

*Presentation  
on*

STUDY OF COMPETITION IN FOODGRAINS MARKETING

*in*

**Eastern India**

Presented By

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in association with:

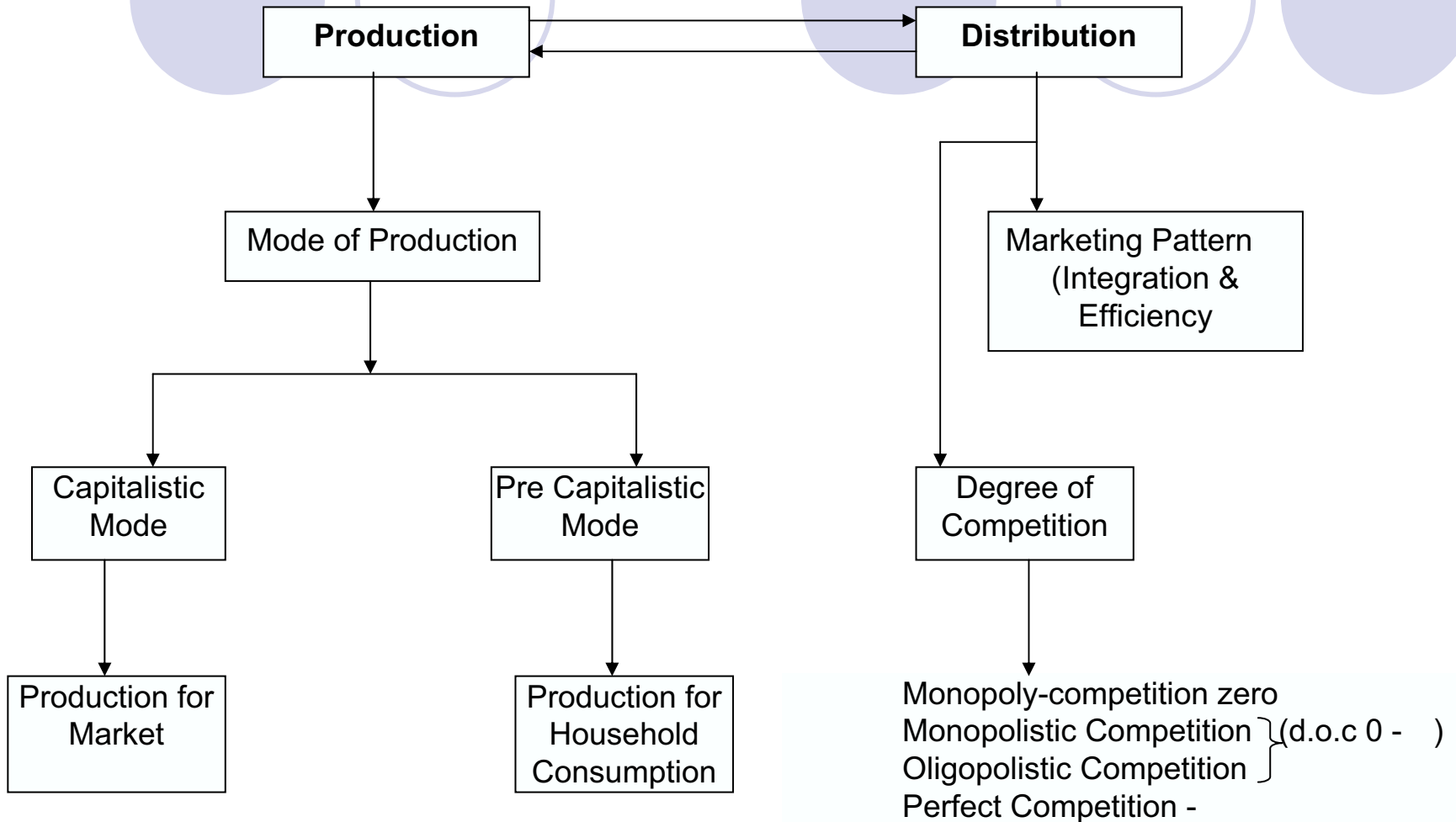
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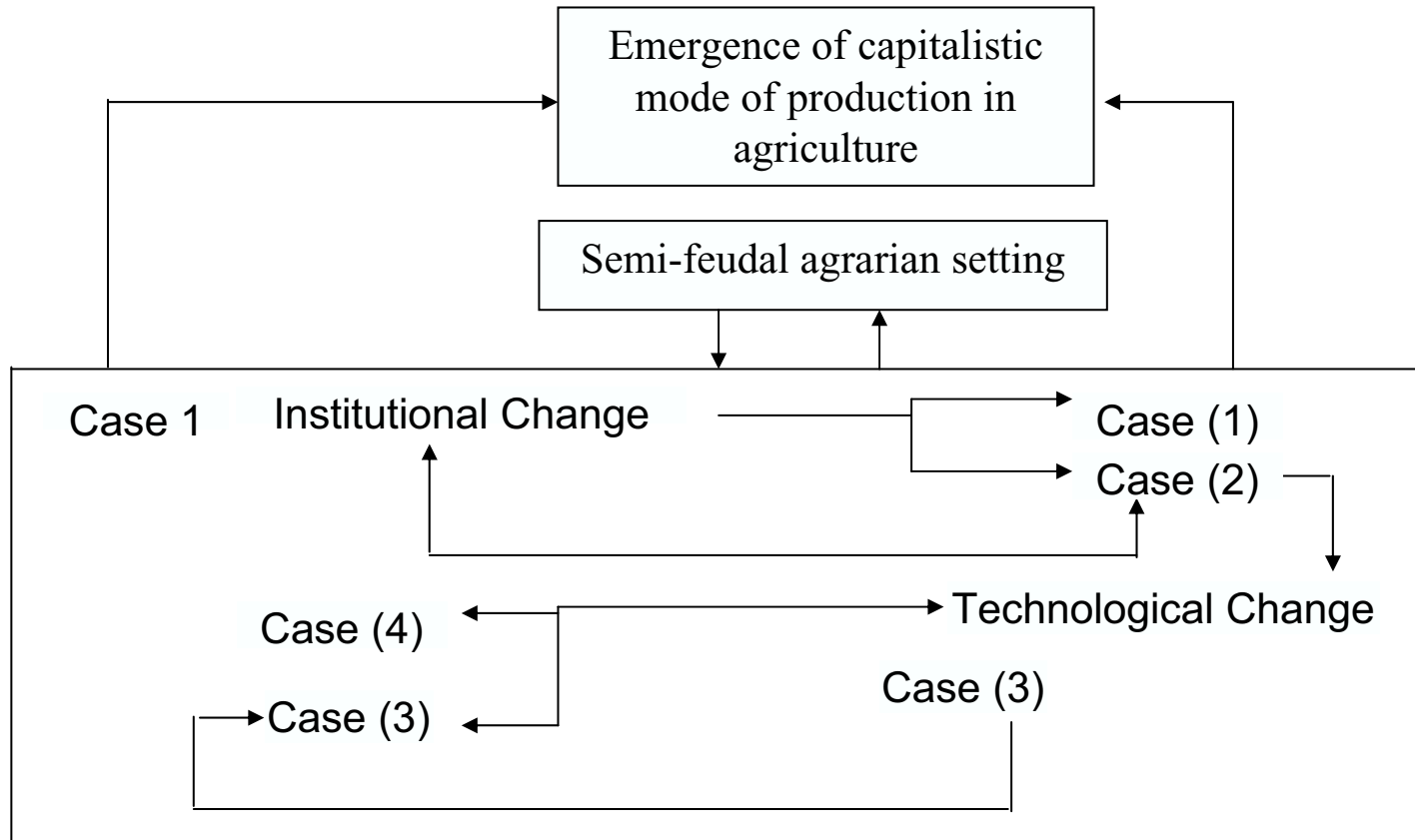
# Production-Distribution Linkage



**•Note:**

Both pure monopoly and perfect competition non-existence in the real marketing situation.  
 Oligopolystic Marketing Situation :- Unorganized Foodgrain Sector

# Conceptual Framework



# Anti Competition Situation: Pre G.R. Scenario

## Pre Capitalistic Mode of Production

Absentee land lordism

Subsistence Tenancy as anti competition factor

50% of the produce as rent to the land lord

50% as the cost of cultivation

Distress sale within village immediately after harvest at a comparatively low harvest price



# Post Green Revolution Scenario

Key Input of Modern or G.R. Technology

Magic Seed i.e. HYV Seed.

Timely application of Water

Chemical Fertilizer use

Output /No. of acres=Yield or productivity

Manifold increase in Yield i.e. Yield revolution

Cost of modern cultivation 3 times higher than traditional cultivation.

# The Main Objectives of the study

- (i) To focus the analysis on selected food grains based on their relative importance in terms of the food chain and sources of income.
- (ii) To describe the different institutions, government regulations, programs, rationale, and any other policies and measures impacting on the food grains market especially in terms of entry, expansion, pricing, output and competition.
- (iii) To study the size structure and relative importance of different economic agents (farmers, traders, storage warehouses, financial institutions, etc.). Where exact information is not possible, relevant information from surveys, meetings, interviews, etc. may be presented.
- (iv) To identify and describe the different types of anticompetitive problems confronted, and the extent to which these emanate from public policies and government regulations and/or private sector practices and arrangements.



# METHODOLOGICAL AND ANALYTICAL ASPECTS

## The Database :- Both Primary and Secondary data

**Secondary Data:-** Time series macro level data presenting a broader view and overall picture only.

**Primary Data:-** Collected through a field survey with the help of a well constructed Questionnaire and personal interviewing technique – Primary data base needed for a deeper analysis of the variables under study.

**Sample Design:-** Technique of Multi staged purposive random sampling used to select sample districts. Sample villages and finally farmers and traders of different farm size and groups from three constituent states of the eastern region under study namely, Bihar, W. Bengal and Orrisa. A sample size of total 300 respondents 100 from each of the three states under study.

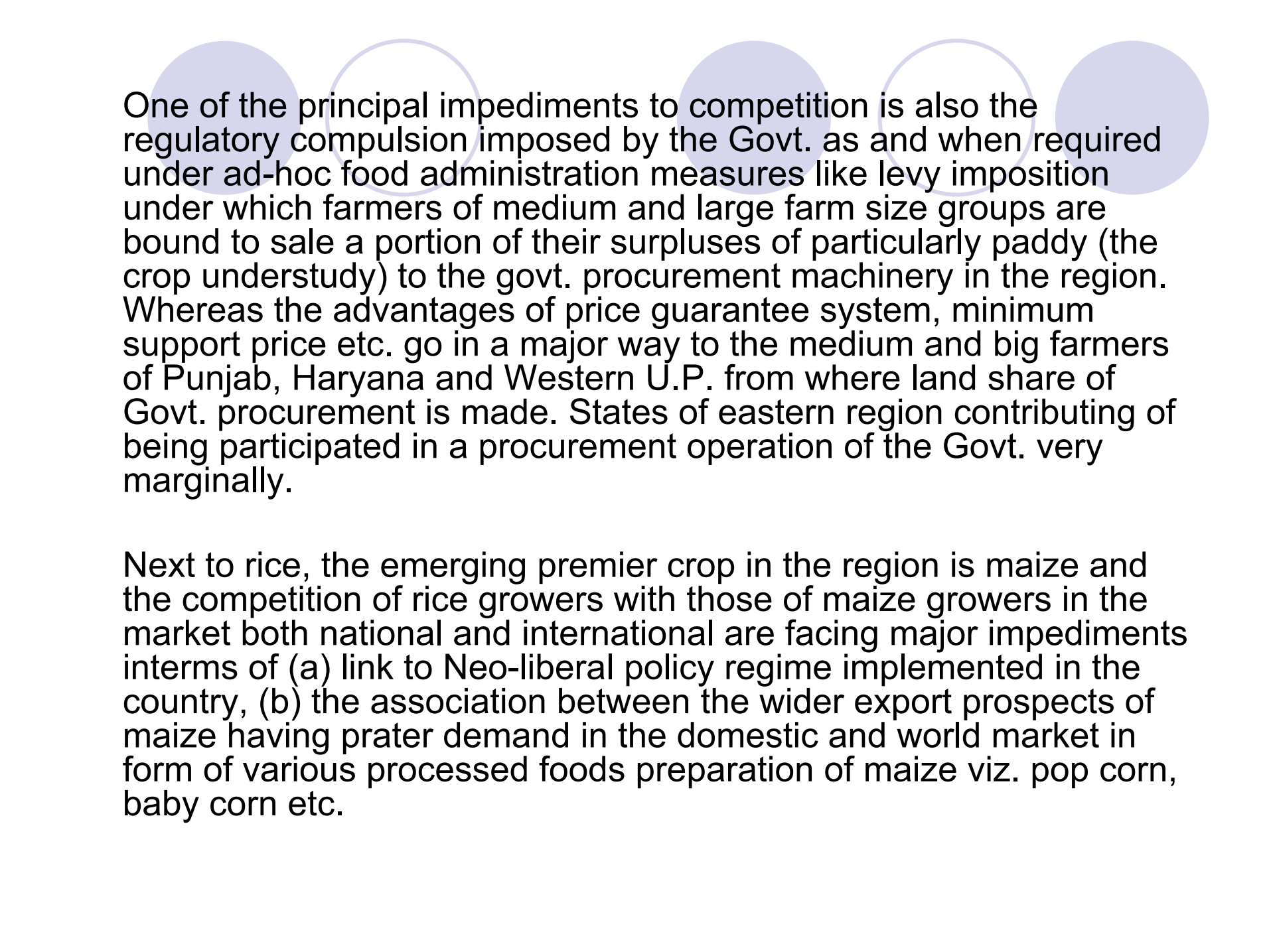
# Competition Concerned Issues emerging from the findings

The major findings of the report raise issues which form basis for a few relatively small competition concerned issues in this sector i.e. food grains marketing sector.

The principal impediment to competition in this sector arise form (a) Intention and behaviour of certain stake holders with powerful vested interest and come under the domain of the competition act (i) Abuse of dominant position falling in category section 4(c) where Rice Mill Owners, big farmers indulge in practices resulting in denial of market access for small farmers.

The impediments to competition in this sector arise form some agreements among producers and tenants (under leasing system of the land on share cropping basis) suppliers involving price fixing, market sharing, quality limiting alternatives etc.





One of the principal impediments to competition is also the regulatory compulsion imposed by the Govt. as and when required under ad-hoc food administration measures like levy imposition under which farmers of medium and large farm size groups are bound to sale a portion of their surpluses of particularly paddy (the crop understudy) to the govt. procurement machinery in the region. Whereas the advantages of price guarantee system, minimum support price etc. go in a major way to the medium and big farmers of Punjab, Haryana and Western U.P. from where land share of Govt. procurement is made. States of eastern region contributing of being participated in a procurement operation of the Govt. very marginally.

Next to rice, the emerging premier crop in the region is maize and the competition of rice growers with those of maize growers in the market both national and international are facing major impediments interms of (a) link to Neo-liberal policy regime implemented in the country, (b) the association between the wider export prospects of maize having prater demand in the domestic and world market in form of various processed foods preparation of maize viz. pop corn, baby corn etc.

# Selection of the Crop & the Region

Location of eastern region (Sample area)  
and the constituent states under study

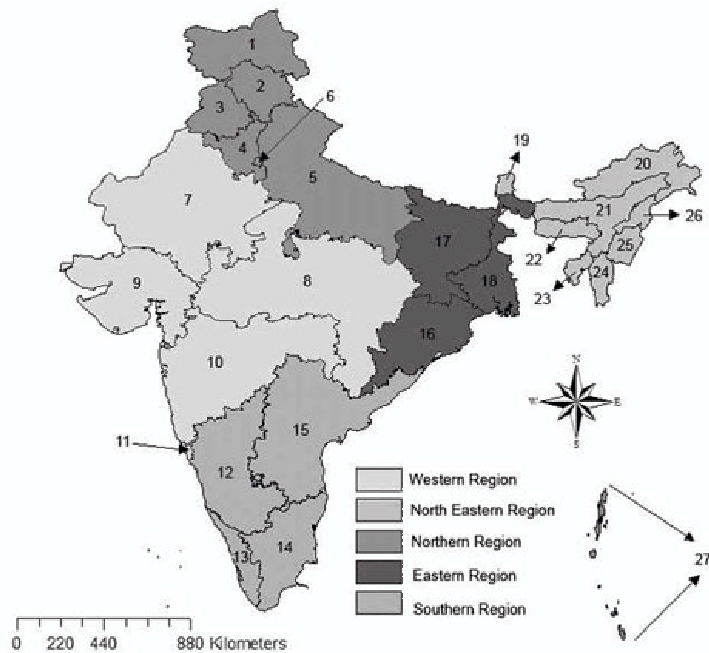
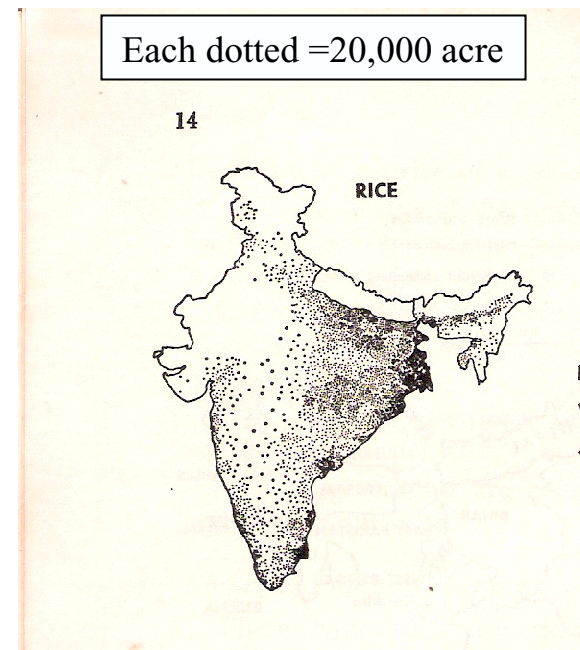


Fig. 1. States and regions of India

Map showing rice growing regions of India



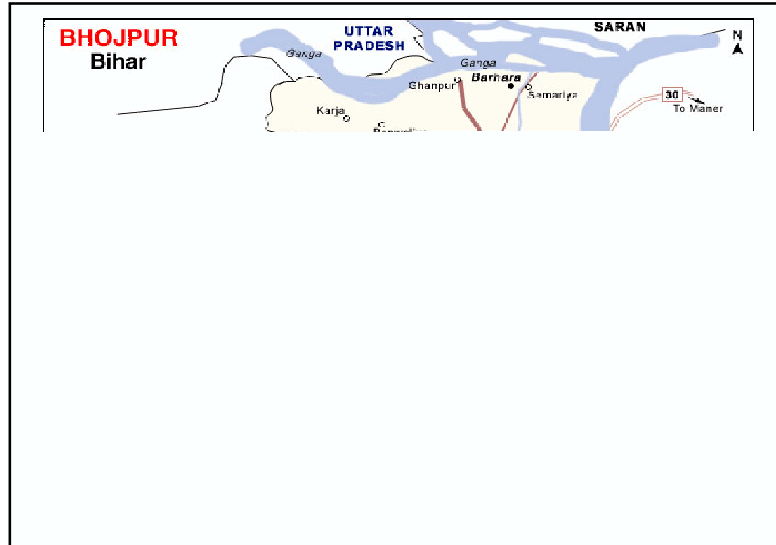
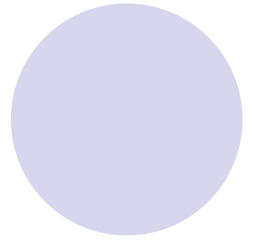
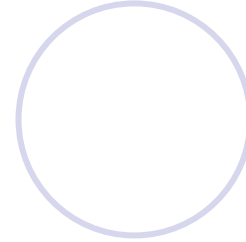
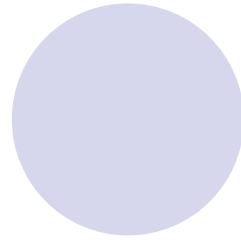
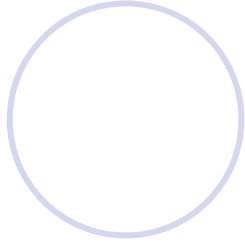
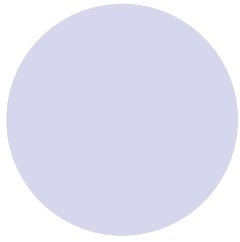
# Sample Market centres shown in the map of Bargarh district (Orissa)



Ahabira-6km

Padampur- 25.5 km

Bargah-2.5



Sample market centre with their distance from respondents village

Hasan Bazar-7.5 km

Ara-2.5 km

Jagdispur-5.38 km