

Commodity boards in India: Development, Regulation and Current Scenario

ABSTRACT: India being a agro-based economy it has a market for major of the agricultural commodities. Commodity comes under the Essential Commodities Act, needs a form of regulations so that the agriculturist/miller is protected from fluctuating market. Taking into consideration the present regulatory scenario forms the basis of critical decision for the farmer/agriculturist and the miller and raised questions on the regulatory body, as to How efficient are the regulations and the need for transparency in the regulations. The regulatory agency for individual commodity is commodity board. In recent years, commodity board has made great efforts to bring about greater change in production capacity of these commodities and improving the performance of agriculturists by providing the required facilities. The main objective of the study is to understand various aspects of commodity boards of India. This includes functions and powers of boards, the various types of commodities that commodity boards regulates and different commodity boards present in India.

Key words: Commodity boards, regulation, growers, commodities

INTRODUCTION

The Government of India has set up Commodity Board as a statutory body for promoting the export of commodities. Commodity Boards regard themselves as a match to export promotion council..Commodity Boards look after the export promotion of primary and traditional items of export..Commodity Boards are statutory bodies comes under the central government. Apart from export promotion, Commodity Boards take up product development.

Functions and objectives of Commodity Boards

The functions and objectives of Commodity Boards are given below:

- Advisory body :commodity board act as a advisory body for the government on policy matters by fixing quotas and entering into an agreement with foreign countries.
- Promotional body : through participation in exhibition and trade fairs and opening foreign offices abroad it promotes the agricultural commodities.
- Problem solving body :it resolves the problems relating to commodities in their jurisdiction
- Research and development : commodity boards have research units in their jurisdiction for carrying out research activities to develop production and marketing activities within the country.
- Training and development : commodity boards provides training to the agriculturist engaged in the production of the commodity concerned.
- Financial assistance : central government through the commodity boards provides financial assistance to growers through the subsidy scheme for buying agricultural equipments.

Kinds of Commodity Boards in India

As per the department of commerce and industry five commodity Boards have established to guide production and export of commodities in their jurisdiction:

1. Spice board : Spices Board was constituted on 26th February 1987 under the Spices Board Act 1986 (No. 10 of 1986) with the merger of the erstwhile Cardamom Board (1968) and Spices Export Promotion Council (1960). Spices Board is one of the five Commodity Boards functioning under the Ministry of Commerce & Industry. It is an autonomous body responsible for the export promotion of the 52 scheduled spices and development of Cardamom (Small & Large).
2. Coffee board : The Coffee Board of India was established by an act of Parliament in 1942. Until 1995 the Coffee Board marketed the coffee of many growers from a pooled supply, but after that time coffee marketing became a private-sector activity due to the economic liberalisation in India. The Coffee Boards tradition duties included the promotion of the sale and consumption of coffee in India and abroad, conducting coffee research, financial assistance to establish small coffee growers, safeguarding working conditions for laborers, and managing the surplus pool of unsold coffee.
3. Tea board : The Tea Board was established by the Government of India under the Tea Act of 1955. Development of the tea industry and the promotion of its export are the main objectives of the Tea Board. The board has set up offices in India as well as abroad. It works in collaboration with the Tea councils set up in the U.K, the USA, Germany, France, Australia, New Zealand and Canada with the cooperation of other tea producing countries. The Board also arranges for pre-shipment inspection and quality control under the Tea Control Order of 1959.
4. Rubber board : The Government of India established the Rubber Board under the Rubber Act of 1947 as a statutory body. The Board advises the government on all matters related to rubber industry. Further, it undertakes control, planning, marketing and acquisition of rubber. Rubber Board promotes the development of rubber industry in India. It is responsible for the registration of estates, issue of new planting and replanting licenses and other development schemes such as replanting subsidy.
5. Tobacco board : Recognizing the need to regulate production, promote overseas marketing and control recurring instances of imbalances in supply and demand, which lead to market problems, the Government of India under the Tobacco Board Act of 1975, established the Tobacco Board, in place of the Tobacco Export Promotion Council. Tobacco Board was established with the mandate to regulate cultivation and curing of FCV tobacco in India so as to ensure fair and remunerative prices to growers. In view of regulatory powers vested with the Board, Board closely regulates, tracks, monitors the activities related to field trials/ demonstrations/extension

and developmental activities in cultivation of Tobacco especially in the fields of registered FCV growers in the interest of sustainability of FCV tobacco cultivation

SCOPE OF THE STUDY: The study is conducted for a short period i.e. only three-month project was taken up. The study is based on different commodity boards in India.

OBJECTIVES OF THE STUDY

- To study the role of commodity boards in Indian agriculture
- To study the issues and challenges in commodity boards
- To know the major problems associated in commodity boards

REVIEW OF LITERATURE

Niraj Kumara* and Sanjeev Kapoor in their paper titled “Value Chain Analysis of Coconut in Orissa” examined the market chains for coconut to find the flow of product from farmers through different intermediaries to the consumers and observed that there is a high ratio of vendors v/s farmers and aggregators v/s vendors in the channel. In spite of this high ratio, both vendors and aggregators are able to earn profit and are continuing the business. In this study authors concluded by suggesting that coconut based industries should be jointly promoted by state industry department, state agriculture department and Coconut Development Board. **Dhanuraj D(2004)** in his paper analysed the working, production and development of coconut board and also suggested dealings of the board with true farmers are very minimal at the ground level. Most of the dealings of the board are with a handful of merchants it is earliest. Many of the schemes including financial assistance to the merchants are mostly divested to the special category session of the elite class. **Hamsalekha.S** in his paper titled “product development and penetration of desiccated coconut powder” identified the needs and expectations of the customer who use the product regularly and revealed that companies are not concentrating on the local market to promote the product in local market, they also not concentrating in promotional activities. But majority of local customers are using this product. If the companies promotes a product in local market they will definitely grab the market and also earns maximum profit with low risk. The pioneering work on Converting Coconut Husks into Binderless Particle Board by **Stanton Greer** explain the identify the best production paths to make high quality "Cocoboard" at the lowest possible price. and also concluded If coconuts could be developed, both technically and commercially, into high value applications, the price of the coconut commodity would rise and increase the income and quality of life for millions around the globe.

RESEARCH METHODOLOGY

The data used in the study is primary in nature and is collected from respondents various from various places like madikeri and cochin region from farmers, farmer representatives and board officials. The total sample taken is 120

RESULTS AND DISCUSSIONS

Occupational wise respondents

The occupational distribution naturally determines the income of the people and their desires depends on their disposable income. Hence, the occupational distribution of respondents have been made and place in below table:

Table 1 :occupational wise respondents

Sl.no	Variables	No.of .responses	Percentage
1.	Farmers	80	66.6
2.	Officials	20	16.6
3.	Representatives	20	16.6

Source :Questionnaire

The above table reveals that 66.6 percent of respondents are farmers, 16.6 percent of respondents are officials and 16.6 percent respondents are farmer representatives. Therefore the majority of respondents are the farmers because they are the actual beneficiaries of commodity boards

Education wise respondents

The Educational background is most important aspect in studying the service quality of any organizations the educated people may take righteous decision. The education background of the respondents has been examined in the below table.

Table 2 : Educational qualifications of respondents

Sl.no	Variables	No.of .responses	Percentage
1.	Below metric	50	41.6
2.	Degree	36	30
3.	P.G	34	28.3

Source : Questionnaire

The above table reveals that 41.6percent of respondents are below metric and 30 percent of respondents are followed by undergraduate and 28.3 percent of respondents are post graduates. The majority of the respondents are below metric shows the educational qualification.

Facilities offered by commodity board

Seeds and planting materials: Planting material sometimes includes the parts of plants used for vegetative reproduction, for example, bulbs and potato tubers. ... State seed inspectorates determine the quality of planting material by means of laboratory analysis, soil control, and test plots. Importance of quality seed. Ensures genetic and physical purity of the crops; Gives desired plant population; Capacity to withstand the adverse conditions

Table 3:Seeds and planting material

Sl.no	Variables	No.of .responses	Percentage
1.	Seeds and planting materials	20	16.6
2.	Subsidy	100	83.3
3.	Reasonable price	90	75
4.	Sufficient quantity	79	65.83

Source :questionnaire

The above table reveals that 16.6 percent of the respondents expressed they have not provided with seeds and planting materials from boards, where as 83.3 percents of the respondents answered they taking subsidy from boards to buy this seeds and 75 percent opined they are charged reasonable prices and sufficient quantity by 65.83 percent respondents opinion.

Storage and warehousing facility

Warehouses are focal points for product and information flow between sources of supply and beneficiaries. However, in humanitarian supply chains, warehouses vary greatly in terms of their role and their characteristics.

Table 4:storage and warehousing

Sl.no	Variables	No.of .responses	Percentage
1.	Storage facility	100	83.3
2.	Private storage	110	91.6
3.	Reasonable price	80	66.6
4.	Safety	95	79.1
5.	Advance	90	75

Source :questionnaire

The above table reveals that 83.3 percent of respondents not provided with storage facility and 91.6 percentage of respondents have made arrangement for private storage. Price charged in warehouses are reasonable expressed by 66.6 percentage of respondents.79.1 percentage of respondents opined safety is there in warehouses and in event of need of money advance will be provided against goods stored.

Training and development :

Training means learning the basic skills and knowledge necessary for a particular job or a group of jobs. In other words, training is the act of increasing the knowledge for doing a particular job. But development refers to the growth of an individual in all respects

Table:5 Training and development

Sl.no	Variables	No.of .responses	Percentage
1.	Training	120	100
2.	Free of cost	100	83
3.	effectiveness	80	80
4.	Motivation	90	75
5.	Informative	100	83

Source :Questionnaire

The above table depicts the training activities of the commodity boards entire respondents answered that they have undergone a training and 83 percent farmers expressed it is provided free of cost. Effectiveness of training is motivated the growers and informative opined by 83 percent of respondents.

Inspection**Table 6:Inspection**

Sl.no	Variables	No.of .responses	Percentage
1.	Inspection	100	83
2.	On field	60	50
3.	Board	30	25
4.	Equipments	20	16
5.	Fee	95	79

Source :Questionnaire

From the above table3 it is come to know that 83 percent respondents strongly agree for the inspection activities of the board,50 percent answered it is conducted on the field,25 percent expressed for some commodities it is necessary get inspection done in the board , 16 percent respondents opined no equipment required for inspection an it is free of cost .

CONCLUSION

This report highlights various aspects of commodity boards of India. This includes functions, services and powers of commodity boards, the various types of commodities that commodity boards regulates and different commodity boards present in India.

It provides an effective service to the growers, exporters, wholesales to smoothly carryout their activities in turn help in improving the performance. However, Indian agriculture are still at a nascent stage of development as the numerous bottlenecks hampering their growth. There is need for lots and lots to be done for this sector.

The study points out the facilities and services offered by commodity boards to the growers results in transparent and fair activities on account of large-scale participation of entities associated with different value chains.

Board provided enormous facilities few are free of cost and few charged with some fee. The Indian commodity boards is yet to develop and understand the necessity of growers as a promising investment tool.

The analysis of data finds that there are very less facilities are provided by boards to the growers even though so many rules concerning that is mentioned by central government.

As agriculture is a major sector of the economy and expectations of a wider section of the people concerned with large participation. It is concluded that majority are the respondent are global parameter such as price, demand and supply to make the market efficient and to enhance the utility of this price discovery communicating these prices all across the globe and resolve the issues with regards to agriculture. Therefore it is concluded that majority of the respondents are expecting these facilities from the boards and also few more facilities needs to be provided at lesser and effective manner to improve the performance of farmers which in turn results in export promotion which increases country income also.

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