get fresh fruits and vegetables at a cheaper price than in the open market. Every day, on an average, 1010 MT of vegetables and fruits worth Rs.1 crore are being transacted benefiting 7500 farmers and 1,90,000 consumers. The scheme is being implemented through Agricultural Marketing Board Funds.

Infrastructure Creation for Regulated Markets

Required infrastructures like transaction sheds, input shops, godowns, office cum godowns, payment counters, rest sheds, drinking water facility, sanitary facilities etc are being created in the regulated markets year by year in a phased manner to enhance the facilities to farmers and traders which will ensure better marketability of the agricultural produce. The infrastructure will be created using State and Market Committee funds and funds from the World Bank aided Multi-State Agricultural Competitiveness Project.

Post Harvest Management

In Tamil Nadu there are about 133 cold storage units with a combined capacity of 1.00 lakh MT. Taking into account the present production and projected requirements, the State would be requiring cold storage units with a capacity of another one lakh MT in the next five years. Agricultural Marketing and Agri-Business Department has identified 15 potential locations in the State for which proposals have been sent to Government to establish integrated cold chain facilities at

a total cost of Rs.41.95 crore. The projects will be implemented in the Public Private Participation mode with financial assistance from National Horticulture Board and the Rural Infrastructure Development Fund of NABARD.

Market complex

A market complex has been established exclusively for paddy at Madurai at a total cost of Rs.17.06 crore, Another Market Complex for Turmeric at a total cost of Rs.36.32 crore is being established in Nasiyanur and Villarasampatti villages near Erode. A mega wholesale market complex for fruits and vegetables at a cost of Rs.3.08 crore is being established at Oddanchatram of Dindigul district.

Food Parks

A Food Park in the private sector has been established at a cost of Rs.11.12 crore with a grant of Rs.4.00 crore from the Centre (i.e.) Ministry of Food Processing Industries (MoFPI) at Aruppukottai in Virudhunagar District. Another Food Park at a cost of Rs.13.00 crore has been established by the Tamil Nadu State Agricultural Marketing Board and the State Industries Promotion Corporation of Tamil Nadu Limited with a grant of Rs.3.25 crore from the MoFPI at Nilakkottai.

Establishment of Terminal Markets

As per the guidelines of the Central Government, 3 Terminal Markets with all facilities would be established near metro areas of Chennai, Madurai and Coimbatore for processing, storage and marketing of perishables like fruits and vegetables.

An Agri Export Zone has been established exclusively for cut flowers at Hosur in Dharmapuri District at a project cost of Rs.24.85 crore.

An Agri Export Zone for flowers in The Nilgiris is being established with active participation from a private entrepreneur at a project cost of Rs. 15.89 crore. Another Agri Export Zone exclusively for mango has been established in Theni district with private sector

participation at a project cost of Rs.24.60 crore. It is proposed to establish an Agri Export Zone exclusively for cashew at Cuddalore district with private sector participation at a project cost of Rs. 10.36 crore.

Another Agri Export Zone exclusively for Banana in Tiruchirappalli District with private sector participation at a project cost of Rs. 10.00 crore is proposed to be established.

Irrigated Agriculture Modernisation and Water Bodies Restoration Management (IAMWARM)

IAMWARM is a World Bank assisted project. Under the Marketing component of this project, the following activities like establishment of Drying yard, Storage sheds, Collection Centre, Pack houses, Agribusiness Centres, Goods Auto, Mini Lorry, Moisture Meter, Weighing scale, Dunages and Tarpalin will be provided to benefit the Water Users Associations. The projected cost for 63 sub basins towards the Marketing component is Rs.24.84 crore. A sum of Rs.8.83 crore for 2007-08 for the 9 sub basins was sanctioned. The scheme would be extended to 14 another sub basins during 2008-09. Commodity groups on different agricultural crops would be organized in clusters and would be tied up with online traders to get a fair price for the commodities. Different training modules like interface workshop, post harvest technology, exposure visit would be conducted for the commodity groups. An amount of Rs.2.09 crore is proposed for 2008-09.

Rastriya Krishi Vikas Yojana (RKVY)

The Rastriya Krishi Vikas Yojana is a new state plan scheme meant for a holistic improvement in the Agriculture and Allied sectors. Under this scheme, it is proposed to strengthen the market infrastructure through assistance for setting up of cold storages, cold chains, godowns, formation of farmer's SHGs, setting up of collection centres etc.

Plan Outlay for 2008-09

An amount of Rs.2.02 lakh is expected to be spent during 2007-08. An amount of Rs.0.06 lakh is approved for the year 2008-09.