

---

**CHAPTER - VI**

---

---

**FINDINGS AND RECOMMENDATION.**

---

=====

CHAPTER - VI

=====

FINDINGS AND RECOMMENDATIONS.

The advocates of the regulated markets plead that the farmer is benefited in the regulated market in the form of correct weightment prompt payment and minimum cost of marketing of the agricultural produce. The Bombay Agricultural Produce Markets Act, 1939 was implemented with the board objectives of removing inequalities in the bargaining power between the buyer and the seller, freeing the producer - seller from the malpractices pertaining to the use of false weights and measures and recovery of unwarranted and undefined charges from the producer-cultivators by traders and middlemen, promoting mutual confidence among all the parties at the deals, improving the efficiency of market-

-ing reducing the cost of marketing for the benefits of both the producers and the consumers and giving a fair deal to the farmer seller. The Maharashtra Act, 1963, aimed at the same objectives but also attempted to have a uniformity in the legal framework of the regulated markets throughout the state.

An attempt is made in the present study as to how far these objectives were fulfilled by the market committees by concentrating on a study of market committee at Gadhinglaj Taluka. The preceding chapters have given us a microscopic analysis of them. The details are consolidated here to present the picture in a concise manner so that further lines of action would become clear.

#### I. Market Yard :

In this section we concentrate on examining the conditions of the principal market yard. As an initial stage, when regulation was enforced, everywhere the existing bazar locality was declared as the principal market yard. It was expected that in course of time the market committees would acquire open sites, provide all the basic amenities and the trading activity conducted there only, so that the old bazar locations would no longer continue to be the principal market yard.

The market yard as a unit where trading operations take place has to be properly developed as this sector also plays some role in the attainment of the objectives of regulation. When the trading activities take place in one compact area, legal -

<u>Sr. No.</u>	<u>Particulars.</u>	<u>Yes/No.</u>
4.	Fencing	Yes.
5.	Compound wall	Yes.
6.	Approach Roads.	Yes.
7.	Gate check post.	Yes.
8.	Urinal/latrine	Yes.
9.	Water troughs	Yes.
10.	Well	Yes.
11.	Boring and pumps	Yes.
12.	Pipe line	Yes.
13.	Engine	No.
14.	Engine shed	No.
15.	Light shed	No.
16.	Cattle shed	No.
17.	Godowns of committee	No.
18.	Canteen shed.	Yes.
19.	Watchmen shed	No.
20.	Shetkari Nivas	Yes.
21.	Library	Yes.
22.	Staff quarters	No.
23.	Auction hall	No.
24.	Traders' plots	
	a) Alloted	No.
	b) Constructed trading	
25.	Trading shifted to the New site.	Yes.
26.	Godowns of traders	Yes.

It is clear from the above table that the Gadhinglaj market committee has tried its best to provide number of amenities. If we consider office building, approach roads, shetakri Nivas, Public godowns, Godowns of traders, water and electricity supply, shops as the necessary prerequisites to form the minimum unit of operation of regulated market, the Gadhinglaj market committee passed the test. Because most of the facilities are provided by the committee, though not to the fullest extent.

### III. Area of Principal Yard :

The Indian Standards Institute has prescribed standard areas for locating market yards of different categories so that necessary amenities can be properly provided. The market committee bear in mind the Indian Standard Institute specification while acquiring new sites for the principal yard. Actual area of land possessed by Gadhinglaj market committee is 19 acres and 10 Gunte.

In sum the Gadhinglaj market committee has passed some of the tests of a market yard, such as acquisition of land, construction of building, fencing the land, providing few amenities. Here in this market the whole trade is shifted to the new site and really this is an achievement. Number of developmental activities are taken over by the committee. But certain amenities like godowns, cattle sheds, pipe line, light sheds, cart sheds, etc are not at all provided by the market committee.

**IV Need for a determined effort :**

Sincere efforts on the part of the market committees backed by certain legal bindings as regards fulfilment of work are absolutely necessary. Future lines of action need the following -

1. The process of acquisition of new sites for the principal market yard should be completed within maximum five years after the establishment of the market committee.
2. A maximum period of five years after acquisition of land be allowed to provide for all the amenities on the site as per lay out plan submitted, including the construction of the trading shops and godowns.
3. The existing marketing committee be given an ultimatum of five years to bring about the changes.
4. all these suggestions should be incorporated in the market Act itself with a provision for strict disciplinary action.

**II. Working and impact of Regulation :**

This section is devoted to an understanding of real benefits enjoyed by the cultivator seller on account of market regulations.

**1. Commodities Regulated :**

The market committee at Gadhinglaj attempted to regulate dealings in most of the important commodities traded in the region. The number of agricultural products

regulated in this market is 10. The three commodities under our special study viz Groundnut, chillis and Gur were regulated since the inception of the market committee. This has helped in reducing the impact of personal elements in the trading activity thereby improving the bargaining power of the cultivator seller.

## 2. System of Marketing :-

Because of regulation, transactions were conducted under the supervision of the staff of market committee, standard weights and measures are employed, open auction and open hand dealings became a regular practice, cash payments became a rule rather than exception and market information was available regularly, gains.

### 1. Open Auction :

Regulated marketing eliminates the age-old practice of underhand dealings and introduces the system of open auction system for price fixation. Such a change over is most desired particularly from the point of view of the farmer-seller. The market committee in Gadhinglaj Taluka employed open auction system for transactions in regulated commodities. Adoption of this method brought out certain basic advantages to the sellers. During pre-regulation times, the farmer used to dump his lot with the commission agent in all the good faith and visit him after a few days to know the progress. In the meanwhile the commission agent

might have disposed of the produce. The farmer was ignorant of the terms of trade and accepted the returns submitted by the commission agent considering them to be correct. Here, the commission agent used to take full advantage of the absence and ignorance of the farmer. He did a good deal of Manipulation in prices and other terms of trade and managed to pocket substantial amount. These practices were curbed by open auction system in regulated markets. Normally day and sequence of auction is fixed was prefixed. Therefore the farmer could remain present while auctioning of his produce took place. He could remove the price for his produce and other details. Apart from this, even if the farmer was unable to remain present for auction, later on he could get necessary details of the transaction from the office of the market committee and tally them with the sale note supplied by the commission agent. The total benefit of the open auction is that the traders were left with much less scope for doing mischiefs regarding terms of trade. This is no doubt an intangible gain to the farmer seller.

### 3. Weightment :

Prior to regulation weightment was an important source of unjustifiable gain to the traders. Weightment was done by the employees of the traders who could manage to cut down the actual weight of the bags through refraction at the time of weightment. In addition excess deductions in weight were restored to on the protest of the presence of foreign material. This was done particularly in case of groundnut unshelled. Quantity of

earth present was a constant matter of dispute in which the word of trader ruled. Refraction and deduction in weight led to a loss of nearly 1 to 2 seers per bag of groundnut unshelled. Consequence was peculiar. The honest farmer who brought fairly clean produce e suffered unnecessarily and therefore to save the loss they deliberately mixed earth practi es. Thus developed a vicious circle.

*over* Market regulation led to a better deal. Firstly, the weightment were to be done by the licensed dealers who worked with traders in rotation and repted the weighment to the market committee. Secondly, unjust practices like refraction and blind deductions were discontinued. In case of groundnut unshelled actual earth content was stored by taking a sample bag in the sonsignment. Therefore, the farmer seller could benefit to the extent of about 2% to 3% of sale proceeds, because of improvement in weightment.

#### 4. Gradiation :

Grading on proper and systematic lines forms one of the important links in the organized development of marketing. In view of the wide spread prevalence of adultration, concentrated efforts are required to be made for expansion of grading activities in the internal trade. Grading is the sorting of the products in to different lots each of which has substantially the same quality characteristics. The Grading system provides common language to buyers and sellers in arriving at reasonable prices. Rule 22 of the Maharashtra State Rules 1967 imposes, on market committee the duty of maintaining for the use of sellers and buyers a set of samples of standard grades of agricultural

produce sold at the market. The market committee is responsible to prevent adulterations.

Coming to the Gadhinglaj market. Before 1966-67 no grading was there, after 1967 grading of ground-nut <sup>started</sup> standard and a grading centre was established. A grader was appointed. But the quantity graded is very <sup>small</sup> low, and the process of gradation covers <sup>a</sup> only one commodity. But it is necessary that the market committee should start the grading process for all the commodities that are regulated. So that it will be possible for the farmers to get proper prices for their product.

#### 5. Market Charges :

Existence of unwanted intermediaries and imposition of variety of unjustifiable charges on the cultivator seller characterised the pre-regulation situation. Regulation of marketing is aimed at standardising and legalising the market charges to be paid by the seller as well as the buyer and thus helping the cultivator seller particularly to realise better returns. Necessary steps in this regard were taken by the market committee in Gadhinglaj by making suitable provisions in their bye-laws. The salient features in this respect are noted below:-

1. Charges like cash discount, Gram panchayat fee, etc were discontinued by the committee.
2. Hamali and weightment charges were revised. These charges elsewhere were payable by the sellers. Like wise in this market also these charges are payable by the seller. In the discussion with the producers it is found out that the cuts that are made

on account of wastage, earth etc are very high i.e. 4 k.g. per bag. It should be reduced to 2 k.g. per bag.

Market Intelligence :

Dissemination of market information was done by the market committees through display of information on notice boards, use of radio sets and publications. Exhibitions were very casually arranged. Everyday the informations regarding prices total arrivals are displayed on loudspeaker. Every day the informations regarding prices, total arrivals are displayed on loudspeaker. Everyday they are written on the notice board of the market yard which is hunged at the place which is easily observed. Before the actual auction is arranged information regarding place, time and commodity of auction is displayed on microphone from the market committee office for the information of farmers, traders and commissioners. It has directly helped the participers of auction in time. Pamphlets regarding the rules and regulations of market committee are published and distributed among the farmers within the area of market committee every day a copy of the market prices is sent by press, telephone to the research officer Maharashtra at Bombay. They are also published on the All India Radio Bombay at 7.15 P.M. in the evening.

publications of Annual Reports should be a regular feature with the market committee. It is a document giving in a nutshell details of the functioning of the particular market.

The market committee in Gadhinglaj continued the practice of publishing Annual Reports since its inception up to now. This is really an important feature because other committees like the market committees in Mangalwedha, Barsi and other discontinued the practice. Periodical exhibitions also would help the market committee. In Gadhinglaj market committee in 1954 open sugarcane producers competition was arranged and prizes were given by the committee.

A basic aspect of market intelligence is wide publicity to the market statics, especially that of prices supply and stock. The market committee under investigation had followed the practice of displaying necessary information on the notice boards of the market committee and Grampanchayat office and also publishing in daily 'Pudhari'. Announcements of daily broadcast were done. A general result of these efforts was to make the farmers aware of the ruling market prices. In pre-regulation times the farmer sold his lots blindly and without any concern with price trends. In post-regulation times he began to take cognizance of the ruling market prices and decide the time for his sale due to market information at hand. This was no doubt a major change. But we can not go too far here. It was observed that the time adjustment for sale was just for a week or a fortnight for most of the cases for want of financial backing to wait for a longer duration. Secondly, petty farmers, staying particularly at distance places from the market, sold their lots without much knowledge of the market conditions. To this extent, effectiveness of regulation

remained limited.

It is necessary that the farmers within the jurisdiction of the market committee should be able to know the happenings in the market. In Gadhinglaj and Kagal Taluka many villages remained without information. Hence it is necessary that the market committee should manage to send<sup>d</sup> the daily details to all the villages in the Taluka and see that they are displayed on the Grampanchayat notice boards. In addition the officials of market committee should periodically visit all villages, enlighten the villagers on prices, traders and induce them to sell their produce in the market yard.

F. Price Behaviour :

Average prices of the various commodities may be considered a resultant of demand and supply sources during the year. Particularly on the side of supply, erratic changes were notified from year to year in Gadhinglaj Taluka. Wide seasonal variations in prices were noticed. We feel that regulated market is not merely to create better conditions of marketing for improving the bargaining power of the cultivator seller, but also, through such efforts, minimise the seasonal variations in prices. Heavy rush of produce in the markets after harvest can be checked down by providing for example, good storage facility to the cultivator-seller and there upon some money as an advance. Such arrangements are not available. Even though some godowns are there in the market yard which are of traders, the charges

of the godowns are there in the market yard which are of traders, the charges of the godowns are high which a common farmer can not bear. So the market committee failed in providing a fair degree of stability to the market prices. Therefore the benefit of erratic price changes could be enjoyed more by the traders., thena by the cultivator sellers. So it is necessary on the part of the market - committee to provide better warehousing facilities and thus incheasing the waiting power of the farmers up to higher prices in the off season.

#### 8. Cash Payments :-

Regulation of marketing is intended among other things, to see that the cultivator seller gets his money immediately after the produce is sold and that too without any discount for the same. with the establishment of regulated market cash discounts were abolished in Gadhinglaj market and the by-laws of market committee insisted on making immediate payments. The most outstanding characteristic feature of Gadhinglaj market committee is that here the payment is made within one day or less than one day;

The price and profit conscious sellers took their produce to the market committee. Such sellers can be classified in three categories as the issue of cash payments differed in case of each category -

1. There are the cultivators who had taken advance money from the traders for the purpose of agricultural operations with an assurance to sell the produce through those traders only. During the

course of the agricultural operations, the cultivators borrowed about 80% of the expected value of the produce, such cultivators were generally those who had no other source of income, but their land. And hence, they were paid the balance of their amount due immediately after the produce was sold. As the traders helped these cultivators financially throughout the year, the farmers also developed a sense of attachment to the traders and market their produce through their helpers only.

II           The second category of cultivators comprised those who did not take any money during agricultural operation, but demanded some advance payment from the traders as soon as the produce is dumped. As such, they sold their produce through such dealers who were prepared to give some money before the consignment was sold. Traders gave nearly 60% to 70% of the expected value of the goods as an advance payment. Rest of the amount was paid immediately after the sale note was prepared. In this case, the payment had to be prompt as the sellers needed the amount for coming the agricultural operations of the ensuring season for repayment of institutional loans and for certain domestic expenses.

III)           The third category comprised comparatively better placed cultivators. They had no urgency of money and were prepared to accept cash in mutually agreed instalments. Hence deferred payments were commonly mostly with this category of sellers for which they did not mind.

The above account should however, not mislead anybody by presuming that everything was perfectly right. Defaulting in payment was occasional in such circumstances the sellers, as far as possible, abstained from approaching market committee for redressing

their grievance for the sole reason that the relations with traders should not be restrained.

The role of market committee was rather passive in the connection. The committee maintained that so long as complaints of non-payments were not lodged, they had not to worry about as to what actually happened, they would take it for granted that the things were in order. A change in outlook is necessary to present whatever occasions of breach of law arise, there is no need to wait for complaints, preventive rather than curative measures are needed.

89) Marketing Channels :

The primary motive behind regulation of market was to create conditions for orderly marketing and through that provide better relations to the cultivator-seller. Reduction in the number of middlemen was secondary and it is maintain that under peculiar circumstances of India. Such a change will not occur in the initial stages of regulation. Experience with Gadhinglaj Taluka confirms this contention. It was observed that the Inter mediaries operating before regulation have almost retained their places in the channel. The only change brought about by regulation was that the cultivator-seller began approaching the traders rather than the other way round as before. The cultivators at large became conscious about selling in organized markets.

Thus it can be concluded that the market committee at Gadhinglaj i.e. working satisfactory. But one could not be satisfied with what is, one must by to achieve more than what is. The market committee must try to reduce the market charges and other cuts. It must try to cover all the commodities alongwith the 10 commodities that are regulated. Other facilities such as godowns, canteens, farmers' rest house etc., should be increased. Such efforts would accrue fruitful results.

0 ..... 0000 ..... 0