

CHAPTER - III

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THE GADHINGLAJ MARKET YARD

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CHAPTER III

THE GADHINGLAJ MARKET YARD

3.1 AGRICULTURAL REGULATED MARKETING IN KOLHAPUR DISTRICT

Maharashtra State has four divisions for administrative purpose; they are – Bombay, Pune, Aurangabad and Nagpur. Kolhapur district is one of the six district of Pune Division. Kolhapur district located at the southern most part of the Maharashtra State adjoining Karnataka State and Union Territory of Goa. The district has an area of 7620 sq. km. The area of Kolhapur district lies between latitudes 15 degree to 17 degrees and longitudes 73 degrees to 74 degrees on the southern border of Maharashtra. The height from the sea level range from 1200 feet to 2000 feet and the average annual rainfall is 2063.67 mm. There are number of rivers flowing through the district. The main rivers are the Panchganga, Warana, Krishna, Dudhganga, Hiranyakeshi. There are four command area projects viz. Radhanagari Project, Tulsi Project, Warana Project and Dudhganga Project (Kalamwadi Dam).

Total irrigated area was 121831 hectares in 1995-96. The agriculturists in the district make use of the abundant water to their fullest advantage by lift irrigation and other schemes. As a result, area under sugarcane crop increasing annually. During the period 1995-96

the 81 percent area used under the sugarcane crop, 19 percent for other crops.

The State Government has established Market Committee in Kolhapur district. In Kolhapur district four main Agricultural Produce Market Committee are presently functioning. They are shown in Table 3.1.

Table 3.1
Agricultural Regulated Market Committees in Kolhapur District

Sr. No.	Market Committees	Date of establishment	No. of sub-market
1	Kolhapur	25-10-1945	8
2	Peth Vadgaon	8-8-1961	4
3	Jaysingpur	17-8-1961	-
4	Gadhinglaj	15-11-1947	-

Source: Socio-Economic Review, Kolhapur District, 1999-2000

It can be seen from Table 3.1 that in the whole district there are 12 sub-markets. Kolhapur Market Committee is largest and oldest Market Committee in Kolhapur district.

3.2 THE GADHINGLAJ MARKET YARD

Before the establishment of the regulated market at Gadhinglaj, the conditions of farmers were not so good. Farmers were not getting better prices for their products. The trade was conducted in the old place, known as Pirajirao Peth. The area was very small. At that time there were just 6 traders and whole trade was in their hand only.

In surrounding area of Gadhinglaj, there are large numbers of small farmers. They were not in a position to wait for better prices. They used to sale their produce in the harvest season at low prices. In the unorganised market there was Hathy system. Where the commission agents and traders used to cover their hand with black cloth and speak some words with each other in slow voice and then declare the prices. Farmers had no choice in fixing the price. They were forced to sell their produce at the rate fixed by the traders. There was a long chain of the commission agent. Sometime commission agent used purchase the produce at the place of farmers at very low price.

In the early days there were no transport and communication facilities. So the rural areas were not connected with main market at Gadhinglaj. So the farmers in villages prefer to sell their produce to the commission agent who visited them. Apart from this due to lack of communication facilities farmers were unaware of the market price.

There were number of malpractices such as defective grading, weighment were not upto date, number of cutting such as for Goshala, Earth in produce and etc. At the time of payment to the farmers was not regular. There were no godowns facilities provided by the traders. Even though some traders provide godowns, they used charge high rates for storage which the farmers could not bare.

On the whole there were number of defects in the marketing of agricultural producers, so that Gadhinglaj Agricultural Produce Market Committee was established on 27th May 1948, when Kolhapur was separate Province. The Kolhapur Agricultural Produce Market Act No. 8, 1945 was implemented on 21-11-1948., After that in 1949 Kolhapur Province was connected to Bombay. After that the Bombay Agricultural Produce Market Act, 1939 was made applicable according to Notification No. 6475/39-21622 HDT dated 17-5-1949. The first Market Committee was nominated on 15-11-1947. The Market Committee meet on 15-12-1947 to elect the Chairman and Vice-Chairman. The Market Committee conducted its business from 1-1-1948.

3.2.1 Jurisdiction of Market

As per Notification No. 6475/39-21622 HDT dated 17-5-1949 the then Government of Bombay Notified Gadhinglaj Taluka as Principal Market Yard. The market area of this Market Committee according to the Government of Bombay Department notification No. PMA 6253 dated 18-7-1954, was as below.

- i) 90 villages in Gadhinglaj taluka
- ii) 84 villages in Ajara taluka
- iii) 37 villages in Kagal taluka
- iv) 144 villages in Chandgad taluka.

The Market Committee acquired the site for its Market Yard in 1956 and shifted the business to the new market yard known as Shri Shahu Market yard in 1960, since the embellishment of the regulated market. The Market Committee constructed plots with the iron frame. The Market Committee allotted the plot to the trader free of cost.

Upto 1952-53, there were only 4 godowns which were owned by the traders and commissioners. Neither the Market Committee nor the Government constructed the godowns. So warehousing is not at all provided to the farmers. The traders and commission agent store their commodities. In 1956-57, 15 godowns were registered in Market Committee, of which 6 godowns are well constructed. Moreover there are the branches of Bombay State Co-operative Bank Ltd. and Belgaum Bank Ltd., located in the premise of Market Yard.

In the Market Yard area there are 9 oils mills and 6 cotton ginning and packing mills. The grading center has been started since 1966-67 and now groundnuts are graded before trading. There are two co-operative marketing societies having Market Committee licence. They are –

- i) The Gadhinglaj Taluka Sahakri Kharedi Vikri Sangh Ltd., Gadhinglaj, and
- ii) Shetkari Sahakari Sangh Ltd., Kolhapur, Branch Gadhinglaj, Lingnur, Kapshi

These societies have been handling the regular trade in the Market Yard. Since 1953 societies provide the agricultural inputs such as fertilizers, seeds and other such thing to the farmers. Branches of these co-operatives are opened at Gadhinglaj, Ajara and Halkarni.

3.2.2 Composition of Market Committee

As per provisions of the Maharashtra Act, 1963, the Executive Body of the APMC consists of 18 representatives drawn from different constituencies as laid down by the Act and the Bye-laws. The details for APMC, Gadhinglaj are shown in Table 3.2.

Table No. 3.2
Composition of the Executive Body of the APMC, Gadhinglaj

Sr. No.	Name of the Constituency	Number
1	Agriculturists	12
	a) Co-operative Societies	9
	b) Gram Panchayat Constituency	3
2	Traders	2
3	Coolies, Weighmen	1
4	Co-operative Processing Marketing Societies	1
5	Local Authority	2
	a) Taluka Panchayat Chairman	1
	b) Gadhinglaj Municipal Corporation Representative	1
6	Government Nominees	2
	a) District Agricultural Officer, Zilla Parishad, Kolhapur	1
	b) District Deputy Registrar Co-operative Societies, Kolhapur	1
	Total	20

Source: Annual Report of the APMC, Gadhinglaj

The APMC, thus, consists of representative of agriculturists, traders, coolies and weighman, co-operative societies, local self government and state government. Care has been taken in act itself to see that majority of the members of the Market Committee are agriculturists.

The administration of the Market Committee is carried on a general body of Chairman, Vice-Chairman, board directors and nominees of the government. There are other various sub-committees such as Construction Committee, Disputes Committee, Servants Committee, Control Committee, Licence Committee and Gradation Committee. All these committees are working separately and fulfilling the work of assigned to them.

Chairman of the Market Committee

Chairman is the executive head of the Market Committee. He provides leadership and shapes the development of the market yard. Normally, the persons prominent in public life try to assume this coveted position. To gain leadership and thereby enhance one's image in public life may be the primary motive. Such people would like to 'hold on' to the position as long as possible, but may not put their head and heart into the development of the market. Continuation of such people for a long time into this high office, thus, causes a setback to the market development work. On the contrary, assuming the office even for one term by a really interest and dynamic personality helps

in changing the face of the market of the APMC, Gadhinglaj, should be assessed.

Staff Position

As the scope and extent of the activities of the Market Committee widened with lapse of time, it recruited more person to look after the routine work. Staff position can be seen from Table 3.3.

Table 3.3
Staffing Pattern of the APMC, Gadhinglaj

Sr. No.	Category	Number
1	Secretary	1
2	Assistant Secretary	1
3	Accountant	1
4	Supervisor	4
5	Si. C. Com. Stat. A	1
6	Clerk	15
7	Grader	1
8	Peons	8
	Total	32

Source: Annual Report of the APMC, Gadhinglaj

With these additions, the APMC, Gadhinglaj has 32 persons on its staff looking after the principal yard and market yards.

3.3 BENEFITS OF THE GADHINGLAJ MARKET YARD

The objective behind the establishment of regulated market is to establish orderly conditions in the agricultural markets and thereby create environment congenial to assurance of better returns to the

producer-sellers of agricultural commodities. The producer is freed from the exploitation by the traders under free market conditions.

Gadhinglaj Market Yard of Gadhinglaj has history of 55 years. Over such a long span of time, the market yard has grown quite well. The APMC, Gadhinglaj has been able to provide adequate infrastructural facilities in Gadhinglaj Market Yard and volume of transactions of agricultural produce has increased manifold. Hence, by and large, Gadhinglaj Market Yard has come out as a well developed Market Yard. As such, it is worthwhile to take stock of benefits it has conferred so far on farmers and traders.

1. Benefits of Farmers

The market yard has provided a free and carefully supervised platform for conducting sale operations by the producers-sellers with their personal involvement in the operations. Various features have contributed to these vital change.

2. Open Auction of the Producer

The traditional system of sale under cover has been totally done away with open auction system has taken its place. Farmers are present at the time the auction takes places and play their parts in deciding whether the highest bid is to be accepted or not. Thus, they have become partners with traders in finalising the sale price of their produce.

It appears that even the traders have become completely used to this practice of open auction and have accordingly changed their methods of operation. They are now concerned on occasions with adoption of different strategies in the auction either independently or in collusion with a few other traders with an intention to get the lots at lower prices. Traders engaged in purchase and sale activity on their own particularly indulge in such activities commission agents are normally less inclined. It is reported by the APMC authorities that generally in the auctions farmers interests are well protected and the APMC is always aware of this.

3. Correct Weighment of the Consignment

Prior to market regulation, farmers were losers even in the process of weighing of their consignments as the Diwanjis of the private traders did the weighments and they always saw that the produce was underweighted. With the market regulation the Diwanjis have been relieved from this work and it is entrusted to the licensed weighman. Since the persons are not employed by any trader, no vested interest is developed in them in order to favour the trader at the cost of farmer. The licensed weighman, therefore, are careful in doing correct weighments of the consignments. Moreover, as a check on them, the APMC has appointed inspectors who work as watchdogs. This arrangement has not only relieved the farmers

of their losses in weightment but also created a confidence about just weightments under the eye of the representatives of the APMC.

4. Well Trimmed Market Practices

The APMC has streamlined the market practices by fixing the kind and quantum of deductions from the sale proceeds payable to the farmers by the traders. Traditionally prevailing undesirable deduction have been discontinued and thereby the farmers are able to get at least about 10 percent higher net income. Now, deduction borne by the sellers of the produce are few, moderate and reasonable. As a copy of the sale not is submitted by the trader to the APMC, the latter is able to know whether the norms of deduction are properly observed or not.

5. Prompt Payments

As per earlier practice, the farmer was seldom paid his due amount by the trader immediately. On conclusion of the transaction and delivery of the produce. He had to make frequent trips to the shops and receive the money in installment which was an inevitable cost he had to bear for collection of his sale proceeds. A relief from this torture has been provided by the APMC's insistence of immediate payment as on obligation on the traders. The APMC also ensures about it and promptly looks into the complaints in this behalf received from the sellers. As the traders also have a realisation about their obligation, they normally see that payments are done quickly. In case the amount

is big, they enter into tacit understanding with the seller regarding the time and installments of payment for these suitable book entries in account books of the trader are made with mutual consent to comply with the APMC's rule of cash payment.

6. Settlement of Disputes

The APMC has taken all precautions to see that the sale and purchase transactions is carried through smoothly and no room is left for conflict any account between the seller and the buyer. In spite of this, sometimes different crop up and dispute arised. It is particularly regarding the quality of the consignment actually received and money payments to the sellers. In the history of Gadhinglaj Market Yard, such occasions have not been very frequent. Moreover, whenever different could not be bridged mutually the matter was taken to the APMC. It has a Disputes Committee established as per provision of the rules. The matter was referred to the Committee and its decision was accepted by the parties in conflict. Thus has maintained the confidence of the farmers in the effectiveness of the authority of the APMC in giving protection to them in the market.

7. Storage and Godown Facilities

In the age old system of marketing both the producer and trader suffered in various ways for want of adequate storage facilities. The producer could not wait for an expected price due to non availability in the market of proper storage facility and hence were

compelled to sell their produce at the going market price. The traders, on the other hand, faced the problem of spoilage and deterioration due to stacking of consignments in open space. In the Market year, private traders have provide their own storage accommodation. Besides this, Central Warehousing Corporation, Co-operative Marketing Societies have also established their own godowns. The farmers can make use of the godowns of the Warehousing Corporation particularly for the depositing their produce and get bank loans on the strength of the warehouse receipt till the market position improved.

Before the establishment of Market Yard, the traders faced an acute shortage of storage facilities as their own premises were insufficient to store their purchases. Open stacking of goods led to considerable loses. This problem has been solved to a great extent by construction of godowns by the traders in Market Yard on the plots provided at cheap rate by the APMC. Beside, godowns by the Co-operative Marketing Societies, APMC, the Central Warehousing Corporation also have provided considerable space for storage. Availability of extensive storage facility has helped the traders to wait for some time and sell their stocks to the up country traders at the most opportune time.

8. Market Intelligence

Till the active functioning of the APMC, lack of market information was the most unsatisfactory feature of the agricultural

market in Gadhinglaj. Dissemination of market information is an important responsibility of the APMC. It has been fulfilling this task quite satisfactorily details of daily arrivals, sales, stocks and prices of regulated commodities are displayed in the office of the APMC.

In addition such details for all the regulated commodities are sent regularly to the Deputy Director of Marketing, Government of Maharashtra. Apart from this, these details are published in local dailies too. Weekly trends are also indicated through the daily newspapers of this area. The farmers also have become regular visitors to the market yard and collect necessary market information through personal contacts with traders and officers of the APMC. As a sum total of the various ways in which market details are disseminated, producers of agricultural commodities now do not grouped into dark, but are prone to take their decisions regarding the supply and price of their produce. The farmers have become alert, active and enlightened.

Market information also has made the traders better informed than before. Earlier, every trader adopted secrecy about his own purchases, sales, stocks and prices. Now all these fact become well known to all. The traders not only know the market rates and arrivals but also can have a broad scenario of the entire market. Their knowledge of the market now is first hand and broad based and as a result their market decisions are more realistic. They can view the

market as an aggregate and make their micro level decision. This is certainly a significant change in the marketing system itself.

9. Benefits to Traders

Traders also are deriving benefits from the market yard. Though market regulation is aimed primarily at conferring benefits on the producer-seller, it aims also at providing adequate infrastructure required for growth of agricultural marketing activity. Therefore, automatically even the traders also derive certain gains which otherwise were not available to them.

10. Conveniences of Transportation

Gadhinglaj Market Yard has been located at a strategic place from transportation point of view. Arrivals of almost all the commodities in the market yard are by road mostly. Location of the market yard has a good road link for the purpose as it is situated on the Gadhinglaj Shankeshwar Stat Highway, which is well served by the district roads and National Highway No.4. Farmers use bullock carts, tractor trolleys and trucks to bring the produce from farm to the year whereas the produce is sent out to up country places by the traders in truck load. Therefore, road links to and from market yard play a significant role in carrying on trade and business activities in the yard. The road network closer to the yard has been an asset to the traders and farmers.

11. Incident Benefits

Banking and Insurance facilities are most vital for development of trade and business. Officers of banks and general insurance companies are located within the premises of the market yard. Traders have an easy access to these institutions in close proximity of their trading premises. Moreover, their existence has helped them to conveniently utilise warehousing facility of the Central Warehouses in the Market Yard.

In Market Yard are there are branches of the following banks.

- i) The Urban Co-o. Bank Ltd., Gadhinglaj
- ii) The Veershaiv Lingyaat Co-op. Bank Ltd.,
- iii) The Belgaum Bank Ltd., Belgaum
- iv) Kolhapur Central Co-op. Bank Ltd., Kolhapur
- ✓ v) The Bombay State Co-op. Land Mortgage Bank Ltd.,
Bombay, Branch Gadhinglaj
- vi) State Bank of India, Branch Gadhinglaj
- vii) Union Bank of India, Branch Gadhinglaj
- viii) Bank of Maharashtra, Branch Gadhinglaj
- ix) Bank of India, Branch Gadhinglaj
- ✓ x) Ajara Bank Ltd., Ajara
- xi) Chandgad Co-op. Bank Ltd., Chandgad, etc.

All these banks provide financial assistance to the farmers. Advances are given to the farmers on the security of their commodities in godown, cash credits are given to the traders.

3.4 REGULATED AGRICULTURAL COMMODITIES

Establishment of Gadhinglaj Market Yard was planned to provide a regulate market for trade in jaggery, groundnut, chillie, the principal agricultural produce of the area. But gradually the market yard facilities were extended to many other products like grains, cotton, onion, soybean, tobacco, potato, sweet potato, tamarind, cashew nut, ox, cows, buffalo, goat, etc. consequently, with the same establishment in the yard, the traders can undertake business in one or more commodities, they can thus avoid cost multiplication due to separate establishment for different commodities in the absence of a single yard.

Of all the commodities traded in the market yard jaggery, groundnut, chillie etc. are the most important. Among main commodities jaggery occupies major share. It is sent out in different part of country.

Following is list of agricultural commodities regulated in the market area of this Market Committee. So long as the Kolhapur Co-operative Publication (Jahirmama) No. MK-9(1)D-14 dated 15-11-1947 was applicable to Gadhinglaj Market Yard, only 3 commodities, were regulated as they were the principal agricultural products of the market area with the implementation of the Bombay

Government Development Notification No. PMA-6255 dated 28-7-1955 additional three commodities were covered for regulation effective from 28 July 1955. In 1973, two commodities were regulated. In 1976, eleven commodities were regulated. Further since 1983, additional four commodities were covered for regulation effective from 19th March 1983. In November 1983, seven commodities (cattle) were regulated. In 1986, additional one commodity i.e. grass was covered for regulation effective from 27th August 1986.

Table 3.4
Regulated Agricultural Commodities

Sr. No.	Names of the Agricultural Commodities	Date of Regulation	No. of Agricultural Commodities
1	Jaggery, Groundnut, Chillie(red)	15-11-1947	3
2	Paddy, Rice, Cotton	28-7-1955	3
3	Bajra, Green gram	13-11-1973	2
4	Tobacco, Black gram, Lentil, wheat, Jawar, Kulthi, Nachana, Cashew nut, Potato, Sweet Potato, Red gram	21-10-1976	11
5	Tamarind, Onion, Maize, Soyabean (black/white)	19-3-1983	4
6	Ox, Cow, Buffalo, Goat, sheep, Horse	7-11-1983	7
7	Grass	27-8-1986	1
	Total		31

Source: Reports of APMC, Gadhinglaj

Thus, year after year the number of regulated commodities and therefore, administrative workload has increased.

3.5 LICENCE FEE/WORKING CHARGES/MARKET FEE AND OTHER CHARGES

In order to keep effective control over market activities, the functionaries are required to take licence from APMC by paying stipulated licence fee for a period of one year the licence has to be renewed annually. Rates of the licence fee, functionary wise, as were in force in 2000-2001 in Gadhinglaj Market Yard are specified in Table No. 3.6.

The functionaries have been divided into 19 categories as 1) Adtya, 2) Traders 'A' Class and so on. Rate of licence fee is maximum Rs. 200 per annum and lived on Adtya, traders 'A' Class, processor 'A' Class. Class 'B' traders paid Rs. 100 per annum. Brokers and cartman paid Rs. 50 per annum. Coolies pay only Rs. 6 per annum, the least charge. It is observed that the rate of licences fee on all the market functionaries as they exist today are very moderate and not at all burden some to anybody. The APMC has adhered to economic principle of 'ability to pay' while levying these charges.

Table No. 3.5
Licence Fee payable by the Market Functionaries

Sr. No.	Types of Licence	Annual licence fee (Rs.)	Renewal fee (Rs.)
1	Adtya	200	200
2	Traders 'A' Class (Buyer)	200	200
3	Traders 'A' Class (Cheap Grains Shop)	50	50
4	Traders 'B' Class	100	100
5	Traders 'C' Class	50	50
6	Traders 'D' Class	20	20
7	Brokers	200	200
8	Brokers (Hede)	50	50
9	Processors 'A' Class	200	200
10	Processors 'B' Class	50	50
11	Weighmen	20	20
12	Warehousemen	30	30
13	Cart men	50	50
14	Assistants Cart men	10	10
15	Godownmen	6	6
16	Coolies	6	6
17	Asstt. To Adtya	10	10
18	Bullock men	10	10
19	Truck men	10	10

Source: Reports of APMC, Gadhinglaj, 2001

Working Charges

The APMC is authorised to fix the various market charges that need to be paid either by the seller or the buyer for the specific functions performed. The details are laid down in the law 10, bye-law 23 of the APMC, Gadhinglaj. In fact, this is quite an important function of the APMC to serve its objective of creating orderly conditions in agricultural marketing. The APMC not only fixed them and revised at times as per need, but also exerts to see that they are scrupulously

adhered to by the functionaries. Such charges are to be paid in the processes of carrying on of trade and business and hence they are described as 'Working Charges'. Details in this respect as are in force at present are given in Table No. 3.7. The charges pertain to commission, market fee, entry fee, maintenance cost, weighment, coolie work, which are essential in the sale and purchase activities. They have been listed in respect of all regulated commodities in all their details. There is no ambiguity as to who should bear them. Both the sellers and buyers have full knowledge of their burden.

Table 3.6
Working Charges of APMC, Gadhinglaj

Sr. No.	Commodities	Rate (Rs.) sale proceeds per Rs. 100	To be recovered from
1	Jaggery, Groundnut, Chillie, Paddy, Rice, Cashew nut, Tamarind, Red gram, Green gram, Black gram, Kulthi, Nachana, Maize, Jawar, bajra, Soyabean, etc.	3.00	One who entrusts the work
2	Onion, Potato, Sweet Potato, Garlic, etc.	5.00	

Source: Annual Report of APMC, Gadhinglaj,

Table 3.7
Rate on Weighment/Masurement and hamali (Coolies) of Commodities

Sr. No.	Commodities	Unit	Rate (Rs.)		To be recovered from
			Weighment	Coolie (Hamal)	
1	Jaggery	Quintal	1.36	2.03	One who entrusts the work
2	Groundnut	Per Bag	1.09	1.49	
3	a) Chillies	Per Bodh	0.82	3.05	
	b) Chillies	Per Bag	0.36	1.30	
4	Jawar, Bajra, Paddy, Rice, Maize, Soyabean, Red gram, Black gram, Green gram, Onion, Potato, Sweet Potato, Cashew nut, Tamarind, Tobacco, Kulthi, Nachana, etc.	Quintal	1.36	2.03	

Source: Reports of APMC, Gadhinglaj

Market Fee

As per Bye-laws of the APMC, Market Fee is fixed ad-valorem at Re. 1 per Rs. 100. For transaction of cattle the rate is Rs. 1.05 per Rs. 100 value. The current levy of market fee is charged by many other Market Committees in Maharashtra and the neighbouring State of Karnataka.

3.6 CONCLUSION

Gadhinglaj Market Yard, which is the main organ of the APMC, Gadhinglaj has been pioneered by the visionary founding fathers who had faith in co-operative action. The personalities that held the key position of Chairman guided the destinies of the Market Committee in true spirit and saw that a well developed regulated market for agricultural commodities takes shape. The market has taken a good shape no doubt. Gadhinglaj Market Yard has now attained the status of a key centre for important agricultural products of the region.