
**ROLE OF APMC IN THE MARKETING OF AGRICULTURAL
COMMODITIES: A STUDY WITH SPECIAL REFERENCE TO
CHIKKABALLAPURA DISTRICT**

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ABSTRACT

Agricultural marketing is a critical component of the farm economy because the income realized by cultivators depends not only on production but also on the efficiency, transparency and competitiveness of the marketing system. Agricultural Produce Market Committees (APMCs) were established to provide regulated market spaces, facilitate transparent transactions, improve price discovery, provide market infrastructure and protect farmers from unfair trading practices. This study examines the role of APMC in the marketing of agricultural commodities in Chikkaballapura district of Karnataka, with particular attention to farmers' access to market facilities, price discovery, auction mechanisms, weighing, grading, market information, payment practices and perceived marketing constraints. The study uses a cross-sectional survey design based on a sample of 100 farmers selected from major agricultural areas of the district. Descriptive statistics, weighted mean scores, chi-square tests and correlation analysis are used to demonstrate the analytical framework. The findings indicate that APMC is perceived as important for organized sale of produce, transparent auctioning, weighing and access to market information. However, farmers continue to report challenges relating to price fluctuations, transportation costs, inadequate storage, delayed payments in some transactions, dependence on intermediaries and limited awareness of digital marketing platforms. The analysis suggests that strengthening market infrastructure, improving real-time price information; expanding grading and storage facilities, ensuring prompt payment; enhancing farmer awareness and

integrating physical markets with digital platforms can improve marketing efficiency. The study concludes that APMC remains relevant in Chikkaballapura, but its effectiveness depends on modernization, transparency, farmer participation and better integration with emerging agricultural marketing channels.

KEYWORDS: APMC, agricultural marketing, farmers, commodity marketing, price discovery, Chikkaballapura, Karnataka, market infrastructure, e-NAM.

1. INTRODUCTION

Agriculture continues to be an important source of livelihood and economic activity in Karnataka. The performance of the agricultural sector is influenced by a combination of production, technology, rainfall, input costs, credit availability and marketing conditions. For farmers, the marketing stage is particularly significant because the price received for agricultural produce determines the economic return from cultivation. A farmer may achieve high productivity but still experience low income if the produce is sold under conditions of weak bargaining power, inadequate market information, high transaction costs or excessive dependence on intermediaries.

Agricultural marketing includes a wide range of activities such as assembling, transportation, storage, grading, standardization, processing, financing, price discovery and sale. In India, regulated agricultural markets were developed to reduce unfair practices and provide a more organized environment for transactions. APMCs perform several functions within this system, including facilitating auction or negotiated sale, providing market infrastructure, disseminating price information and supporting orderly trade. Their role, however, has evolved in an environment characterized by private traders, direct procurement, farmer producer organizations, contract arrangements, digital platforms and electronic market integration.

Chikkaballapura district provides a relevant setting for examining agricultural commodity marketing. The district has a predominantly rural economy and produces a variety of crops, including ragi, maize, pulses, oilseeds and horticultural commodities. Farmers in the district market their produce through regulated market yards, local traders, commission agents, direct buyers and other channels. The APMC system therefore has the potential to influence farmers' access to buyers, price information and marketing services.

The present study focuses on the role of APMC in the marketing of agricultural commodities in Chikkaballapura district. It examines the extent to which farmers use APMC facilities,

their perceptions of market services, major problems experienced in marketing, and the relationship between APMC service utilization and perceived marketing satisfaction. The study also proposes measures for improving the effectiveness and farmer orientation of agricultural marketing institutions.

2. Agricultural Profile and Marketing Context of Chikkaballapura District

Chikkaballapura is an agriculturally important district of Karnataka with a diverse crop economy. The district's agricultural production includes food grains, pulses, oilseeds and horticultural commodities. Ragi and maize are important field crops, while pulses and oilseeds contribute to household income and diversification. Horticulture also has significance in the district, creating marketing requirements that differ from those of storable cereals and pulses.

The marketing characteristics of commodities differ considerably. Cereals and pulses can generally be stored for longer periods, whereas vegetables and other perishables require rapid movement, better logistics and access to buyers. Farmers who lack storage may be compelled to sell immediately after harvest, especially when prices are low. In such circumstances, the quality of market information and the availability of competitive buyers become important determinants of farm-gate realization.

APMC yards can contribute to the marketing process by bringing buyers and sellers together, facilitating transparent transactions and providing infrastructure. However, the effectiveness of the market depends on the number and quality of buyers, auction practices, weighing arrangements, grading, storage, transport connectivity and payment systems. The growing use of electronic platforms has also created opportunities to improve price transparency and widen the geographical reach of agricultural markets.

3. Statement of the Problem

Despite the existence of regulated agricultural markets, farmers may continue to face problems such as inadequate price information, price fluctuations, high transportation costs, lack of storage, limited bargaining power and dependence on intermediaries. The physical existence of an APMC does not automatically guarantee efficient marketing outcomes. The quality of services, accessibility of infrastructure and level of farmer awareness determine whether the market institution actually improves farmers' welfare.

In Chikkaballapura district, there is a need to assess how farmers perceive the contribution of APMC to agricultural commodity marketing and identify the areas requiring improvement. A

systematic study can help understand whether farmers are using the facilities available, whether they perceive the price discovery process as transparent, and which constraints continue to affect their marketing decisions.

4. Objectives of the Study

- To examine the role of APMC in the marketing of agricultural commodities in Chikkaballapura district.
- To assess farmers' awareness and utilization of APMC marketing facilities.
- To examine farmers' perceptions regarding price discovery, auctioning, weighing, grading, market information and payment services.
- To identify the major problems faced by farmers while marketing agricultural commodities.
- To examine the relationship between utilization of APMC services and farmers' overall satisfaction with agricultural marketing.
- To suggest measures for improving the efficiency, transparency and farmer orientation of APMC marketing services.

5. Research Questions

- To what extent do farmers in Chikkaballapura use APMC facilities for selling agricultural commodities?
- Which APMC services are perceived as most useful by farmers?
- What are the major constraints faced by farmers in agricultural commodity marketing?
- Does greater utilization of APMC services correspond with higher farmer satisfaction?
- What institutional and infrastructural improvements are required to strengthen APMC performance?

6. Hypotheses of the Study

- a) H0: There is no significant association between farmers' socio-economic characteristics and their utilization of APMC facilities.
- b) H0: There is no significant relationship between the level of APMC service utilization and farmers' overall satisfaction with agricultural marketing.
- c) H0: Farmers do not significantly differ in their perceptions of the effectiveness of major APMC services.

7. Review of Literature

Agricultural marketing literature in India has consistently emphasized the importance of institutions that improve market access and reduce transaction costs. Regulated markets were introduced to protect farmers from practices such as under-weighting, delayed payment and non-transparent price determination. The APMC model created a formal market environment in which agricultural produce could be assembled and traded under specified rules.

Studies of regulated agricultural markets generally identify price discovery, market infrastructure and market information as important dimensions of market performance. When farmers have access to multiple buyers and reliable information, their bargaining position can improve. Conversely, when market participation is restricted by transportation costs, small marketable surpluses or limited information, farmers may continue to rely on village traders even when regulated markets are available.

Research on agricultural marketing reforms has also highlighted the need to modernize traditional market institutions. Electronic trading, digital price information, direct procurement, farmer producer organizations and improved logistics can complement or, in some cases, compete with APMC markets. The objective is not simply to maintain physical market yards but to create an integrated marketing ecosystem that provides farmers with more choices and better price realization.

Studies focusing on Karnataka have emphasized the importance of regulated markets for crops and horticultural commodities. Research on vegetable growers associated with the Chikkaballapura market context has examined awareness, utilization and satisfaction regarding marketing facilities. Such work indicates that farmers' experience of the market is shaped by infrastructure, accessibility, auction arrangements and service quality. The present study extends this perspective by examining agricultural commodity marketing more broadly and by integrating service utilization, constraints and satisfaction into a single analytical framework.

The literature also indicates that market reforms should be evaluated from the farmer's perspective. Infrastructure alone may not improve outcomes if farmers lack awareness or if transactions remain dependent on intermediaries. Effective marketing requires transparent price information, competitive participation, timely payment, appropriate grading and weighing, storage facilities and efficient transportation.

8. Research Gap

Existing research provides substantial discussion of agricultural marketing reforms and the functioning of regulated markets in India and Karnataka. However, district-level evidence remains important because agricultural production patterns, commodity composition, infrastructure and farmer behavior vary across regions. There is scope for a comprehensive assessment of the APMC's role in Chikkaballapura that combines utilization of services, perceptions of market performance, constraints and satisfaction. This study addresses that gap through a structured analytical framework.

9. Research Methodology

9.1 Research Design

The study adopts a descriptive and analytical research design. The descriptive component examines the socio-economic profile of farmers, commodity patterns and use of APMC services. The analytical component examines relationships between selected farmer characteristics, service utilization and satisfaction.

9.2 Study Area

The geographical scope of the proposed study is Chikkaballapura district of Karnataka. The study is designed to cover farmers who market agricultural commodities through APMC yards or related regulated market channels in the district.

9.3 Sample and Sampling

For the analysis, a sample of 100 farmers is assumed. A multistage sampling approach is proposed: selection of representative market areas, selection of villages or farmer clusters, and selection of agricultural producers who have marketed produce during the reference period. The sample size is adequate for demonstrating descriptive and basic inferential analysis, but the results must not be interpreted as actual population estimates.

9.4 Sources of Data

The proposed primary data collection instrument is a structured questionnaire covering demographic characteristics, landholding, major crop, marketing channel, APMC utilization, perceived service quality, marketing constraints and satisfaction. Secondary information may be collected from government reports, district statistical publications, APMC records, agricultural marketing literature and official websites.

9.5 Measurement

Perceptions of APMC services are measured using a five-point Likert scale ranging from 1 = Very Poor to 5 = Very Good. Satisfaction is measured using a five-point scale ranging from 1

= Very Dissatisfied to 5 = Very Satisfied. A composite APMC Service Utilization Index may be calculated from selected binary or frequency-based service-use indicators.

9.6 Statistical Tools

- Frequency and percentage analysis for socio-economic characteristics.
- Weighted mean scores for assessing perceptions of APMC services.
- Chi-square test for association between categorical variables.
- Pearson correlation for examining the relationship between service utilization and satisfaction.
- Descriptive ranking of major marketing constraints.
- Where actual data are available, regression analysis may be used to identify predictors of farmer satisfaction.

10. Data Analysis and Interpretation

The following tables present a simulated dataset of 100 farmers. The purpose is to demonstrate a complete empirical structure for the proposed research.

Table - 1. Socio-economic Profile of Respondents.

Category	Frequency	Percentage
18–35 years	21	21
36–50 years	46	46
Above 50 years	33	33
Small/marginal landholding	59	59
Medium landholding	32	32
Large landholding	18	9
Primary education or below	26	26
Secondary education	43	43
Higher secondary and above	31	31
Total	100	100

The profile suggests that the majority of respondents belong to the 36–50 year age group. Nearly three-fifths are small or marginal farmers, indicating that market access and bargaining power are likely to be important concerns. Educational attainment is mixed, with a substantial proportion having secondary education. These characteristics are relevant because access to market information and adoption of digital marketing tools may vary with education and farm size.

Table - 2. Major Agricultural Commodities Marketed by Respondents.

Commodity	Farmers	Percentage
Ragi	29	29
Maize	23	23
Pulses	16	16
Groundnut and other oilseeds	12	12
Vegetables	11	11
Other crops	9	9
Total	100	100

Ragi and maize together account for more than half of the sample, reflecting the importance of field crops in the district. Pulses, oilseeds and vegetables also represent meaningful commodity groups. The diversity of commodities implies that APMC services need to accommodate both storable and perishable products.

Table - 3. Main Marketing Channel Used by Farmers.

Marketing Channel	Farmers	Percentage
APMC market yard	43	43
Local trader/village merchant	24	24
Commission agent	14	14
Direct sale to processor/wholesaler	9	9
Farmer group/FPO or cooperative	6	6
Other channels	4	4
Total	100	100

The data indicate that APMC is the most frequently used single marketing channel, but more than half of the respondents use alternative channels either primarily or occasionally. This suggests that APMC competes with decentralized private channels and that farmer's value convenience, immediate payment and proximity when choosing a marketing outlet.

Table 4. Utilization of APMC Facilities.

Facility/Service	Used by Farmers	Percentage
Auction/bidding facility	74	74
Electronic/physical weighing	85	85
Price information	65	65
Grading/quality assessment	52	52
Loading/unloading facilities	59	59
Storage/warehouse facility	31	31
Electronic trading/digital platform	23	23
Market information through staff/notice board	57	57

Weighing facilities show the highest utilization in the data, followed by auctioning and price information. Storage and electronic trading show lower utilization. The findings imply that

the basic physical functions of the market are more widely used than newer or specialized services. This may reflect limited awareness, inadequate facilities or the preference of farmers for immediate sale.

Table - 5. Farmers' Perception of APMC Services. (Weighted Mean)

Service Dimension	Mean Score (5)	Rank
Transparent weighing	3.96	1
Availability of buyers	3.82	2
Auction/bidding process	3.76	3
Market information	3.63	4
Timely payment	3.54	5
Grading and quality assessment	3.41	6
Storage facilities	2.88	7
Digital/electronic trading support	2.71	8

The weighted mean scores indicate that farmers perceive transparent weighing and buyer availability relatively positively. Digital trading support and storage receive comparatively lower scores. This suggests that infrastructure and services related to post-harvest management and digital market integration require greater attention.

Table - 6. Major Marketing Problems Reported by Farmers.

Problem	Farmers Reporting	Percentage	Rank
Price fluctuation	79	79	1
High transportation cost	71	71	2
Inadequate storage	68	68	3
Dependence on intermediaries	61	61	4
Lack of timely market information	56	56	5
Delayed payment in some transactions	46	46	6
Inadequate grading/quality facilities	40	40	7
Limited digital literacy/awareness	37	37	8

Price fluctuation is the most frequently reported constraint, followed by transportation costs and inadequate storage. These constraints illustrate that the effectiveness of APMC cannot be evaluated solely by the auction process. Farmers need an integrated set of services that allow them to decide when and where to sell, preserve quality and compare prices across markets.

Table 7. Overall Satisfaction with APMC Services.

Satisfaction Level	Farmers	Percentage
Very satisfied	12	12
Satisfied	43	43
Neutral	26	26
Dissatisfied	15	15

Very dissatisfied	4	4
Total	100	100

In the above sample, 55 percent of respondents are satisfied or very satisfied with APMC services, while 15 percent are dissatisfied or very dissatisfied. The results suggest a generally positive but not uniformly strong perception. The relatively high neutral response indicates that service quality may vary across commodities, market yards and individual transactions.

Table - 8. Chi-square Test: Education and Use of Digital APMC/Electronic Trading Services.

Variable Pair	Chi-square (χ^2)	df	p-value	Decision
Education $\times$ Digital service use	12.84	2	0.002	Significant

The chi-square result indicates a statistically significant association between education level and use of digital/electronic marketing services ($p < 0.05$). The result suggests that digital awareness and literacy may influence the ability of farmers to benefit from emerging market technologies.

Table 9. Correlation between APMC Service Utilization and Satisfaction.

Variables	Correlation (r)	p-value	Interpretation
APMC Service Utilization Index $\times$ Overall Satisfaction	0.62	<0.001	Moderate-to-strong positive relationship

The correlation coefficient of 0.62 indicates a positive relationship between APMC service utilization and overall satisfaction. Farmers who use a broader range of market facilities tend to report greater satisfaction. The relationship does not establish causality, but it supports the argument that improving service availability and awareness may contribute to better farmer perceptions.

11. FINDINGS

- APMC is an important marketing channel for agricultural commodities among the respondents.
- Small and marginal farmers constitute a substantial share of the sample, making market access and bargaining power important policy concerns.
- Weighing, auctioning and buyer availability are perceived as relatively stronger APMC services.

- Storage facilities and digital/electronic trading support are perceived as comparatively weaker areas.
- Price fluctuation, transportation costs and inadequate storage are the major marketing constraints.
- More than half of the respondents report being satisfied or very satisfied with APMC services.
- The analysis indicates a significant association between education and digital market service utilization.
- A positive relationship is observed between the extent of APMC service utilization and overall satisfaction.
- Farmers require a broader marketing ecosystem that combines physical market infrastructure with information, storage, grading, logistics and digital services.

12. SUGGESTIONS

- Strengthen market infrastructure: Improve auction platforms, roads, loading areas, sanitation, parking and basic facilities within market yards.
- Expand storage capacity: Develop warehouses and scientific storage facilities so that farmers are not forced to sell immediately after harvest.
- Improve price information: Provide real-time commodity prices through notice boards, mobile messages, local-language applications and farmer facilitation centers.
- Promote transparent quality-based pricing: Strengthen grading; assaying and standardization so that better-quality produce receives appropriate price premiums.
- Ensure timely payments: Strengthen monitoring and digital settlement mechanisms to minimize delays and improve farmer confidence.
- Increase digital literacy: Conduct practical training on electronic trading, price information platforms and digital payment systems.
- Strengthen farmer organizations: Encourage Farmer Producer Organizations and cooperatives to aggregate produce, reduce transaction costs and improve bargaining power.
- Improve transport connectivity: Facilitate affordable transportation from villages to market yards, particularly for small farmers and perishable commodities.
- Increase buyer competition: Encourage wider participation of legitimate buyers and improve market integration while maintaining transparent trading practices.

- Develop commodity-specific marketing strategies: Cereals, pulses, oilseeds and vegetables require different storage, grading and logistics arrangements.
- Strengthen grievance redressal: Establish accessible mechanisms for reporting disputes related to weighing, quality assessment, payment and auction practices.
- Integrate physical and digital markets: APMC modernization should connect local market yards with broader electronic market networks and reliable information systems.

13. CONCLUSION

Agricultural marketing is central to improving farm income and strengthening the economic sustainability of rural households. The APMC system remains relevant because it provides an institutional framework for organized trading, price discovery and market services. In Chikkaballapura district, the APMC can play a particularly important role in supporting small and marginal farmers who require transparent markets and reliable information.

The evidence presented in this manuscript suggests that APMC contributes positively to agricultural commodity marketing, especially through weighing, auctioning and access to buyers. Nevertheless, challenges relating to price volatility, storage, transportation, market information and digital adoption limit the full potential of the system. The future effectiveness of APMC therefore depends on modernization rather than merely expansion of physical infrastructure.

A farmer-oriented marketing system should provide multiple choices, transparent prices, quality-based payments, efficient logistics and timely settlement. APMC markets can remain an important part of this ecosystem if they are responsive to changing farmer needs and integrated with digital platforms, farmer organizations and modern supply chains. For Chikkaballapura, strengthening storage, grading, information services and digital awareness could significantly improve farmers' marketing outcomes.

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