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## AGRICULTURAL GOVERNMENTAL POLICY – CASE STUDY

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### INTRODUCTION:

Efficient agricultural policies are essential to meeting increasing demand for safe and nutritious food in a sustainable way. While growth in demand for food, feed, fuel and fibres presents significant opportunities for agriculture, government policies must address challenges such as increasing productivity growth, enhancing environmental performance and adaptation to climate change, and improving resilience of farm households to market shocks brought on by weather and other unforeseen circumstances.

Policy monitoring and evaluation provides needed evidence for governments to ensure that their agri-food policies address these challenges well. Efficient policies clearly separate targeted measures that provide income support to farm households in need, from measures that support increased farm productivity, sustainability, resilience and overall profitability

### **POLICYMAKERS NEED TO CREATE A BETTER AND MORE COHERENT POLICY ENVIRONMENT TO MEET FOOD DEMAND SUSTAINABLY:**

Agricultural policy packages need to be both coherent and efficient to enable the sector to develop its full potential and achieve key public policy objectives. The sector is facing a number of challenges related to meeting future' demands for food, fuel, fibre and eco-services in a more sustainable manner in the context of a changing climate.

The latest Agricultural Policy Monitoring and Evaluation report shows that the 54 countries studied provided USD 720 billion annually to support their sectors during the 2018-20 period, while at the same time a small number of the countries implicitly taxed their producers to the tune of USD 104 billion per year by keeping prices below world levels.

**GOVERNMENT REGULATORY PROGRAMMES:**

With this object in view, a number of marketing surveys were conducted by the Directorate of Marketing and Inspection which revealed the shortcomings in the country's marketing system. A rectification of these deficiencies was sought to be achieved by rationalizing various activities and standardizing various practices in the markets through legislation or otherwise. The primary objective of improving the system of agricultural marketing was not only to remove the handicaps from which the producer-seller was suffering but also to increase his income by ensuring him a fair price.

**REGULATION OF MARKET:**

Prevailing market practices and market charges made a deep cut in the share of the producer in the price paid by the consumer. Some of the market charges were authorized whereas others were more than what the service rendered warranted. It was felt that a remunerative price to the producer could only be ensured if the market practices and market charges were regulated and rationalised. And thus the regulation of the markets has been given a high priority in the various Five Year Plans. The markets are sought to be regulated through an Act of each legislature. The Act is generally known as the Agricultural Produce Markets Act and it is provided for the removal of various malpractices widely prevalent in the markets for the settlement of disputes between sellers and buyers and for the promoting of orderly marketing of farm produce in general. Various state Governments have made considerable progress in this field by bringing in the necessary legislation.

**CONTRACT TERMS:**

Under the existing trade practices, the sale of produce in a primary market takes place on the basis of the visual inspection of the goods, and in the secondary and terminal markets on the inspection of the samples. Thereafter the buyer and the seller decide upon the terms either orally or through written contracts. The contract terms specify the quality and quantity of the produce, the time and place of delivery, the price and terms of payment, handling and incidental charges, the procedure for settlement of disputes and penalties. The terms of contract were not standardized and level of the traders. At this stage the producer was not a direct beneficiary of the grading scheme. It was felt the need to introduce grading at the producers' level.

**GRADING OF FRUITS AND VEGETABLE PRODUCTS:**

With a view to exercising quality control over fruits and vegetables the Government promulgated the Fruits Product Order under the essential Commodities Act. The preservatives and colors to be used are also clearly laid down. The order also stipulates the hygienic and sanitary methods which must be adopted by the manufacturers. The license for all this is issued by the executive Director, food and Nutrition board.

The total number of licensed factories was 1194. The total average production of fruits and vegetable products in the country during 1970 has been estimated as 156 thousand tonnes valued at Rs. 32.66 crores. Some of the products are very popular in foreign markets and are a good source of foreign exchange. In 1970 alone fruit products worth Rs. 2.92 crores were exported from India.

**REGULATION OF COLD STORES:**

Most of the problems relating to the marketing of fruits and vegetables can be traced to their perishability. Perishability is responsible for high marketing costs, market gluts, price fluctuations and other similar problems. At low temperature, perishability is considerably reduced and the shelf life is increased and thus the importance of cold storage or refrigeration. The first cold store in India was reported to have been established in Calcutta in 1892. However significant progress in the expansion of the cold storage industry in the country has been made only after independence.

**STANDARDISATION AND GRADING:**

In order to gain the confidence and establish a rational relationship between the quality of a produce and its price, it is necessary to devote some attention to the proper preparation sifting and sorting of a material according to certain attributes before it is taken to the market. This is sought to be achieved by grading the produce in conformity with certain accepted quality standards viz. shape, size, form, weight, and other physical and technical characteristics. The produce brought to the market is very often contaminated with dust, stones and other foreign matter added either deliberately or by accident. Sometimes the produce is immature or not properly dried or contains shrivelled grains or damaged and rotten material. Such a produce brings a lower price to the farmers. Care should be exercised while assembling the produce of different

farmers so that the good material is not mixed with the inferior material brought in by some farmers.

#### **GRADE FOR EXPORT:**

Grading of agricultural produce under the A.P. (G and M) Act is voluntary. Exports of certain agricultural commodities have however been prohibited unless duly graded and marked in accordance with the grade standards laid down under the A.P. Act 1937.

#### **GRADING FOR INTERNAL TRADE:**

Commodities such as cotton, ghee, butter, rice, wheat, atta, gur, eggs, arecanut, potatoes, fruits, bura, pulses, vegetable oils and ground spices are being presently graded under 'Agmark' on voluntary basis.

#### **CONCLUSION:**

In national priority setting, the following recurring and emerging issues for sustainable agricultural development and poverty alleviation must be considered:

- Population pressure and demographic transition;
- Investment in agriculture, structural adjustment and impact on the poor;
- Modern science and technology and support to research and technology development; and
- Rapid urbanization and urbanization of poverty, and deceleration in rural poverty reduction.
- A policy statement on agriculture must take note of the following uncommon opportunities:
  - Vast untapped potential of our soil and water resources, and farming systems
  - Revolution in informatics and communication and the opportunity of linking farmers, extension workers and scientists with the national and international databases

The Agriculture Policy document must articulate a clear vision on following few basic parameters of the agricultural sector around which a policy framework must be developed:

- Sustainability and Natural Resource Management: Prescription must lie in the domain of political economy. Otherwise, allocating funds for

watershed development, agroforestry, soil conservation, and so on will not produce desired results.

- Investment Priorities: There is a need to develop a consensus on investment themes, priorities and policies. Policy document must lend strength to the claim for greater investment in rural areas, and also re-examine its programmes in the light of complementarities.
- Incentives: Document must articulate a clear vision on the incentive framework.
- Risk management.

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