



## A STUDY ON INCOME – EXPENDITURE ASPECTS OF AGRICULTURE PRODUCE MARKET COMMITTEE IN PUNE DISTRICT

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### Abstract:

*A study on income – expenditure aspects of three APMCs (Agricultural Produce Market Committees) from Pune dist. Was undertaken. For the purpose, the three categories of APMCs based on annual average income viz. Annual income of below Rs. 50 lakhs, Rs. 50 to 100 lakhs and Rs.100 lakhs and above were considered. For the study one each APMC from these three categories viz APMC Shirur, APMC Manchar and the APMC Junnar were selected respectively. The data available in Annual Administrative Reports of the 10 years period of each APMC was considered for analysis. The study revealed that there was high co – relation between annual income and annual expenditure of the two APMCs viz. Manchar APMC and Junnar APMC. In case of Shirur APMC, such high correlation was not observed ( $r = 0.76$ ).*

*On an average of 10 years, the annual income figures were Rs.39.00 lakhs, Rs. 73.04 lakhs and 136.03 lakhs on APMCs Shirur, Manchar and Junnar respectively. As against this, the annual average expenditure figures were Rs.79.51, Rs. 49.04 lakhs and Rs.42.13 lakhs of the three APMCs respectively. As regards the position of surplus (profit), it was observed that the two APMCs earned an overall annual profit of Rs.23.98 lakhs (APMC – Manchar) and Rs.56.52 lakhs (APMC – Junnar). While, the APMC Shirur sustained an average loss of Rs.2.13 lakhs. It was further observed that there was increasing trend in annual income of two APMCs viz. Manchar and Junnar. While such was not the case in respect of Shirur APMC. However the specific trend was not observed in respect of yearly expenditure on all the three APMCs. The study concluded that the APMC Shirur may visit – APMCs Manchar and Junnar and have discussion on raising the income of APMC.*

### KEYWORDS

APMC, Annual Income – Expenditutr, % change.

### INTRODUCTION

An efficient marketing system for agricultural commodities was felt long back well before the recommendations of Royal Commission on Agriculture. The said commission was appointed by the then British Government in India during 1928. The Commission made valuable recommendations regarding the establishment of Agricultural regulated markets in India. Accordingly such Agricultural Regulated Markets have been established. At present, the position of

such markets is as below.

**Table 1 : No.of Agriculture Produce Markets in India and Maharashtra.**

Year	India	Maharashtra
1960	713	280
2010	7465	906

All these regulated markets established according to various acts passed from time to time are operated by the Agricultural Produce Market Committee (APMC). An APMC is established at each of the Regulated Agril. Produce Market. This committee is democratic body, consisting of 17 to 18 members representing the agriculturists, traders, local bodies, co – operative bodies and the State Government nominees. This Committee, along with the execution of major functions of the regulated market has to shoulder the responsibilities of financial transactions and also its maintenance. It is therefore necessary for the APMC to act carefully in managing the income and expenditure activities of the market. The Committee has also to shoulder the responsibilities of investment, budget estimate, expenditure and income etc. of the regulated market. In Maharashtra, it is reported that few of the regulated markets are not coming up at satisfactory level. It was therefore felt necessary to examine the situation at least in few cases.

The present study is planned with the following objectives.

**OBJECTIVES :**

- 1) To study the annual income, expenditure and the surplus of the selected APMC.
- 2) To study the relationship between income and expenditure of the selected APMC.
- 3) To study the trends in annual income and expenditure.

**Hypotheses :**

Following hypotheses were set up in the present study

- i) There is consistent increase both in annual income and annual expenditure
- ii) Annual Income and Annual Expenditure is highly correlated.

**Sampling Design :**

The Pune district was considered for the study. Out of 12 APMCs in the district, 3 APMCs have been selected as follows.

Three stratas on the basis of annual income were formed as below. From each of the strata, one APMC was selected.

Strata	Characterstic of strata ( APMCs income Rs in lakhs )	Name of the APMC selected
I	Less than Rs.50	Shirur APMC
II	Rs. 50 to Rs.100	Manchar APMC
III	More than 100	Junnar APMC

**Collection of Data :**

The secondary data on income and expenditure of each of the three APMCs were obtained from the published Annual Administrative Reports of the APMCS. For the years 2000–01 to 2009–10.

**Results :**

As first, the basic information of the selected APMC needs to be understood before going for a detailed analysis. The same is presented below in Table 2.

**Table 2 : Basic information of the selected APMCs.****I] Particulars about Income**

Sr. No	Particulars about Income	Name of APMCs		
		Shirur APMC	Manchar APMC	Junnar APMC
1	Mean ( Rs. in lakh) ( Annual Income )	39.00	73.04	136.03
2	Stad. Dev.	14.67	25.37	82.6
3	Co.eff.of Variation ( % )	37.59	34.75	60.40
4	Range			
	Min	22.54	37.36	49.48
	Max	72.17	134.89	314.62

**II] Particulars of Expenditure**

Sr. No	Particulars about Expenditure	Names of APMCs		
		Shirur APMC	Manchar APMC	Junnar APMC
1	Mean ( Rs. in lakh) ( Annual Expenditure )	42.13	49.04	79.50
2	Stad. Dev.	13.46	22.12	30.54
3	Co.eff.of Variation ( % )	31.94	45.09	38.41
4	Range			
	Min	23.67	22.08	52.40
	Max	62.09	103.75	143.92

**BASIC INFORMATION :**

The basic information such as annual average income and expenditure based on 10 years data is presented in Table 2. It shows the average annual income of the APMC Junnar is 136.03 lakhs, higher than that of Manchar and Shirur APMCs. But it has higher value of Co.eff of variation ( 60.40% ). However such was not situation of average expenditure. The annual average expenditure was observed to be Rs.79.50 lakhs with C.V. of 38.41%.

**RELATIONSHIP BETWEEN INCOME AND EXPENDITURE OF APMC :**

It is obvious that the APMC of every regulated market incurs the expenditure on the basis of availment of income. Therefore one may expect close relationship between the income and expenditure on the APMC. This was confirmed from the value of correlation co-efficient worked out by using the formula.

Where.  $x$  = Values of one variable.

$y$  = values of other variable.

$n$  = No. of paired observation.

$r$  = Correlation co-efficient.

The values of ' $r$ ' thus worked out were 0.98, 0.92 and 0.76 respectively in respect of Junnar, Manchar and Shirur APMCS respectively. Although these values are statistically significant, low value of 0.76 in case of Shirur indicated that the Shirur APMC do not stick up the direction of increasing the expenditure strictly in relation to Income of APMC. However, on the whole, the hypothesis that there exists positive relationship between the income and the expenditure is proved.

### STRUCTURE OF INCOME AND EXPENDITURE

It was thought necessary to compare the structure of Income and Expenditure of the three APMCs with a view to know the comparative idea of the three APMCs. The average of ten years data are presented below :

Table 3, structure of Income of the selected APMC (Rs in Lakhs)

APMCs	Market fee	Licence fee	Other income	Total annual income
Shirur	17.38 (44.56)	1.32 (3.89)	20.30 (52.05)	39.00 (100.00)
Manchar	54.25 (74.29)	0.64 (0.88)	18.13 (24.83)	73.02 (100.00)
Junnar	102.23 (76.28)	2.56 (1.91)	28.92 (21.62)	133.71 (100.00)

Figures in brackets indicate the percentage to total income

Table 4, structure of Expenditure of the selected APMC (Rs in Lakhs)

APMCs	Establishment expenses	Meeting Expenses	Other Expenditure	Total
Shirur	16.64 (40.46)	3.19 (7.76)	21.30 (51.78)	41.13 (100.00)
Manchar	17.98 (36.67)	1.91 (3.90)	29.15 (59.43)	49.03 (100.00)
Junnar	31.29 (39.36)	2.11 (2.65)	46.10 (57.90)	79.50 (100.00)

Figures in brackets indicate the percentage to total expenditure

The data presented in respect of income structure show that the income from market fee in case of Shirur APMC is low (Rs. 17.38 Lakhs) as compared to Manchar and Junnar APMCs where the income is of the order of Rs. 54.25 Lakhs and Rs. 102.23 Lakhs respectively. As regards the structure of expenditure of APMCs, no much variation was observed as far as the percentages of expenditure under three different heads were concerned.

Table 5, Trends in annual incomes of selected APMC (Taking 2000-2001 as base )

Year	Shirur		Manchar		Junnar	
	Income Rs. In Lakh	% change	Income Rs. In Lakh	% change	Income Rs. In Lakh	% change
2000-01	23.71	-	37.35	-	49.48	-
2001-02	22.54	-4.93	52.12	39.54	64.00	29.35
2002-03	36.16	52.51	61.90	65.73	67.81	37.05
2003-04	40.95	72.71	64.81	72.98	110.40	123.12
2004-05	36.59	54.32	70.88	89.77	111.74	125.82
2005-06	40.99	72.88	76.93	105.99	120.33	143.19
2006-07	37.76	59.26	96.49	158.34	188.72	281.41
2007-08	24.00	1.22	60.26	61.34	88.67	79.20
2008-09	54.14	128.34	74.72	98.98	244.53	394.20
2009-10	73.17	208.60	134.69	260.61	314.61	535.83
Average	39.00	71.66	73.04	105.92	136.03	194.35

Table no,6: Trends in annual expenditure of selected APMCs ( Taking 2000 – 01 as base )

Year	Shirur		Manchar		Junnar	
	Expenditure Rs. In Lakh	% change	Expenditure Rs. In Lakh	% change	Expenditure Rs. In Lakh	% change
2000-01	30.93	-	22.09	-	41.17	-
2001-02	25.66	-17.04	28.77	30.24	52.40	27.28
2002-03	30.53	-12.93	35.50	60.70	58.29	41.58
2003-04	43.24	39.80	43.19	95.52	61.37	49.06
2004-05	43.54	40.76	57.30	159.39	84.55	105.36
2005-06	60.21	94.66	49.40	123.63	79.55	93.22
2006-07	46.33	49.79	50.59	129.02	101.26	145.96
2007-08	23.67	-23.47	34.65	56.86	55.46	34.71
2008-09	45.10	45.81	65.24	195.33	115.10	179.57
2009-10	62.09	100.74	103.75	369.66	143.91	249.55
Average	36.78		49.05		78.51	

**TRENDS IN ANNUAL INCOME :**

The increase or decrease in income over a period of 10 years in respect of three APMCs is presented in Table No.5. Besides, the percentage increase in income taking base period as 2000 –01 is also shown in Table No.5.

The data presented in the observed tables showed the following results.

**Shirur APMC :**

The average annual income is observed to be Rs.39.00 lakhs. The percentage increase figures showed that the income reached the highest figures (Rs. 73.17 lakhs) in 2009 – 10. Barring the year 2007 – 08, the income figures showed fairly increasing trend.

**Manchar APMC :**

The average annual income is observed to be Rs. 73.04 lakhs. Barring the figures of percentage increase of 61.34 of 2007 – 08, the income figures as well percentage increase in income showed fairly increasing trend.

**Junnar APMC :**

The same trend was observed in case of this APMC as was observed in case of Shirur and Manchar APMCs.

**Trends in Annual Expenditure :**

The information on yearwise expenditure and percentage change in expenditure over base year is presented in Table 6 the observations were as under.

**Shirur APMC:**

The average annual expenditure of this is observed to be Rs. 36.78 Lakhs. No specific trend is observed in respect of expenditure over 10 years period.

**Manchar APMC:**

The average annual expenditure is observed to be Rs. 49.05 lakhs. However the annual expenditure over 10 years period showed no specific trend.

**Junnar APMC:**

The average annual expenditure was observed to be Rs.78.51 Lakhs, ranging from Rs.41.17 Lakhs to Rs.143.51 Lakhs. However there was no specific trend in respect of expenditure over the period of ten years.

**Annual Average Surplus**

The information in this regard is presented in Table No. 7.

Table No.7. Annual Average Surplus of the selected APMCs (Rs. In Lakhs)

Year	Shirur APMC	Manchar APMC	Junnar APMC
2000-01	-7.23	15.27	6.31
2001-02	-3.12	23.42	11.59
2002-03	5.63	26.40	9.52
2003-04	-2.30	21.62	49.03
2004-05	-6.95	13.59	27.19
2005-06	-19.22	27.53	40.78
2006-07	-8.57	45.90	87.46
2007-08	3.33	25.62	33.21
2008-09	9.04	9.48	129.44
2009-10	11.08	30.93	170.70
Average	-2.13	23.98	56.52

It can be seen from the data presented in Table No.7 that the APMC Shirur has suffered losses during six years out of 10 years period. As against this, the other two APMCs viz. Manchar and Junnar suffered no losses in any of the years during the ten year period. So the APMC Shirur has to be more serious in avoiding the losses, for the purpose, the committee should attempt for suitable plan of expenditure during every year

**CONCLUSIONS:**

The study showed that the Shirur APMC has to suitable plan (budget estimate) for every year on the basis of probable income of the APMC. While the APMC Manchar has to go ahead for achieving higher surplus. Both these committees may visit APMC Junnar and have dialog with the APMC Junnar to find out the directions for maintaining the APMC on profitable lines.