

# An Assessment of the Operational Efficiency of Regulated Markets in Rajasthan - A Case Study of Sriganganagar Mandi

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## Abstract

*The efficiency of a market is gauged by the fact that how far it has been able to fulfill its objectives to come up to the expectations of all those concerned. Viewed in terms of regulated markets, the marketing efficiency refers to the level of satisfaction as reflected in the behavior and attitude of various market functionaries, as also the extent to which various objectives of the regulated markets are fulfilled. In this respect Sriganganagar mandi, which is one of the 15 regulated markets of Sriganganagar district of Rajasthan, has been selected as a sample to understand the various nuances of the operational efficiency of Regulated Markets in Rajasthan. Here it needs to be mentioned that situated in the extreme northern part of Rajasthan Sriganganagar is agriculturally the most prosperous district of Rajasthan and is known as the granary of the state. Sriganganagar mandi is, in fact, the only market to achieve the status of a Super-A class market. In fact, to assess the efficiency of a regulated market two different approaches, viz. Economic efficiency and Operational efficiency, are often used. The present paper focuses on the operational efficiency of Sriganganagar market viewed in terms of the various marketing functionaries involved in the marketing process.*

**Keywords:** Marketing efficiency, Regulated markets, Marketing functionaries

## I. INTRODUCTION

The concept of marketing efficiency is broad and dynamic which it is said “encompasses many theoretical and practical aspects” (Acharya and Agarwal 1996: 308). It is in fact the level of market performance in terms of quality and consistency of the development of a particular market that accounts for its marketing efficiency. An efficient market thus not only helps in regulating the sale purchase process but also contributes to the material development of the society and the nation at large, by boosting the economy of the region. The idea behind the establishment of Regulated markets has been to protect the farmers from the exploitation of the traders and middlemen and to provide standardized commodities to the consumers at reasonable prices.

Therefore, the main objective of the regulated marketing is to protect the interest of all the market participants in general and the farmers in particular. One of the important ways to fulfill the objective is to regulate the functioning of the market and to provide basic amenities and facilities by developing the infrastructure of the market. Proper infrastructure is always required for the proper functioning of the market. Efficient functioning along with good infrastructure attracts the farmers to bring more and more surplus produce to the market. The extent to

which the infrastructural facilities and functioning of a market satisfy various market participants determines the level of efficiency (Srivastava, 2006: 256). The estimation of Operational efficiency can be perceived by value judgements and behavioral analysis of various users of the market.

Sriganganagr mandi, which forms the core of the present study, is one of the most important mandis of the northern Rajasthan. At present there are 15 regulated in Sriganganagar district out of which Sriganganagar market is the only ‘Super-A’ (SA) class market as its income from market fees is more than 2 crores. It is well known for the arrival of wheat, mustard, grain, barley, guar, cotton etc.

## II. METHODOLOGY

Among the various functions performed and the infrastructural facilities available in a regulated market, 15 functions and 30 infrastructural facilities and amenities are visualized as the basis to judge the standard of over all efficiency. To check or test the efficiency of the market various market functionaries have been selected, which are as follows-

### A. Selection of the market

Out of the 15 regulated markets of Sriganaganagar district, Sriganaganagar mandi has been randomly selected as it is the only Super-A class market of the district. Since Sriganaganagar market is situated in the middle of the town, therefore, it is easily accessible to the cultivators.

#### **B. Selection of the farmers**

In order to obtain views regarding various functions performed in the selected market and infrastructural facilities available there 100 farmers have been randomly selected from the various villages of the district.

#### **C. Selection of Traders and Middlemen**

In the same way traders and middlemen have been selected randomly from the selected mandi and their number is 50 each which is equal to the combined number of farmers selected that is 100.

#### **D. Data base**

The study is based on only primary data for which an intensive survey method has been adopted wherein the personal contacts and interviews have been organized from the cross section of farmers, traders and middlemen.

### **III. RESULTS AND DISCUSSION**

In order to check the efficiency of the selected market, the views of the sellers, buyers and middlemen have been taken into consideration. Accordingly, farmers (sellers) and middlemen (traders and brokers) were asked to express their views separately regarding the various functions performed in the market. The views of both, the selected farmers and middlemen have been given equal importance for making a balance in the evaluation of the efficiency. To check the efficiency the views of various market participants have been recorded in the following manner:

1. For the judgement of the satisfaction level, the number of responding persons as well as the merit of their views has been taken into consideration in a subjective manner.
2. In order to estimate the level of satisfaction regarding the various infrastructural facilities and amenities due consideration has been given to the performance, maintenance and the quality of services rendered by the market management to various users.

After closely examining the views and subjective observations of the behavior of various market participants from the information gathered different scores have been allotted to various functions

as well as the infrastructural items. Thus for the grades satisfactory, somewhat satisfactory and dissatisfactory about the respective items, 2, 1 and 0 points respectively have been allotted. Satisfactory means that all the participants are satisfied by the existing market conditions, somewhat satisfactory means that about 50% of the participants are satisfied with the functioning of the market and dissatisfactory means that most of the participants are not satisfied by the market conditions. The results regarding this are shown in table 1 and 2 below.

The tables 1 and 2 show the level of efficiency regarding various items of efficiency and infrastructural facilities provided in the selected market and on the basis of these tables another table (table 3) has been prepared to show the aggregate scores of efficiency in the selected market percent-wise.

#### **A. Efficiency Level of Functioning at the Mandi Yard**

A market is said to be efficient when all the market functionaries are satisfied with the working of the market. As for instance the farmer wants speedy clearance and higher rates for his produce, the consumer wants quality product at lower rate, the trader and the allied functionaries want to earn maximum profits, while the government is expected to safeguard the interests of all segments, particularly the farmers who are more prone to exploitation.

Table 1 also shows the efficiency level of market yard regarding various functions performed at the mandi. In this context the views of the market participants i.e. farmers, traders and the commission agents have been taken into account to arrive at a conclusion.

**Table 1: Efficiency Level of Functioning at the Market Yard**

Functions	Views	Efficiency Level
Supervision and Functioning of the Market Committee	F T/CA	2 1
Farmers Participation in the Committee	F	1
Role of the Middlemen	F	1
Traders participation in the Committee	T/CA	1
Trader's Union	T/CA	2
Method of Sale and Purchase	F T/CA	2 2
Payment of Sale Proceeds	F T/CA	2 1

Weighment Procedure	F T/CA	2 2
Grading and Standardization	F T/CA	2 2
Dissemination of Market information	F T/CA	2 2
Dispute Settlement	F T/CA	2 1
Credit/ Banking Facility	F T/CA	2 2
Security of Goods	F T/CA	1 2
Cleanliness	F T/CA	1 1
Total	F T/CA	22 21
Grand Total	Aggregate	43

**Notes:**

F- Farmers, T- Traders, CA- Commission Agent  
 Maximum score of Farmers' view in the market is 26  
 Maximum score for Trader's / Commission agent's views is 52  
 Maximum Score for aggregate views in the market is 52

To assess the efficiency level at the mandi yard 15 functions have been visualized for which the views of various market functionaries have been evaluated. It is very disappointing to observe that as per table1 the selected market has got low score in terms of farmer's as well as trader's participation in the affairs of the marketing committee, which is although considered as an important function of them in a regulated market.

It happens because the Government wants full control over all the marketing activities and does not want to involve all the market participants, some of whom are inconvenient to it. The Government in fact finds it handy to run the Krishi Upaj Mandi Samiti through an administrator, who brings its own representative, who is more amenable. But despite this the overall score is quite satisfactory.

**B. Efficiency of Infrastructural facilities at the Mandi Yard**

A good infrastructure always attracts the agriculturists to bring their produce in a particular market. It is considered to be an important measure to assess the efficiency of a market. Since Sriganganagar market is situated in the middle of the town, therefore it is easily accessible to all the cultivators.

**Table 2: Efficiency Level of Infrastructural Facilities at the Market Yard**

Infrastructural Facilities/ Amenities	Efficiency Level (Score)
Site and space of the yard	2
Fencing/ Boundary wall	2
Check posts/ gates	2
Bank	2
Post office	2
Fire Prevention Devices	0
Parking Space	2
Storage/ Warehouses	2
Shop cum Godowns	2
Auction platforms (attached with shops)	2
Auction platforms (common)	2
Meeting Halls	2
Rest house for agriculturists	1
Lighting Facilities	2
Internal Roads	2
Public Urinals/ latrines	2
Water huts	2
Canteen/ Kiosks	1
Veterinary Dispensary	2
Cattle sheds	2
Water Troughs	2
Dustbins/ Disposal of wastes	1
Drainage system	1
Greenery (Tree plantation)	1
Scales and Weights	2
Weigh Bridge	0
Computer	0
Library	0
Telephone	2
Input Shops	0
Total	45

**Note:**

Maximum score for an infrastructural item is 2  
 Maximum score for the market is 26

The above table shows the level of efficiency regarding the various facilities and amenities available at the mandi yard. From the table it is inferred that the market is quite efficient as it has scored 45 points out of a total of 60 points. The market has scored most of the points in infrastructural facilities. This is basically due to the fact that it enjoys the status of Super-A (SA) class market and receives a huge amount of money in the form of market fees and fees from other resources. However it has not been able to score any points with regard to Computer and Library facilities, which are considered as modern tools in the present scenario.

During the survey it was also observed that the farmers were not satisfied with the facility of the accommodation available in the mandi yard, as the number of rest houses was inadequate and the existing ones are not properly maintained. Drainage system and tree plantation are the other matters about which the participants expressed their dissatisfaction. However, notwithstanding these negative points, Sriganganagar mandi yard is still considered as one of the best market yards of Rajasthan insofar as the auction platforms, water troughs, lighting facilities, etc. are some of the items which have brought maximum points to the market.

### C. Aggregate Efficiency Level at the Market Yard

The table 3 provides a comparative view of the efficiency level of functioning on one hand and infrastructural facilities on the other. The table below gives a brief knowledge of the level of efficiency in terms of functioning as well as infrastructural facilities and amenities.

**Table 3: Aggregate Efficiency Level at the Market Yard**

S.N.	Items	Particulars	Score
1	Functioning	Efficiency Score Maximum Score Percentage	43 52 82.69
2	Infrastructural Facilities	Efficiency Score Maximum Score Percentage	45 60 75
3	Aggregate	Efficiency Score Maximum Score	88 112 78.57

		Percentage	
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From the above table it can be inferred that being a Super-A (SA) class market Sriganganagar market yard enjoys a good efficiency level of 78.57%. The table also shows that the market is more efficient in terms of its functioning than in terms of the infrastructure.

## IV. CONCLUSION

The above study reveals that the level of efficiency regarding various facilities and amenities in Sriganganagar mandi is quite satisfactory. In terms of the functioning at the mandi yard, the selected mandi has scored 43 points out of 52 points. The above discussion shows that the participation of farmers, traders and the middlemen in the Market committee is quite low, as a result of which the problems of the market functionaries are not properly addressed. In terms of the infrastructural facilities available at the mandi yard the market has scored 45 points out of 60 points. The market functionaries were satisfied with most of the facilities available at the mandi yard but some of them need to be improved, as for instance, the facility of accommodation, canteens, drainage system, tree plantation, etc. Thus, despite the fact that in certain respects there needs an improvement, Sriganganagar mandi enjoys a good efficiency level of 78.57%, and is entitled to be considered as one of the best market yards in Rajasthan.

## REFERENCES

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