

Chapter IV

Historical Background Of Regulation Of Agricultural Produce Market

- 4.1 Introduction
- 4.2 Royal Commissions Report On Agricultural Marketing In India Observations and Suggestions
- 4.3 Position of various Agricultural Produce Market Acts in India
- 4.4 Position of various Agricultural Produce Markets Acts in Maharashtra
- 4.5 Maharashtra Agricultural Produce Marketing [Regulation] Act of 1963
- 4.6 Salient features of the Maharashtra Agricultural Produce Marketing Act, 1963
- 4.7 Features of Agricultural Produce Regulated Market
- 4.8 Salient features of Agricultural Produce Regulated Market Committee
- 4.9 Role of Maharashtra State Agricultural Marketing Board

4.1 Introduction

Before regulation of markets in India, the conditions of agricultural marketing from the view point of producers were miserable. The producers have to incur high marketing cost, because of the following facts.

- i) There were unauthorized deductions of marketing charges.
- ii) There were some mal practices such as hatta system of deciding the value of agricultural produce.
- iii) Traders monopoly in deciding the place of sale, the time of marketing etc.
- iv) Improper storage facility.
- v) Lack of proper transportation facilities.
- vi) Fear of uncertain losses like fire, theft etc.

Then, there arose a need for the regulation of markets. The then British Rulers in India felt the need for regulation of markets. The British rulers wanted to make available supplies of pure cotton at reasonable prices to the textile mills in Manchester (England). The first regulated cotton market act was established as early as in 1886. This was followed by the Berar cotton and Grain market of 1897. Subsequently many acts were passed by the British Rulers in India. These have been presented in Table No.4.1

Incidentally, it needs to mention that, the British Government also took a good decision of appointing "A Royal Commission on Agriculture" for the development of agriculture and the welfare of the

agriculturists in India. The views expressed by the Royal Commission, in respect of agricultural marketing in India were as follows.

4.2 Royal Commission Report (1928) on Agricultural Marketing

4.2.1 Observation of the Royal Commission

The Royal Commission on Agriculture (1928) had thoroughly examined the situation of agricultural marketing in India. The observations as pointed by it were as follows -

1. The existing system of Agricultural Marketing did not meet the ideal system of Agricultural Marketing wherein the interest of the producer are safeguarded.
2. Selling of farm produce was effected at the village itself. This has lead to low returns to the farmers.
3. Forced sales of farm produce were going on. This was because of the fact that the farmers used to sell their produce at what so ever the price they get in order to make payment of money-lenders and the merchants.
4. Inadequate storage facilities of the farmers.
5. Fear of loss due to either theft or fire.
6. Low risk bearing capacity of the farmers.
7. Unavailability of information on prices and trend in production of agricultural commodities.

8. Existing mal practices at marketing centers / places such as
- a) Heavy market fee
 - b) Presence of Hatta system for deciding the price of agricultural, commodities.
 - c) Extra heavy charges such as some funds towards yatra, construction of temple etc.
 - d) Absence of grading and standardization of produce in the market.
 - e) Absence of quick transport
 - f) Absence of storage facilities
 - g) Strong association of traders and market functionaries

4.2.2 Recommendations of Royal Commission on Agricultural Markets

In 1931, Central Banking Inquiry Committee was appointed by the Government of India. This committee also recommended the implementation of Royal Commission Report of 1928.

The Royal commission on Agriculture had thoroughly examined the situation of agricultural marketing in India. The commission had gone through the Bearer Cotton and Grain Market Law of 1897 and Bombay Cotton Market Act of 1927. The commission made same recommendations as to the functioning and constitution of the regulated markets.

It recommended:-

- a) That the RMs be established in all provinces in order to facilitate the marketing of all types of agricultural produce.
- b) That the Market committee, every where should, be under a single all-pervading provincial legislation.
- c) That the municipalities and the District Board should be kept out of the management of these markets as several difficulties such as location, revenue etc. would arise if the management of these markets were left to the local Boards. Such difficulties were faced by the Market committees in the central province.
- d) That the markets controlled by the local Boards should automatically cease to function as soon as RMs came into existence.
- e) That the initial expenditure on Land and Building incurred for starting such markets should be met from a loan out of provincial revenue.
- f) That half of the members of the market committees should be from amongst the cultivators and the committees would also include an officer of the Agriculture Department to protect the interest of the growers.
- g) That the licensed brokers should be prohibited to stand for election from grower's constituency.
- h) That a provision should be made for representation of the co-operative societies in the areas served by the market.

- i) That a provision should be made to empower the committee to elect its own chairman and vice-chairman.
- j) That provision should be made for a machinery to settle disputes in the form of panchayats or the Board of Arbitrators.
- k) That the market committee should see that the members are well-informed about the market conditions daily.
- f) That the action should be taken to prevent brokers in the RMs from acting as both buyers and sellers as in all such cases, the broker had a natural prediction in favour of the buyers. The commission held very strong opinion on this point. It conclusively remarked, "We should suggest that the license of any broker found contravening, the license should be cancelled for the season and on the repetition of the offend be cancelled permanently".
- m) Adequate storage facilities in the market yards should be arranged.
- n) Standardization of weights and measures be done.

It will be seen from the above all recommendations that the commission was quite alive to the problems of agricultural marketing in India and made many valuable suggestions for facilitating the proper growth of Regulated markets in India. Accepting the recommendations of the commission, the Government of India and the State Governments, set up organizations to look after the problems of the marketing of agricultural commodities. A number of states have enacted the regulated market acts there after.

The position of various Acts passed in the country before the appointment of Royal Commission on Agriculture in India and those after its submission of the report is given in Table No.4.1

4.2.3 Government's Intervention

On the recommendation of the Royal Commission on Agriculture 1928, and the Central Banking Inquiry committee 1931, the central marketing department was established in India in 1935. The office of the Agricultural Marketing Adviser to the Govt. of India was established in Delhi on 1st January 1935. The main objectives was to suggest measures for making the marketing system more orderly and efficient for the sale of agricultural produce. Similar departments were established in various states.

Later on the recommendations of the Patel committee, the central marketing department was renamed as the Directorate of Marketing and Inspection. The work of this Directorate was mainly the compilation of information and dissemination of market news. This Directorate of Marketing and Inspection was attached office of Ministry of Agriculture Delhi and branch head office at Faridabad and the other at Nagpur. It is headed by the Agricultural Marketing Adviser who is assisted by 4 Joint AMAs, 14 Deputy AMAs and other technical staff. The DMI maintains a close liaison between central and state Government through its branch head office at Nagpur, 11 regional offices and 37 sub-offices spread all over the country. One of the regional office in Maharashtra is at Mumbai. The regional office is headed by Dy. Agriculture Marketing Adviser.

Table No 4.1 : List of Regulated Market Acts passed before Royal Commissions Report and those after its recommendations.

Sr. No.	Year of passing the Acts	Name of Market Regulation Act
1	1886	Cotton Hyderabad Residency order
2	1897	Berar Cotton and Grain Market Law
3	1927	Bombay Cotton Market Act (Regulation of Dhule Market comes under this Act.)
4	1928	Report of Royal commission on Agriculture
5	1930	Hyderabad Agriculture Produce Market Act
6	1931	Central Banking Inquiry Committee recommended the implementation of Royal Commission Report.
7	1933	Central Province Cotton Marketing Regulation Act.
8	1933	Madras Commercial Market Act
9	1934	Baroda Agricultural Produce Market Regulation Act
10	1935	Central Province Agril. Produce Market Regulation Act.

11	1938	Application of Bombay Cotton Market Act of 1927 to all agricultural products
12	1939	Punjab Agril. produce Market Act
13	1939	Mysore Agril. produce Market Act
14	1947	Patiyala Agricultural Produce Marketing regulation Act.
15	1952	The M.P. Agril. Produce Market Act.
16	1955	Saurashtra Agricultural Produce Market Act

4.3 Position of various Agricultural Produce Market Acts in India

4.3.1 Agricultural Produce Market Acts in India

Table No. 4.1 shows that the various Regulated Market Acts were passed before the Royal commission's Report and those after it. However a need was again felt in passing the new acts in view of re-organization of states in the country. And the recent position of passing of new acts in different states of India is given in Table No.4.2

Table No.4.2 :- Position of Regulated Market Acts in India

Sr. No.	Name of the State/ U.T.	The Act in Force	Remarks
(1)	(2)	(3)	(4)
1	Andhra Pradesh	The Andhra Pradesh Agri. Produce and Live Stock Market Act 1965	As amended in 1971, 1977, 1978, 1979 and 1981
2	Assam	The Assam Agri. Produce Market Act 1972	Received the President's assent in 1994
3	Bihar	The Bihar Agri. Produce Market Act 1960	As amended in 1974
4	Gujarat	The Gujarat Agri. Produce Market Act 1963	As amended in June 1965
5	Haryana	Punja Agri. Produce Market Act 1961	As amended in 1961, 1962, 1963, 1966, 1969, 1970, 1971 and 1974
6	Himachal Pradesh	The Himachal Pradesh Agri. Produce Market Act 1969	--
7	Karnatak	The Karnataka Agri. produce Marketing (Rgulation) Act 1961	As amended in 1969, 1970, 1973 and 1980
8	Madhya Pradesh	The Madhya Pradesh Krishi Upaj Mandai Adhiniyam 1972	As amended in 1974, 1979.

9	Maharashtra	The Maharashtra Agri. Produce Marketing (Regulation) Act 1963	As amended in 1974, 1975, 1976, 1977, 1984, 1985, 1987 and 1989
10	Manipur	The Manipur Agril. Produce Market Act.1960	Amended in 1963 by the state
11	Meghalaya	The Meghalaya Agril. Been Produce Market Act 1960	No Market has regulated
12	Orissa	The Orissa Agril. Produce Market Act 1980	- do -
13	Punjab	The Punjab Agri. Produce market Act 1961	As amended in 1962, 1963, 1966, 1969, 1970, 1971 and 1974.
		Th 12308	
14	Rajasthan	The Rajasthan Agri. Produce Market Act 1961	--
15	Tamil Nadu	The Tamil Nadu Agri. Produce Market Act 1959	--
16	Uttar Pradesh	The Uttarpradesh Krishi Utpadan Mandi Adhiniyan 1964	As amended in 1970, 1973, 1977 and 1978.
17	Tripura	The Tripura Agri. Produce Market Act 1979	--
18	West Bengal	The West Bengal Agri. Produce Marketing (Regulation) Act 1972	--



19	Chandigadh	The Punjab Agri. Produce Market act 1961	--
20	Delhi	The Delhi Agri. Produce Marketing (Regulation) Act 1976	--
21	Goa	The Maharashta Agri. Diu & Daman Produce Marketing (Regulation) Act 1963	Extended to the Union Territories of Goa, Daman & Div on 19 th June 1964.
22	Pondicherry	The Pondicherry Agri. Produce Market Act 1973	--
23	Kerala	The state has not yet enacted the Act. However, the market Regulation is in Force in Four markets of the state under the Madras commercial code Act 1933	--
24	Nagaland	The Nagaland Agri. Produce Marketing (regulation) Act 1985.	--

Source : Agricultural Marketing April- June 1990.

4.3.2 Growth of No. of Regulated Agricultural Market in India

At the instance of recommendations embodied in the report of the Royal commission on Agriculture the state Governments in India took steps in establishing the Regulated Markets in their state. The position of number of Regulated markets in India is given in Table No.4.3

Table No.4.3 :-

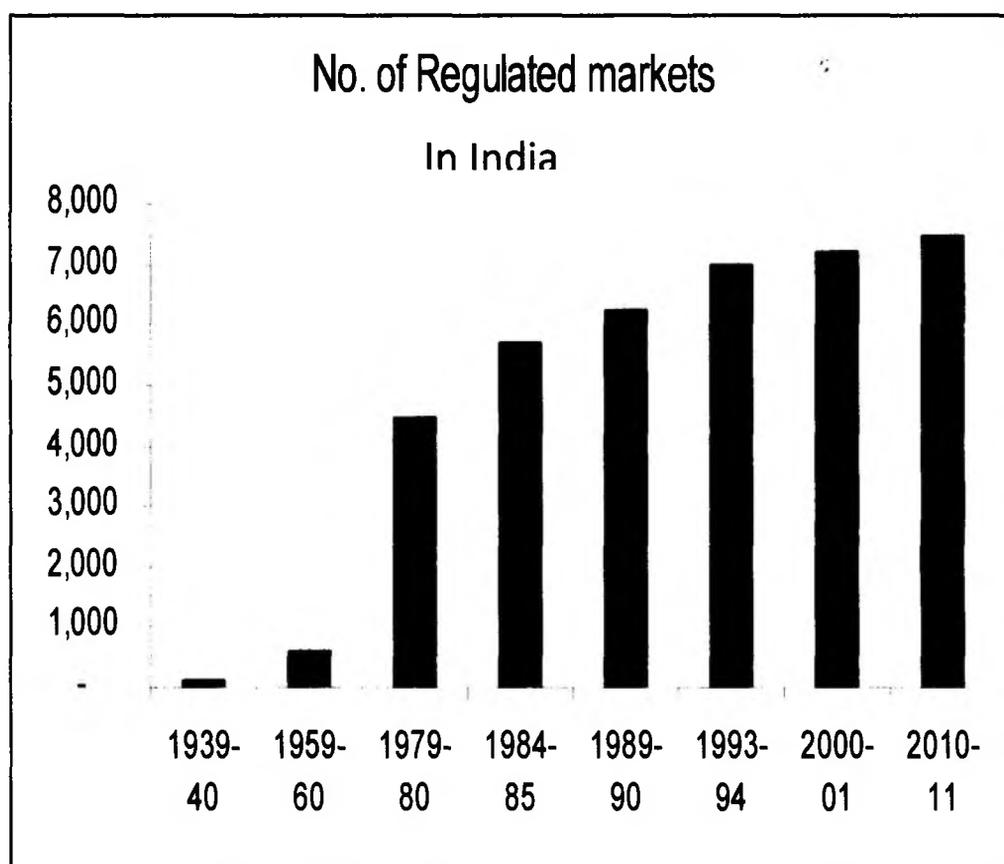
Growth in No. of Regulated Agricultural Markets in India

Sr. No.	Year	Number of Regulated Markets	% increase over previous Year
1	1939 - 40	122	--
2	1949 - 50	283	131.97
3	1959 - 60	604	133.43
4	1969 - 70	2070	242.72
5	1979 - 80	4446	114.73
6	1983 - 84	5606	26.09
7	1984 - 85	5695	1.59
8	1985 - 86	5774	1.39
9	1986 - 87	5942	2.90
10	1987 - 88	6052	1.85
11	1988 - 89	6118	1.09

12	1989 - 90	6217	1.62
13	1991 - 92	6640	4.33
14	1992 - 93	6850	3.16
15	1993 - 94	7004	2.32
16	2000 - 01	7169	2.36
17	2010-11	7465	4.13

Source : Statistical Abstract of India

Graph No. 1



The data presented in Table No.4.3 showed that the no. of Regulated Agricultural Markets in India are found to be increasing from 1969-70 till 1993-94. This might be because of higher production during that period, caused by use of modern technology. Moreover, the producer- farmers must have experienced lot of difficulties in marketing of their produce at low cost. Besides, the Government must have taken lead in establishing the regulated markets for redressing the difficulties of farmers regarding their problem of marketing.

4.3.3 State wise position of Agricultural Produce Market Committees in India (As on 31-03-2001)

It is also desirable to have a picture, showing the position of APMC according to different states in India. The same is presented in Table No. 4.4. The figures given in this table shows that the No. of main Markets (Regulated) is highest in MP + Chattisgarh States together followed by Tamilnadu and Uttar Pradesh, where the No. of main markets were 270 and 265 respectively.

Table No.4.4 : Distribution of Agricultural Produce Market committees in India.

(As on 31-03-2001)

Sr. No.	State	Main Markets	Sub-markets	Total
1	Andhra Pradesh	294	567	861
2	Arunachal Pradesh	--	--	--
3	Assam	16	19	35
4	Bihar	--	--	--
5	Jharkhand	122	691	813
6	Goa	1	7	8
7	Gujarat	161	235	396
8	Haryana	105	179	284
9	Himachal Pradesh	8	27	35
10	Jammu & Kashmir	--	--	--
11	Karnataka	140	333	473
12	Kerala	--	--	--
13	Madhya Pradesh	--	--	--
14	Chhatisgarh	300	316	616
15	Maharashtra	274	591	865
16	Manipur	--	--	--
17	Meghalaya	--	--	--
18	Mizoram	--	--	--
19	Nagaland	--	--	--

20	Orissa	57	87	144
21	Punjab	143	532	675
22	Rajasthan	125	287	412
23	Sikkim	--	--	--
24	Tamil Nadu	270	--	270
25	Tripura	21	--	21
26	Uttar Pradesh	265	380	645
27	Uttaranchal	--	--	--
28	West Bengal	46	541	587
29	Andaman & Nikobar	--	--	--
30	Chandigarh	1	1	2
31	Dadara & Nagar Haveli	--	--	--
32	Daman & Diu	--	--	--
33	Delhi	9	12	21
34	Lakshadweep	--	--	--
35	Pondicherry	4	2	6
Total :		2362	4807	7169

Source : Report of Expert Committee on Strengthening and Developing of Agricultural Marketing June 2001.

4.4 Position of Agricultural Produce Market Acts in Maharashtra

In Maharashtra, with re-organisation of the states in 1956, the following Regulated Market Acts were in force in the respective regions of Maharashtra as listed below.

- 1] Karanja Cotton-Hyderabad Residency Order of 1886.
- 2] Berar Cotton and Grain Market Law of 1897.
- 3] Hyderabad Agricultural Produce Market Act of 1930.
- 4] Central Provinces Cotton Market Regulation Act of 1933.
- 5] Central Provinces Agricultural Produce Market Act of 1935.

The above Acts were suitable. However, with the re-organisation of the states in 1956, more than one act became in operation simultaneously in different parts of the state. This has resulted into a need for a single but a comprehensive Act for the re-organised state viz. Maharashtra state. And as such, the most and comprehensive act viz. Maharashtra Agricultural Produce Marketing (Regulation) Act 1963 was passed. This Act came into force in Maharashtra right from the year 1964.

4.5 Maharashtra Agricultural Produce Marketing (Regulation) Act 1963

The Maharashtra Agricultural Produce Marketing Act, 1963 was passed for the following purposes.

- 1] To regulate the marketing of Agricultural and certain other produce in market areas.

- 2] To confer powers upon market committees in connection with marketing operations.
- 3] To establish the market-fund for the purpose of marketing committee.

The above Act contains the following chapters and sections.

Chapter No.	Name of Chapter	Sections contained
I	Preliminary	1 to 5
II	Marketing of Agri. Produce	6 to 10
III	Constitution of Market Committee	11 to 28
IV	The Market Committee :	29 to 34
	Powers & Duties	
IV A	Cost of Supervision	34
V	Officers and Servants of Market Committee	35
VI	The Market Fund	36 to 38 A
VII	Trade Allowed Prohibited	39
VII A	State Agricultural Marketing Board	39 A to 39 O
VIII	Control	40 to 45
XI	Penalties	46 to 52 B
X	Miscellaneous	53 to 66

4.6 Salient Features of the Maharashtra Agricultural Produce Marketing (Agriculture) Act 1963

4.6.1 Introduction

After studying carefully the present Act viz. Maharashtra Agricultural Produce Marketing Act of 1963, it was observed that the concerned functionaries of the markets have to follow some rules / orders as contained in the above Act. These are as below :

4.6.2 Rules / orders as per MAPM Act 1963

- 1) Every agricultural commodity should be sold in the market by open public auction. In exceptional cases, the Director may permit the sale of commodity by tender system or by sample by open agreement.
- 2) A ban was imposed on adulteration of declared agricultural produce.
- 3) The payment of the produce sold in the market by open auction should be made by the purchaser within 24 hours of time since weighment.
- 4) Ban on trade allowances of any kind or nature in respect of any agricultural produce is imposed. The concerned person should be prosecuted and on conviction, he will be given punishment of imprisonment or fine extending Rs. 500 or both.
- 5) Commission agent is not allowed to purchase and declared agricultural produce for the sale. In case, there is no offer from the purchaser, any commission agent with the consent of seller for his

immediate sell, may make purchases of the produce at the prevailing rate agreeable to the seller with previous permission in writing of the secretary of the committee.

- 6) The purchaser should pay a market fee (up to 1% of sale price) and supervision fee at 5 Paise per Rs. 100 of sale price.

It could be observed from the aforesaid features of the Regulated Market Act that Government made every effort to safeguard the interest of the producer-seller by making necessary amendment in the regulatory provisions of Agricultural Marketing.

However, in succeeding years also the amendments have been made to the Act of 1963. These are summarized below:

4.6.3 Amendments of Agri. Produce Marketing Act 1963

The list of Amendments made from time to time is outlined as follows:

- 1] Year 1970 (Act No. 23)
 - a) License is must for all processors of agricultural produce.
 - b) The agricultural producer can sell his produce in any market yard.
 - c) The number of members of a Market Committee would be 10 where, previously the number 7. And the number was increased to 18 from 15.
 - d) Agriculturist member of the committee would be selected from the members of Co-op. Credit Societies and the Grampanchayat.

- e) A person engaged in Industries, being run without machinery or labour are exempted from levy of market fee on the purchase of agricultural goods.
- f) The Agriculturist and the Market Committee can recover any amount due to them.

2] Year 1972 (Act No. 26)

The charging of cost towards supervision at the rate of 5 paise per hundred rupees of the purchase price of the agricultural produce.

3] Year 1973 (Act No. 39)

The dispute subcommittee should consist of one expert in agricultural marketing to be nominated by the Director of Agricultural Marketing.

4] Year 1977 (Act No.50)

The tenure of elected members of the committee was increased from 3 years to 5 years. The market committee is not allowed the purchaser to deduct the due amount of the co-operative organization from the sale proceeds of the producer and pay it to the market committee.

5] Year 1984 (Act No. 10)

- a) The market committee was given the status of a local autonomous body just like that of Grampanchayat and Municipality.
- b) State Agricultural Marketing Board was constituted under section 39-A of the Act.

6] Year 1987 (Act No. 27)

- a) As per this, the no. of members of the committee from the group of traders and commission agents would be two instead of 3.
- b) From the group of *hamals* and weigh-man, one member be elected as a member of the market committee.
- c) The chairman and the vice-chairman should be either nominated or elected from the Agriculturist group.

The Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963 was amended in 2005 including Direct Marketing, Private market, Farmer consumers market, single licenses and contract farming. After the amendment, 101 Direct Marketing Licenses have been issued till now of which, 54 are for purchasing of cotton and 47 are for other agricultural commodities. Apart from these, 8 private market licenses have also been issued of which six markets have started their functioning and two markets viz. National Spot Exchange and National Commodity & Derivatives Exchange (NCDEX) or opening through internet.

4.6.4 Growth of No. of Agricultural Produce Regulated Markets in Maharashtra.

In order to know the progress in establishment of Agricultural Produce Market in Maharashtra, the available data is presented in the following Table No.4.5

Table No.4.5 : Growth of No. of Agricultural Produce Markets in Maharashtra.

Year	Number of Markets	% increase over the previous 10 years
1931-40	42	--
1941-50	80	90.48
1951-60	143	78.75
1961-70	186	30.06
1971-80	219	17.74
1981-90	244	11.42
1991-2000	272	11.48
2001-11	303	11.40

In Maharashtra, many of Regulated Markets, there existed one or more sub yard markets. It is necessary to find the position of no. of main markets and those sub-yard market. The information in this regard is given below:

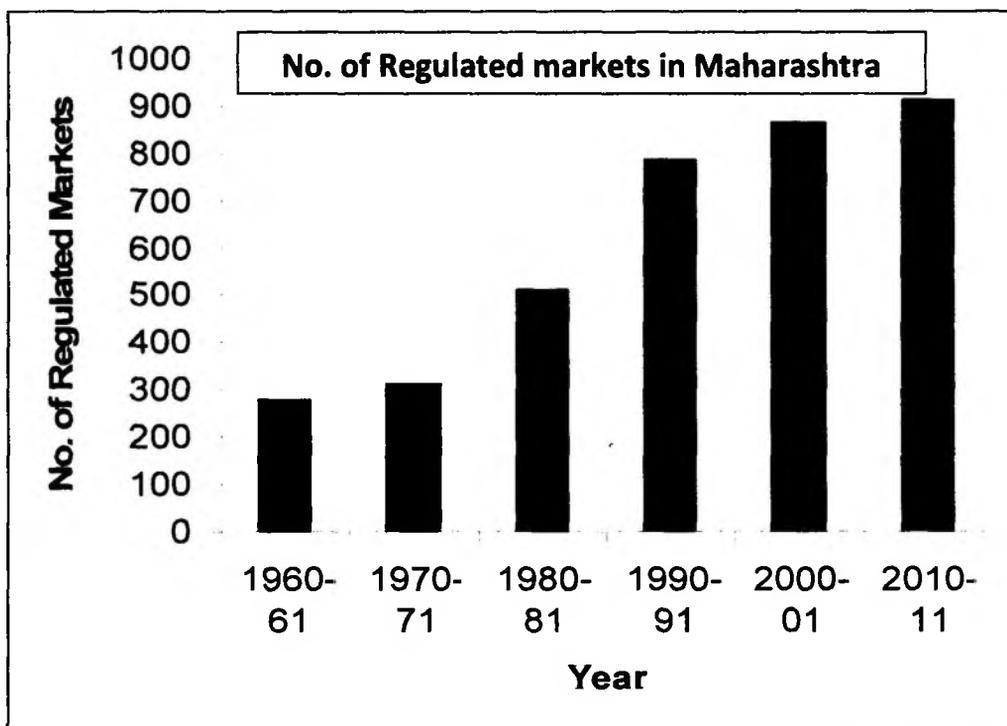
Table 4.6 : Growth in No. of Regulated Agricultural Produce Markets
(Main and Sub.) in Maharashtra.

No. of Regulated Markets

Year	Primary Markets	Sub-yard Markets	Total Markets
1960-61	155	125	280
1970-71	190	126	316
1980-81	223	289	512
1990-91	248	536	784
2000-01	274	591	865
2010-11	303	609	912

Source : Maharashtra Agriculture Marketing Board Pune.

Graph No. 2



4.7 Features of Agriculture Produce Regulated Market

4.7.1 Introduction

A Regulated Agriculture Produce Market is a place where the farmers- producer sells his produced by observing the guidelines given in the Agricultural Produced Market Act 1963 and in subsequent acts in the succeeding years. More specifically it may also be defined as the market place where un healthy and unscrupulous practices are not at all followed. In addition, there are no high marketing charges. The objectives of Agriculture Produce Regulated Market, as quoted by Acharya (2011) are as below :

- I. To prevent the exploitation of a farmer- seller by the traders during bidding the prices.
- II. To make the marketing system most effective and efficient so as to safeguard the interest of farmers-sellers through proper weighing, marketing charges etc.

4.7.2 Progress of Regulated Markets

Though the establishment of regulated markets was started during 1930, the program got momentum after independence to our country. The progress of Regulated Markets in India is as follows:

Table 4.7: No. of Agricultural Produce Markets as on 31st March 2011

Category of Regulated Market	India	Maharashtra
Regulated Markets (Nos.)	2604	303
Sub-Markets (Nos.)	4861	609
Total	7465	912

4.7.3 Categories of Regulated Market

The Regulated Agricultural Produce Markets are categorised into five categories, according to their income from market fees, are given below;

Table 4.8: Categories of market according to income from market fees

Sr. No.	Category of Market	Limit of income to regulated markets
1	Super A	Rs. 2.5 crores and above
2	A	Rs. 1.5 crores to 2.5 crores
3	B	Rs. 0.75 crores to 1.5 crores
4	C	Rs. 0.25 crores to 0.75 crores
5	D	Less than 0.25 crores

4.7.4 Structure of Regulated Market

Under the provisions of Agricultural Produce Markets Act the following terms are looked in to, while establishing the Agriculture Produce Market.

- I. **Market Area** - The area from which the farm produce naturally come to market. These gives adequate business and income to the market committee.
- II. **Principal Assembling Market** - It is the main market which is declared as a principal market yard.
- III. **Market Yard** - This is the specified portion of the market area where the sales, purchase, storage and processing of the agriculture commodities are carried out.
- IV. **Sub-Market Yard** - It is the sub yard of the principal assembling market. This is a small market and does not give substantial income to the committee.
- V. **The Physical Structure of Market** - The physical structure of market yard are usually grouped in to four categories depending upon the type of functions/ services provided by them to the marketing functionaries viz, producers/ buyers/ commission agents/ weigh-men/ labourers etc. involved in marketing activities .
- VI. Structures for sale and purchases of agriculture commodities
 - a) platforms
 - b) storage go downs
 - c) drying floors
- VII. Structures for convenience of the producers, buyers and commission agents
 - a) Farmers rest house

- b) Parking place for all types of vehicles
 - c) Animal shed
 - d) Water trough, water tabs
 - e) Toilet facilities
 - f) Electrified roads, buildings
 - g) Watchman etc
- VIII. Structure for various amenities for buyers and sellers
- a) Canteen, lunch home
 - b) Bank and post office
 - c) Shops: selling of inputs
- IX. Miscellaneous structure
- a) Fire fighting equipments
 - b) Quarters for watchman and the staff
 - c) Internal roads
 - d) Boundary wall

4.7.5 Working of Regulated Markets

a) Method of sale

Sale of agriculture produce is done by open auction. The sale is undertaken under supervision of committee's officials. The auction is

undertaken during fixed timing. The days times are generally fixed according to category of produce viz; food grains, vegetables, fruits, cottons, oil seeds, pulses, etc. bidding is open to all traders and farmer-sellers and the highest bidder is given the produce. The farmer has right to accept or refuse the bidding price.

b) Weighing of Produce

The weight of produce is done by the licenced weigh-men on standardised weight on electronic weighing machine.

c) Grading facilities

These facilities if available in the market, the produce is to be graded and cleaned

d) Market- news service

The information on the farm produce sold, its minimum and maximum prices offered should be declared everyday on the notice board by the agriculture produce market committee. If felt necessary the information on maximum and minimum prices of the produce along with quantity transacted is given on loud speaker.

e) Market charges

The marketing charges viz; weighing, *hamali*, commission charges, grading charges, etc. to be born by the seller farmers. These are collected by the *adtya* from them and all these are clearly specified on the bills of payment and there remains no doubt or ambiguity in the minds of farmers on account of the produce they marketed in the market yard.

f) Payment of value

It is obligatory on the part of the trader to make prompt payment towards the purchased produce as per bill prepared by him.

g) Licensing of market functionaries

All the market functionaries e.g. traders in the market, hamals, weighmen have to obtain licence from the agriculture produce market after paying the license fee fixed for the purpose.

h) Supervision

A day to day supervision is undertaken by the officials of the Agriculture Produce Market.

i) Composition of Agriculture Produce Market

Total members are 18 and its distribution is as follows :

Category	No. of members
From Farmers	10
From Traders	3
From Cooperative Society	1
From Local Administration	2
From State Government	2

4.8 Salient Features of the Market Committee

In a every Regulated Agricultural Produce Market, there is one Committee called as Agricultural Produce Regulated Market Committee to look after or shoulder the responsibility of operating the Agricultural Produce Market. The details regarding the composition and the functions etc of the committee are as follows:

4.8.a Composition of APMC :

- 1] Total members 18
- 2] Distribution of total members among the different groups
 - a) Farmers 10 (Elected)
 - b) Traders on market functionaries 3 (Elected)
 - c) Co-operative societies 1 (Elected)
 - d) Grampanchayat 2 (Elected)
 - e) State Government nominee 2 (Nominated)
 - f) Others nil

There is also some slight variation in the composition of Committees according to the category of market. The categories of market are super, A, B, C and D which have been explained in the earlier chapter.

It could be seen from the above that the number of members from farmers group is more than half, showing thereby the farmers have more right in operation of the market.

4.8.b Functions of the committee

Following are the functions of the committee, as stated in the market act of the state.

- 1) To manage the operation of marketing of agricultural produce arrived in main market yard and sub - yard.
- 2) To fix up the timings of market transactions, held in the market. This decision would be in the interest of not only the farmers but also of those traders.
- 3) To issue, renew or withdraw licenses of traders, *hamals* and weigh-men, and other functionaries, if any, in the market.
- 4) To fix up the charges of traders, weigh-men and *hamals* and so others if any, involved in marketing operations.
- 5) To arrange for collecting the information on quantity of arrivals of agricultural commodities and their prices and displaying it on special board prepared for the purpose.
- 6) To settle the disputes if arise between the farmer-sellers and the various functionaries viz. traders, weigh-men, *hamals* etc.
- 7) To arrange for collection of market fee either from buyer or seller.
- 8) To control the persons coming in the market for the purpose of marketing of agricultural produce and other related issues such as transport of produce etc.
- 9) To keep watch on the operation of graders.
- 10) To have facilities in the market yard required for smooth working of marketing of agricultural produce.

- 11) To prosecute and defend any suit on behalf of the market committee.
- 12) To look after the following amenities provided by the committee, as far as its repairs, modifications etc.
 - a) Main road, link roads.
 - b) Culverts wherever necessary.
 - c) Speed barkers
 - d) Sheds for vehicles
 - e) Water taps, water tongs
 - f) Dust bins
 - g) Infrastructure facilities such as canteen, electricity, etc.
 - h) Maintenance of auction platform and other buildings.

Sometimes the following mal-practices are observed.

- 1] Incorrect slips of goods sold.
- 2] Incorrect slips showing deduction. These are to be rectified by the committee.
- 3] Sometime sizable sample quantity taken by the bidder.

All these mal-practices are brought to the notice of the committee or officials. These are timely looked into and the seller is satisfied.

4.8.c Finance for the APMC

Now, most important issue in respect of the committee is about the finance required by the committee for operating the marketing operations in the market yard. Following are the sources of finance for the committee.

- 1) Market fee levied on the agricultural produce arrival in the market for sale. At present the rate of market fee varies from 1% to 3 % of the value of goods.
- 2) Licence fee as well as fee for renewal of licence of the various functionaries in the market.
- 3) Rent on hired out shops, some buildings, the charges from those who are providing facilities of banking, godowns, sheds etc.
- 4) Subsidies from the government.

4.9 Role of Maharashtra State Agricultural Marketing Board

The Maharashtra state agricultural marketing board, Pune was established on 23-3-1984, as per the provision of (Clause no. 39 (A)) Maharashtra agricultural produce marketing (Regulation) Act of 1963. Its regular working started from 15th August 1986.

4.9.a Constitution of State Marketing Board. (Section 39-B)

The State Marketing Board shall consist of the following members

- | | | |
|----|--|---|
| 1] | The Minister for Co-operation | Ex. Officio Chairman |
| 2] | The Minister of State for Co-operation | Ex. Officio Vice-Chairman |
| 3] | The Commissioner for Co-operation and Registrar of Co-operative Societies, M. S. Pune | Member |
| 4] | The Director of Agriculture Maharashtra State, Pune | Member |
| 5] | One representative of the NABARD | Member |
| 6] | Agricultural Marketing Adviser to the Government of India or its representative | Member |
| 7] | Six members nominated by the State Government from among the Chairman of the Market Committees one each from the six revenue divisions | Member |
| 8] | Chairman, the Maharashtra State Market Committees Co-operative Federation Ltd. Pune | Member |
| 9] | The Director of Agri. Marketing, M.S. Pune | Member & the Honorary Managing Director |

The office of the Board is located at Pune. It has regional officers at divisional head-quarters for co-ordinating the work in the divisions. The Divisional offices are located at Pune, Nashik, Aurangabad, Amravati, Nagpur and Bombay.

4.9.b Functions of the Board :-

Main Functions of the Board are as below :

- 1) To co-ordinate the functioning of market committees.
- 2) To undertake state level planning for the development of APM.
- 3) To maintain and administer "Agricultural Market Development Funds".
- 4) To give advice to Market Committees with a view to ensuring improvement in the functioning of market.
- 5) To organise the seminars, workshops and exhibitions on subjects relating to agricultural marketing.

4.9.c Financial Status of The Board

The main income of the Board is annual contribution that receives from the constituent market committees. It has been permitted to collect annual contributions from APMCs at the following rates as per notification dated 4th April 1988.

Gross Annual Income of APMCs	Rate of annual contribution
1] Less than 1.75 lakhs.	1% of the Gross Annual Income
2] Between 1.75 lakhs to 3 lakhs.	2% of the Gross Annual Income
3] Between 3 to 10 lakhs.	3% of the Gross Annual Income
4] Exceeding 10 lakhs.	5% of the Gross Annual Income

The Board provides loans to the APMC for the following purposes.

- a) Purchase of land.
- b) Drinking water arrangements.
- c) Auction platform, fencing, weigh bridge, grading material.
- d) Sanitary arrangements.
- e) Roads and electrifications.
- f) Commercial shops for traders.
- g) Farmers' guesthouses etc.