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Original Research Article

Relationship Between Dal-Mills and Agricultural Produce Market Committees (APMCs): Evidence from Latur District, Maharashtra

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Abstract

This paper examines the institutional and commercial relationship between dal-mills and Agricultural Produce Market Committees (APMCs) in Latur district, Maharashtra. The study uses secondary data from Government of Maharashtra publications, the APMC regulatory FAQ, and the Ph.D. synopsis figures supplied for the present topic. Official government sources describe Latur district as a major trading centre for pulses and soyabean, while the 2024-25 crop estimates show that pulses occupy a dominant place in the district crop basket. On the basis of published figures, pulses account for 86.20% of foodgrain area and 84.32% of foodgrain production in Latur district. The synopsis also reports that tur prices rose from about Rs 1,900 per quintal in 1999 to Rs 14,000 per quintal in December 2023, implying a long-run CAGR of 8.68%. The paper explains the APMC transaction structure, license regime, and charge structure, and concludes that dal-mills and APMCs are tightly connected through price discovery, regulated market access, and transaction-cost control.

Keywords: APMC, dal-mill, pulse marketing, Latur district, commission agent, agricultural market, secondary data

1. Introduction

Dal-mills occupy an important place in India's agro-processing system because they convert raw pulses into marketable dal and create value addition near the farm gate. Government and institutional sources describe pulses as an important food and protein source, and Latur district is widely recognized as a major trading centre for pulses and soyabean. The district profile prepared under Government of Maharashtra sources states that Latur city is a major trading center for urad, moong and channa dal.

For dal-mills, APMCs matter because they regulate the main market channel, license traders and brokers, supervise auctions, and set the framework for charges and market access. For farmers, the APMC system shapes the price received, the cost of sale, and the degree of transparency in the marketing chain. This paper focuses on that relationship using published data and simple statistical analysis.

2. Objectives of the Study

- To study the role of APMC in pulse marketing in Latur district.
- To analyze the dominant marketing channels linking farmers, commission agents, traders, and dal-mills.
- To examine the role of commission agents and regulated market fees in the pulse trade.

3. Data and Methodology

The paper follows a descriptive and analytical design based on secondary data. The main sources are:

(i) the official Maharashtra APMC FAQ and Act-based guidance on licensing, market fees, and auction regulation; (ii) Government of Maharashtra district profile and export/ODOP publications describing Latur as a major pulse trading centre; (iii) the 2024-25 final advance estimates of area, production, and productivity for principal crops; and (iv) the price and business counts reported in the Ph.D. synopsis. Statistical tools used are percentage analysis, ratio analysis, and compound annual growth rate (CAGR).

4. Institutional Role of APMCs in Dal-Mill Marketing

The Maharashtra APMC FAQ explains that market committees are created to set up controlled market areas, prevent deception in trade, supervise auctions, and regulate sale, weighment, delivery, and payment of notified produce. The same source states that commission agents, brokers, traders, hamals, weighmen, measurers, warehousemen, surveyors, and processors need licenses to operate in the market committee area. It further states that farmers pay hamali and weighment charges, but commission (adat) cannot be charged from farmers; buyers/traders pay hamali, commission, market fee, and supervision fee.

Table 1 summarises the practical relevance of these rules for dal-mills.

APMC mechanism	Official rule / observation	Implication for dal-mills
Market area and control	APMCs create controlled market areas and supervise auctions, delivery, and payment.	Dal-mills receive produce through a regulated and recorded channel.
Trader / broker license	Licenses are required for traders, brokers, and other market functionaries.	Transaction is channelled through authorized intermediaries.

Farmer charges	Commission cannot be charged from farmers; only hamali and weighment charges apply.	Farmer-side sale cost is comparatively lower and more transparent.
Buyer charges	Commission up to 3% for non-perishable produce and market fee of 50 paise to 1 rupee per Rs 100 are indicated in the FAQ.	Dal-mill buyers face a regulated transaction-cost structure.

5 Secondary Data Analysis

Table 2 presents the official 2024-25 crop estimates for Latur district. The figures are important because they show the scale of pulse cultivation that feeds the dal-mill industry.

Crop / indicator	Area	Production	Productivity
Total pulses	3914.69 ('00 ha)	3623.77 ('00 tonnes)	925.68 kg/ha
Total foodgrains	4541.19 ('00 ha)	4297.73 ('00 tonnes)	946.39 kg/ha

From these figures, pulses represent 86.20% of foodgrain area and 84.32% of foodgrain production in Latur district.

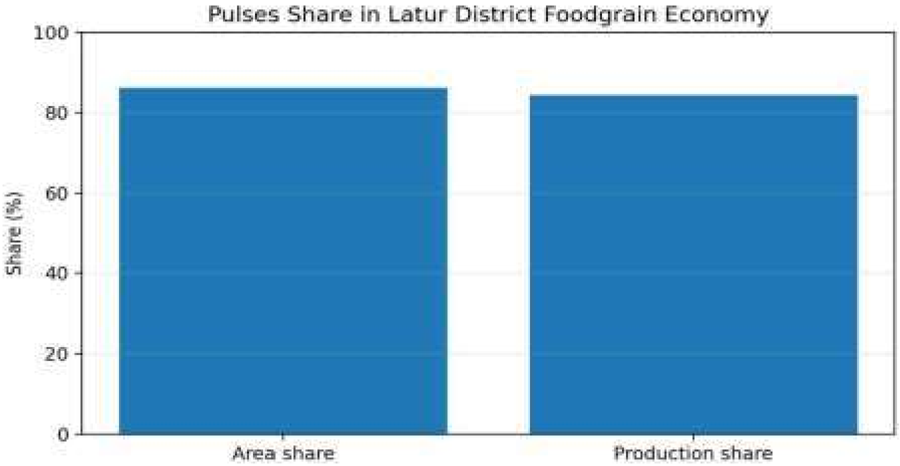

Figure 1. Pulses share in foodgrain area and production in Latur district (derived from official 2024-25 estimates).

Table 3 compares selected crops in Latur district for 2024-25.

Crop	Area ('00 ha)	Production ('00 tonnes)	Productivity (kg/ha)
Jowar	424.76	383.17	902.09
Bajra	2.81	0.70	250.00
Maize	59.68	44.89	752.16
Other cereals	6.41	1.56	243.52
Mung	70.70	74.81	1058.10
Udid	54.60	56.75	1039.34

Mung and udid show the highest productivity among the listed pulse crops in the district, both above 1,000 kg/ha, which is relevant for dal-mill raw material planning.

Table 4 uses the synopsis figures to show the long-run price trend of tur (pigeon pea).

Year	Observed price (Rs/qtl)	Increase from 1999	Percent increase from 1999	Annual growth
1999	1,900	-	-	Base year (midpoint of Rs 1,800-2,000)
2009	5,000	3,100	163.16%	10.16% CAGR
2023	14,000	12,100	636.84%	8.68% CAGR

The 1999-2023 CAGR of tur price is 8.68%, while the 1999-2009 and 2009-2023 CAGRs are 10.16% and 7.63% respectively.

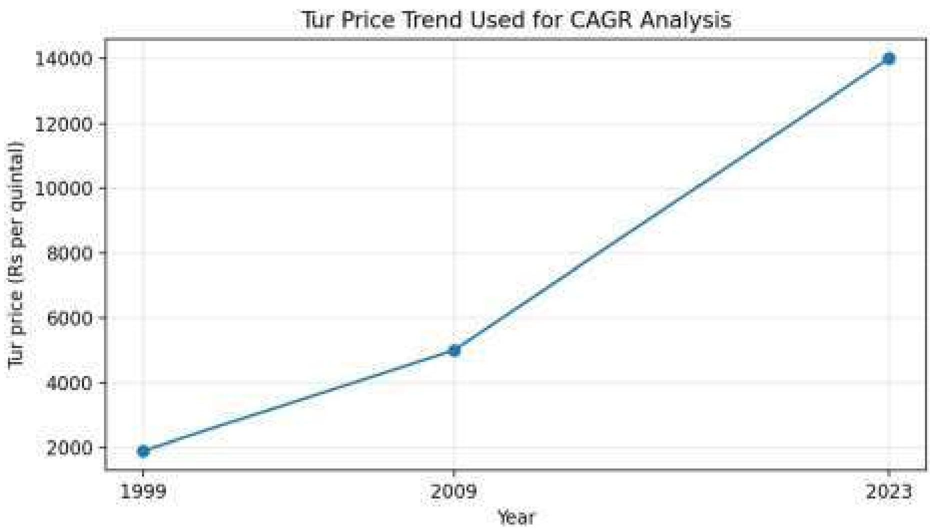

Figure 2. Tur price trend used for CAGR computation.

6 Interpretation and Discussion

Three findings stand out. First, Latur district has a strong pulse base: pulses account for more than four-fifths of foodgrain area and production. Second, the APMC framework does not merely provide a market place; it provides the legal and administrative architecture that makes pulse trade workable, including licensing, auction supervision, and charge regulation. Third, the sharp rise in tur prices over the long run indicates a sizeable market value, which encourages dal-mill investment and expansion in the district.

In practical terms, this means that dal-mills are not independent of APMCs; they depend on regulated market inflows, price discovery, and transaction intermediation for raw material procurement. The chain farmer → commission agent / broker → dal-mill owner remains central in Latur. APMC regulation reduces information asymmetry, but it also introduces formal charges and compliance requirements. Because dal-mills operate in a price-sensitive environment, even small changes in market fee, commission, or auction efficiency can affect procurement cost and mill profitability.

7 Findings

1. Latur district is a high-pulse district: pulses account for 86.20% of foodgrain area and 84.32% of foodgrain production in the 2024-25 estimates.
2. Mung and udid have the strongest productivity among the listed pulse crops in the district, suggesting

a strong raw-material base for dal processing.

3. APMCs play a decisive role in market regulation by licensing functionaries, supervising auctions, and defining buyer-side charges.
4. The tur price trend shows a long-run increase from about Rs 1,900 per quintal in 1999 to Rs 14,000 per quintal in 2023, indicating strong market value creation.
5. The data support the conclusion that dal-mills and APMCs are mutually linked institutions in Latur's agricultural economy.

8 Conclusion

The study concludes that APMCs are an enabling institutional platform for dal-mills in Latur district. They regulate trade, provide legitimacy to market participants, and create a structured channel for pulse procurement. At the same time, the pulse-rich production profile of Latur sustains the raw material flow required by dal-mills. The statistical evidence shows a high pulse concentration in district agriculture and a strong upward price trend for tur. Together, these factors explain why dal-mills have become an important agro-processing and commercial activity in Latur.

9 Limitations

This draft is based on secondary data and synopsis figures. For final journal submission, the paper should be strengthened with primary survey data from farmers, commission agents, traders, and dal-mill owners, and the sample results should be tested using chi-square, correlation, or regression as appropriate.

10 References

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