

CHAPTER - II

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PROFILE OF APMC, KOLHAPUR

2.1 INTRODUCTION

Kolhapur district is one of the 35 districts of Maharashtra state located at the state southern most part of the state adjoining Karnataka and the Goa state. It comprises 12 talukas with the population of 35.23 lakhs as per 2001 census and that of the city of Kolhapur, the district headquarters was 4,93,167. The geographical area of the district is 20,21,010 acres and gross area under cultivation is 10,51,670 acres. The height from the mean sea level ranges from 1,200 to 2,000 meter and the average annual rainfall is 40 inches. There are number of rivers flowing through the district. The main rivers are the Panchganga, Warana, and Krishna flows through the district. Two command area projects viz. Warana and Dudhganga and five other medium irrigation projects are in progress in the district.¹

2.2 REGULATED MARKET IN KOLHAPUR DISTRICT

The agriculturists in the districts make use of the abundant water to their fullest advantage by lift irrigation and other schemes and the result is that the sugarcane crop area is increasing annually. At present more that 1,50,000 acres land is under sugarcane cultivation. The soil of the area and the natural environment are mostly fit for this crop. Eleven sugar factories consume sugarcane for more that 1,10,000 acres and the cane from the rest of the area is turned to jaggery. Kolhapur city is the

¹ Maharashtra Gazetteer : Kolhapur District, (Revised Edition 1989), Directorate of Government Printing, Stationary and Publications, Maharashtra State.

biggest jaggery market in India. Kolhapur city is situated on the National Highway No. 4 joining Pune and Bangalore. The highway is to the east of the city.

2.3 BRIEF REVIEW OF MARKET REGULATION OF KOLHAPUR MARKET

There has been an old tradition of cultivation of sugarcane crop in Kolhapur district. Sugarcane crop in this region is more than a century old. It was used for jaggery. The jaggery product of this region has been qualitatively superior. But, in spite of a substantial production, the farmer-producers were dependent solely on out side markets for selling of their produce as no jaggery market had come into existence at Kolhapur. Up to about 1880, the produce was sent to the port town of Rajapur, wherefrom, it was channelled to Bombay in the name of 'Rajapur Jaggery'. With the gradual development of Sangli market by 1880, the farmers diverted their link from Rajapur to Sangli as the latter was close to Kolhapur region. Sangli market, however, had developed the practice of sale under cover. As such, the farmer-sellers were at a disadvantage regarding the price as well as the terms of trade.

A change in the marketing conditions was sooner initiated since 1895 immediately after the ascendancy to power of the great visionary and reformist ruler of the princely state of Kolhapur, viz. Chhatrapati Shahu Maharaj. He was very much interested in developing trade and commerce in the capital city of Kolhapur. Therefore, he invited renowned traders from Gujarat, Saurashtra, Madhya Pradesh, Konkan and Karnataka regions to establish their commercial units at Kolhapur, and provided them all kinds of infrastructural facilities at minimum cost or at times even free of cost, and thus, emerged the famous Shaupuri Market for trade and commerce. Consequently, Kolhapur became a centre place

of trading in jaggery, groundnuts, and other agricultural products. Producers of jaggery were no longer required to transport their produce to Sangli market, which they were doing for almost decades in the past.²

Further impetus to the development of Kolhapur market was given by Chhatrapati Rajaram Maharaj who succeeded Chhatrapati Shahu Maharaj. He continued the pragmatic policies of his predecessor and saw that necessary facilities were provided to the traders for the development of agricultural trade in the city. An important manifestation of this encouragement was the establishment of the Shahupuri Merchants' Association played a major role in streamlining the market practices, of course, in doing so Association was careful in guarding the vested interests of the merchants. Farmers had no voice in this effort, notwithstanding this, the lead taken by the Association in shaping the market better than Sangli market.

A new chapter was opened in the development of Kolhapur market when, in 1945, under the presidentship of Narayanrao Sardesai a committee was formed by the ruling Chhatrapati to recommend measures to increase farmers' participation in making market decision, at the same time guarding their interests. On its recommendation the state authorities passed the Kolhapur Agricultural Produce Market Act, 1939. The act was made applicable in the same year. In this way, regulated market of Kolhapur came into existence in 1945-46.

The Kolhapur state was merged in the erstwhile Bombay state in the year 1949 and to control the jaggery and groundnuts trade a committee was formed including the representatives of farmers and

² Kolhapur Agricultural Produce Market Committee, Kolhapur, Annual Report for the Year – 1945.

merchants. This committee was inaugurated by the late social reformer Baskarrao Jadhav on 25th October, 1945.

The Shahupuri Peth area of the market was inadequate for market facilities. There were no godowns. Therefore, during the post-harvest day's jaggery, groundnuts were stored in open by the roadsides near the shops, thus, exposing the consignments to the damages by climate and rain. Farmers were the principal losers under adverse natural conditions. There was another problem which was getting serious day by day. The city was developing fast and Shahupuri Peth which initially lay on the outskirts of city gradually became an integrated part of the busy area. As a result, the traders faced the problem of adequate space for bullock carts and trucks. These developments created a pressing need for a new location for market especially in the interest of effective market regulation. The present Shahu Market Yard is outcome of this situation. It was established in December, 1958.

This move of changing the location of the principal market from Shahupuri Peth to Shahu Market Yard was not accepted by the merchants' community, which resisted the same by a closure of the market for three days. The Merchant's Association resorted to writ petition in Bombay High Court. Detailed development in connection with this confrontation between the Market Committee and the Merchant's Association need not be mentioned. One is interested in the ultimate outcome. The merchants had to yield to the decided change and shift their trading place to Shahu Market Yard was, no doubt, quite spacious premise for handling the fast growing market arrivals of the agriculture produce as well as for providing infrastructural facilities to make market regulations effective.

The Market Committee was on its foot build the infrastructure for the principal market yard. The progress was quite fast. After the formation of the present state of Maharashtra, the functioning of the APMC, Kolhapur came to be governed by the provisions of the Maharashtra Agricultural Produce Marketing (Regulation) Act of 1963 with effect from 25th May, 1967 and thereafter by the amendments from time to time.

The APMC, Kolhapur was quite alert about its vast jurisdiction. Hence, while striving to develop its principal market yard, it took steps to establish a number of sub-markets as per needs of various agricultural products. Of the 9 sub-markets 7 are located in different parts of Kolhapur city and the rest two are located outside the city, one at Kagal (Tal. Kagal) and the other at Malkapur (Tal. Shahuwadi). City sub-markets are mostly the special commodity markets. Chronological details of establishment of sub-markets are given below :

Table 2.1 : Sub-Market Yards of the APMC, Kolhapur.

<i>Sr. No.</i>	<i>Name of Sub-Market Yard</i>	<i>Date of Functioning</i>
1.	Malkapur (Tal. Shahuwadi)	01-09-1960
2.	Laxmipuri, Shahupuri and Pharashi Grain Market, Kolhapur.	19-08-1969
3	Kagal (Tal. Kagal) Yard (Cattle, Ship and Goat Market)	19-08-1977
4.	Mahalaxmi Vegetable Market, Kolhapur.	03-11-1978
5.	Laxmipuri Fruit Market, Kolhapur.	03-11-1978
6.	Udyam Nagar Market, Kolhapur.	03-11-1978
7.	Washi Naka Market, Kolhapur. (Grass and Fodder)	30-11-1978
8.	Shubhash Nagar Market, Kolhapur. (Hides and Skins)	30-11-1978
9.	Tembalai Market, Kolhapur. (Cattle, Ship and Goat Market)	02-04-1989

Source : Annual Report APMC, Kolhapur

Of the 7 city sub-markets only Tembalaiwadi premises are owned by the APMC and other are in the Municipality areas.

At present infrastructural development of the cattle market in the Tembalai Wadi sub-market and the fruit-vegetables betel leaves market complex in the principal market (Shahu Market Yard) designed by the Market Planning and Design Centre, Government of India and F.A.O. jointly has been undertaken and the work is in progress. But the development of food grains market within the principal market yard is a huge task and the same is, therefore, not undertaken as yet.

2.4 LOCATION AND LAYOUT OF SHRI. SHAHU MARKET YARD

Suitable location and planned layout of any business undertakings is to optimise the resources and to provide a number of benefits to the user. So, the location and layout of the Market Committee is not an exception to this rule. Shri Shahu Market Yard is located on the outskirts of the city but within the reach of the traders and other functionaries. However, it is not easily accessible to the village farmers due to the wide geographical coverage of this market. In case of layout, the Indian Standards Institution has laid down certain design types for various categories of markets and their classes for different commodities, like multi-commodity markets, cattle markets, fruits and tobacco market, foodgrain market, etc. It is found that Shri. Shahu Market Yard falls in the category of multi-commodity market. The Market Committee has constructed a number of shops for the commission agents and other traders in its premises. The administrative office of the Market Committee is located at central place within the market premises. The utilization of the market yard area under the layout plan of the Market Committee has been presented in Table 2.2 below.

Table 2.2
Distribution of Market Yard Area (Under Layout Plan)
of Principal Market Yard, Kolhapur (2005-2006)

<i>Sr. No</i>	<i>Particulars</i>	<i>Area (Sq. Meter)</i>	<i>Percentage</i>
1.	Area under plots	2,27,739.53	46.51
2.	Area under amenities & facilities including office	20,895.72	4.26
3.	Area under roads	1,45,412.21	29.69
4.	Area under wall compounds	910.00	0.185
5.	Area left for road widening and miscellaneous use	64,434.00	13.15
6.	Open space (including parking, gardening, etc.)	30,253.70	6.17
Total		4,89,645.16	100.00

Source: Layout Plan of Kolhapur Market Committee, 2005-06

It has been observed from the table that 46.51 per cent area is allotted to plots in the market yard. Besides, area under roads allotted is 29.69 per cent. Remaining area is distributed for office buildings, open space including parking, gardening, etc.

2.5 NOTIFIED COMMODITIES

Following is the list of agricultural commodities regulated in the market area.

1. Jaggery
2. Groundnut (Shelled & Unshelled)
3. Food Crop :
 Paddy (Husked and Un-husked), Millet, Wheat, Cotton,
 Chillies (Dry), Turmeric, Maize, Wal, Soyabean, Kulthi, etc.
4. Onion, Potato, Garlic, Spices, Corriender, Ginger.
5. Cattles, Sheeps, Goats.
6. Vegetables :
 Tomato, Sweet Potato, Beans French, Carrot, Beans Cluster,
 Cabbage, Beans broad, Spinach, Brinjals, Lady finger,

Green Chillies, Cauliflower, Pumpkin, Coriander, Green Cucumber, Arvi, Reddish, Bottle Gourd, etc.

7. Fruits :

Mango, Mosambi, Oranges, Apples, Grapes, Chickoo, Lime, Papaya, etc.

2.6 COMPOSITION OF MARKET COMMITTEE

The Agricultural Produce Market Committee (APMC) functions as a local self-government authority. The composition of the APMC wide 1963 Act is of 21 members which comprises of agriculturists, license, holding individuals, representatives of Grampanchayats and Co-operative Societies and nominees. The collector of the district holds the Market Committee elections every five years as provided in the Act and the Rules thereunder. The composition of 21 members Market Committee is as seven given in Table 2.3.

As per the provision of the Act, Chairman belongs to agriculturists' constituency.

Table 2.3
Composition and Constitution of Market Committee of
Shri Shahu Market Yard, Kolhapur

<i>Sr. No.</i>	<i>Particulars</i>	<i>No. of Seats</i>	<i>Total No. of Seats</i>
1.	Agriculturists Constituency		13
	a. Co-operative Societies Constituency	9	
	b. Grampanchayat Constituency	4	
2.	Traders Constituency	2	2
3.	Hand-Mapadi Constituency	1	1
4.	Co-operative Marketing Societies Constituency	1	1
5.	Local Authority Constituency		2
	a. Taluka Panchayat Samiti Chairman	1	
	b. Kolhapur Municipal Corporation Representative	1	
6.	Government Nominees		2
	a. Dist. Agricultural Officer, Z.P., Kolhapur	1	
	b. Dist. Deputy Registrar, C.S., Kolhapur	1	
Total			21

Source : APMC, Kolhapur.

2.7 MARKET FUNCTIONARIES

The entire edifice of agricultural marketing depends upon the market functionaries. In the existing structure of the market regulation, several market functionaries intervene between the producers and the ultimate consumers, rendering important services. These include commission agents, traders of various classes; weighmen, hamals, etc. The increasing number of competing functionaries, especially traders, is a good sign of competitive market. In the light of this, the trend in the number of market functionaries was analysed. The following table (Table 2.4) represents the market functionaries of the Shri. Shahu Market Yard in the period of 2000-01 to 2003-04.

Table 2.4
Number of Market Functionaries in APMC, Kolhapur
& Its Sub-Markets
(2000-01 to 2003-04)

<i>Sr. No.</i>	<i>Market Functionaries</i>	<i>2000-01</i>	<i>2001-02</i>	<i>2002-03</i>	<i>2003-04</i>
1.	Commission Agents	655	650	681	679
2.	Traders 'A' Class	335	349	348	331
3.	Traders 'B' Class	521	521	N.A.	N.A.
4.	Cattle Agents	16	N.A.	18	11
5.	Sheep Traders	02	N.A.	N.A.	N.A.
6.	Processors	18	08	08	03
7.	Weighmen	140	201	187	177
8.	Assistants	281	293	287	285
9.	Hamals	739	755	356	362
10.	Traders Chip Rate Grain Shops	33	31	31	29
Total		2740	2808	1916	1877

N. A. = Not Available

Source : Annual Reports of APMC, Kolhapur.

Table 2.4 shows the total number of functionaries of Shri Shahu Market Yard, an increasing trend for about two years during 2000-01 to 2001-02. The total number of functionaries in the year 2000-01 is 2740 and it is 2808 in the year 2001-02, increased with the 68 numbers interested. The declining trend for about two years during 2002-03 to 2003-04 was observed. The number of commission agents is increasing for the respective years, and the total number of traders in class 'A' and 'B' fluctuates.

2.8 FINANCIAL PERFORMANCE

Over its life of last one and half decades, it is obvious that, the aggregate income of the market yard should grow conspicuously. As for years together Kolhapur city is known for its jaggery market, the market yard has been receiving larger volume of jaggery lumps in addition to groundnuts and other agricultural produce. This is reflected in tremendous increase in the income of the market. The main source of income in Market Committee is the licence fee from the market functionaries and second one is the rent of plots and buildings, godown fee, market fee on transactions, interest on bank deposits, etc.

Major heads of expenditure of the APMC are payments of staff, construction of road, buildings and other developmental works, development of sub-markets, office equipments and stationary, electricity and water supply bills, publicity, bank commission, dead stock, etc. For the purpose of analysis total expenditure is split into expenditure on staff and other expenses for that the former item constitutes the single largest item of expenditure, in the case of 'other expenses', developmental expenditure is the biggest charge.

Table 2.5
Income, Expenditure and Surplus of the Market Committee

<i>Year</i>	<i>Income (in Rs.)</i>	<i>Expenditure (in Rs.)</i>	<i>Surplus (in Rs.)</i>
1991-1992	1,09,21,410	71,76,158	37,45,252
1992-1993	1,32,70,802	83,51,924	49,18,878
1993-1994	1,59,01,425	1,07,40,258	51,61,166
1994-1995	1,61,29,791	1,05,01,732	56,28,059
1995-1996	1,93,35,008	1,24,52,269	68,82,739
1996-1997	1,97,71,246	1,32,55,802	65,15,444
1997-1998	2,21,47,358	1,49,01,994	72,45,364
1998-1999	2,39,47,974	1,88,99,522	50,48,452
1999-2000	2,54,47,011	2,31,32,553	20,14,458
2000-2001	2,82,74,001	2,12,21,117	72,52,884
2001-2002	3,15,56,847	2,83,99,597	31,57,250
2002-2003	3,14,11,155	2,99,81,859	14,29,296
2003-2004	2,92,46,224	2,89,84,853	2,61,371
2004-2005	3,23,18,333	3,21,16,891	2,01,442
2005-2006	3,43,46,549	3,40,33,353	3,13,196

Source : APMC, Kolhapur

Table 2.5 shows the income, expenditure and surplus for the last 15 years. During the years 1991-92 to 1992-93 market surpluses increased because expenditure of market is less than income. During the years 1993-94 to 1997-98 market surpluses increase in the respective years but during the years 1998-99 to 1999-2000 and 2001-02 to 2005-06 market surpluses decreased respective years. Because during the years 2001-02 to 2005-06 market income increased but the market expenditure is also increased same level of income and the result goes down surpluses of market. The highest surpluses of Market Committee have in the year 2000-01.

2.9 TOTAL TURNOVER OF APMC, KOLHAPUR

The following table shows that, the total turnover in different types of marketing for Agriculture Produce Market Committee (APMC), Kolhapur.

Table 2.6
Total Turnover of APMC (2006-07)

<i>Sr. No.</i>	<i>Types of Marketing</i>	<i>Total Turnover (In Rs.)</i>
1.	Fruits	42,20,83,844
2.	Vegetables	46,98,24,850
3.	Grains, Pulses	295,33,48,875
4.	Jiggery	211,11,51,900
5.	Onion	36,00,27,760
6.	Potato	23,57,58,000
7.	Garlic	4,56,31,400
8.	Sheep's, goats	1,21,64,460
9.	Cattle's	1,73,27,900
Total		662,73,18,989

Source : Annual Report, APMC, Kolhapur, 2006-07

The table shows that, the total turnover of APMC Kolhapur for the year 2006-07 was Rs. 662,73,18,989 crore.

The table further shows that, the highest turnover of Grains, Pulses and Jaggery marketing from Market Committee. The total turnover of Grains, Pulses was Rs. 295,33,48,875 crore and total turnover of Jaggery is Rs. 211,11,51,900 crore during 2006-07. The total turnover of Fruits marketing was Rs. 42,20,83,844 crore. And the total turnover of vegetables was Rs. 46,98,24,850 crore.

The total turnover of Onion was Rs. 36,00,27,760 crore and the total turnover of Potato was Rs. 23,57,58,000 crore The low level turnover of Sheep, Goats & Cattle marketing. The total turnover of

sheeps and goats was Rs. 1,21,64,460 crore and the total turnover of cattles was Rs. 1,73,27,900 crore.

2.10 ORGANISATIONAL SETUP OF A.P.M.C. KOLHAPUR

The 21 elected/nominated members of the Market Committee constitute the board directors, which is headed by Chairman/Vice-chairman elected from agriculturists. The Chairman and Vice-chairman are controlling and supervising authorities of the Market Committee. The secretary is the administrative head of the Market Committee and wields many statutory powers given by him by the market Act.

The Market Committee Secretary looks after the day-to-day working of implements the plans and policies and gives a feed back to the Board of Directors through the Chairman/Vice- chairman. The secretary is the administrative head of the Market Committee and wields many statutory powers given him by the market Act. However, his exercise of the powers is governed by the Board for efficient functioning. The administrative hierarchy after Secretary continues downwards to the assistant secretary, who is the accountant and the statistician, both working as officers. The secretary and the other officers are helped in the execution of their work by other sub-ordinate staff.

The staff is appointed by the Market Committee. The staff Recruitment Rules and Staff service Rules are approved by the Director of Marketing, M.S., Pune. Presently, Kolhapur Agricultural Produce Market Committee (APMC) has a total staff of 175. Of which, higher staff comprises of 74, lower staff comprises of 32 and watch and ward staff comprises of 69.

2.11 DEPARTMENTAL SETUP

In Maharashtra the Market Committees are attached to Co-operative Department of State Government. The Director of Marketing Maharashtra State, Pune is the Departmental head, while the District head, is the District Deputy Registrar Co-operative Societies. Now Maharashtra Government has constituted the Maharashtra State Agricultural Marketing Board for controlling and guiding the Market Committee in the State, from the year 1984.

2.12 A SYSTEM OF MARKETING PRACTICES

One of the important objectives of the market regulation is to rationalise, regulate and bring about an orderly system in the purchase and sale of agricultural commodities. This will ensure a competitive environment for protecting the interest of producer sellers from exploitation by the functionaries in the process of marketing. In the view of this, the Market Committee has systematic and orderly marketing practices.

2.12.1 BUSINESS HOURS

The business hours and the office hours have been prescribed by the Market Committee in such a way that will help the Market Committee in enforcing the regulatory provisions and supervising the sales effectively. While fixing the hours of business the Committee has duly considered the convenience of seller, buyers and other functionaries, distance of villages, nature and size of arrivals, etc. present office hours are from 11.00 a.m. to 6.00 p.m. Whereas, the auction hours are from 8.00 a.m. to 8.00 p.m.

2.12.2 METHOD OF SALE

It is gratifying to note that, commodities are purchased and sold by the open auction method. At the time of bidding two or four employees of

the A.P.M.C. move along, accompanying the traders from one place to another supervising and noting the entries of the produce, grade, price, name of the buyer, name of the commission agents and the sellers, etc. The A.P.M.C. realises that the last few bids are not fetching competitive prices; therefore, the Committee has introduced a rotation system. The auction is held between 6.00 a.m. to 5.00 p.m. each day except holidays.

2.12.3 SYSTEM OF WEIGHMENT

Market Committee prescribes and enforces the use of standard weighment assigned to only licensed weighmen at the commission agents' shop. The Committee Inspectors inspect the scales and weights frequently. There is a special Weighment Sub-committee, which supervises and executes the scheme of weighment. The Market Committee has established an electronic weighbridge at the market yard.

The workers of Maharashtra Mathadi Board, Hamal and other menial workers (Registration of Employment and Welfare) Act 1969 applied to Kolhapur city, 07th April 1985. The Hamali and Tolai charges along with levy have been credited to Mathadi Board by the concerned commission agents and traders.

2.12.4 METHOD OF PAYMENT

The payments of all the commodities are paid promptly. The Secretary and staff of the Market Committee periodically inspect the accounts of the respective parties and ensure that the payment is made properly.

2.12.5 GRADING SCHEME

Grading of agricultural commodities is a complex process due to the variety and variation in the production and consumption, characteristics, which are brought about by number of factors including

natural environment. To overcome this, the Market Committee has adopted certain measures to grade the commodities systematically. Presently, the commission agents taking into account the colour, taste, texture, etc. commercially grade jaggery, while the groundnut is scientifically graded by an independent trader appointed by the Government of Maharashtra. Rest of the commodities are commercially graded by the commission agents.

2.12.6 MARKETING INFORMATION SYSTEM

Dissemination of market information relating to market arrivals ruling prices, market trends, etc. are the important adjunct to the development of orderly marketing. This type of information is very useful to the farmers, as they can take appropriate decisions in the light of adequate and correct information. This Market Committee provides information relating to the prices, arrivals, trends, etc. to the farmers well in advance through All India Radio, local daily newspapers, internet, etc. It also supplies the daily information from Delhi, Mumbai and Pune A.I.R. stations. Further, the Market Committee supplies weekly, fortnightly and monthly statistical information to various concerned officers and the Central Government. The Market Committee supply daily information to the Marketing Board through established information network in Pune. Beside, the Market Committee displays information on the notice boards and made the announcements on the loudspeakers frequently during the business hours. Periodically, pamphlets are published by the Committee for propagating the benefits of regulated market to the produce.

2.12.7 INFRASTRUCTURAL FACILITIES PROVIDED IN THE MARKET YARD

The APMC, Kolhapur provides following facilities to the traders and farmers in market yard area.

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|------------------------------|-------------------------|
| 1. Internal Roads | 2. Drinking Water |
| 3. Street Lights | 4. Post Office |
| 5. Farmer Guest House | 6. Banking Facilities |
| 7. Storage Godowns | 8. Canteens |
| 9. Toilets | 10. Vehicle Parking |
| 11. Display Boards | 12. Weigh Bridge |
| 13. Police Chowki | 14. Office Building |
| 15. Petrol Pump | 16. Compound Wall |
| 17. Gardens | 18. Bazar Mahiti Kendra |
| 19. Internet Hall | 20. Cattle Shed |
| 21. Rest House for Labourers | |

2.13 CONCLUSIONS

Shahu Market Yard is the main organ of the APMC. It had been pioneered by the visionary founding fathers that had faith in co-operative action. The personalities that held the key position of chairman guided the destinies of the market commodities 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. Shahu Market Yard has now attained the status of a key centre for important agricultural products of the region. The cause of concern, however, is that market arrivals of jaggery and groundnuts are depressing with time mainly because of new developments on production front. This commodity feature need not, however, depress anybody because the market as a whole shows signs of healthy development. This should be taken as a meritorious point.

