CHAPTER IV

STRUCTURE AND PROCESS
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The main objective of this chapter is to examine in detail the structure and function of Regulated mandies of the state as well as of those under taken in the study area. As already mentioned, Uttar Pradesh Krishi Utpadan Mandi Adhiniyam was passed in 1964 to provide for regulation of sale and purchase of agricultural produce and for establishment, superintendence and control of markets in Uttar Pradesh. According to Regulated Marketing Act the over all control is exercised by the marketing committee, whose structure and function may be briefed as under.

Market Committee:

To safeguard the interest of the producer/seller, a market committee in each market has been established which consists of the representative of growers, traders, local bodies, cooperative marketing society and government nominees.

The committee consists of 12 to 18 members depending on the size of the mandi and other considerations. It accommodates various interests in proper proportion. As the interest of the growers predominate at least 50 percent seats are kept for them. In case of traders representation it does not exceed more than 25 percent.
The remaining seats are filled by the representative of the cooperative marketing societies, the municipal or local bodies and government nominees. As regards selection of growers representatives, it is favoured to adopt the system of indirect allocations, through the grower members of panchayats and other registered growers associations. All business transactions are conducted with in the market committee. The charges, deductions and allowances levied are fixed and prescribed by the marketing committee and any one charging more, is likely to have his licence cancelled. The market committee looks after the weights and measures and any one using unauthorised weights and measures is liable to get punished and all weighing is done by licensed weigh men.

Functions Of Market Committee:

The main functions of the marketing committee consists of:

1- Maintaining and management of market.

2- Enforcing the market area under the provisions of the Acts, Rules and bylaws.

3- Enforcing the conditions of licence granted to different market functionaries in connection with the purchase and sale of agricultural produce.
4- Granting, renewing, suspending and canceling general or special licences for purchase of regulated agricultural produce.

5- Providing all facilities to markets.

6- Leavy fees on the produce bought or sold in the market area.

7- Managing the income, incurring the expenditure and investing the surplus funds.

8- Preparing budget and other aspects of its income and expenditure for the next year.

9- Maintaining a register of licensed traders, general commission agents and of the fees collected.

10- Prescribing market charges for the services.

11- Taking all possible steps to prevent adulteration of agricultural produce in the market area.

12- Promoting, grading and standardization of agricultural produce.

13- Collecting and maintaining daily list of price of different types and grades of agricultural produce regulated by it and supplying them to government when required.
14- Appointing the secretary of the committee and other officers and servants for managing its affairs and a dispute committee for settlement of disputes between buyers and sellers.

15- Issuing directions for the guidance to the persons using the markets.

16- Advancing loan against pledging of the produce.

Market Yards:

It is proposed to construct one market yard for each mandi for providing required infrastructural facilities to the producers and traders. The mandi facilities which are to be provided includes auction platform, drinking water, canteen, cattle sheds, office building, shops, rest house, post office, bank, police chauki, input centres, godown etc.

Sale Procedure:

The procedure of the sale in the market should follow a well defined pattern. All the produce brought to the market is generally to be sold by open auction.

A farmer after reaching in the market with his produce should first pay the market fees 1 percent of the total value and obtain receipt. Then he proceeds to the cooperative society or to
commission agent who makes arrangement for sale of the produce according to grades. The produce is to be auctioned by auction clerk, an employee of the market committee. At the end of the auction, details of price agreed upon, the purchasers name and quantity sold are entered in the auction register. An agreement slip is prepared to which the buyer and auction clerk put their signatures. A copy of the agreement is filled with market committee.

The auctioned produce is to be weighed by the licensed weigh men and the weighment slip is put with the market committee. After weighment, the sales or account slip is prepared by cooperative society or commission agent. Payments are arranged after the sale of the produce.

Finance Of The Market Committee:

The finance of market committee consists of the borrowed funds (Govt. loans), govt. subsidies and grants, and other sources including fines, market fees, and others such as property income in the form of rent on godowns, stalls, canteens, interest on surplus capital invested in Government and / or other securities, sales of forms and other prescribed items, sales of grass grown on the yards, sale of manure and cowdung collected on the yards and miscellaneous fees, dispute fees, water and weigh men charges etc.
मण्डियों की आय के स्रोत

- मण्डी शुल्क 72.80%
- विकास सेस 18.20%
- अन्य 9.0%

- लाइसेंस शुल्क
- सम्पत्ति से किराया
- प्रपत्रो की बिक्री
- विनियोजित धन पर ब्याज
- समन शुल्क
The funds of the market committee are utilized for:

1- Maintenance and improvement of market and its building.
2- Maintenance of standard weights and measures.
3- Pay and pension of staff.
4- Payment of interest on loans.
5- Collection and dissemination of market information.
6- Propaganda for agricultural improvement.

Provisions Of Financial Assistance:

If the produce is not sold on the same day warehouses make advances to the seller on the pledge of produce for the period until it is sold. The producers may receive advances against the deposit slip upto 15 percent of his produce at current market prices. Under integrated scheme of rural credit, finance is given to producers on condition that the produce will be sold to the credit society through the marketing society.

Scheme Of Advancing Loans Against Pledging:

It has been observed that farmers are compelled to dispose of the produce just after harvesting, to meet his cash
requirements. At that time prices remain low. Against this, traders try to take advantage of this compelling situation. Thus the farmers do not get reasonable prices for their produce. To safeguard the interest of the farmers due to distress sale, Rajya Krishi Utpadan Mandi Parishad U.P. through its mandi samities has launched a special programme for advancing loan, against pledging of the produce in some selected market yards. Mandi samities have a number of rural godowns constructed in the market area and these rural godowns are being utilized for storing the produce. Salient features of the scheme are as follows:

1- The farmers can pledge his produce in the godowns constructed by mandi samities and he can get 75 percent advance against his produce at prevailing market price, at 6 percent interest rate per annum.

2- During this period, the farmer can avail opportunity to dispose off his produce any day whenever he gets proper price.

3- The produce can be stored initially for 90 days.

4- For the first 30 days, he has not to pay any interest on the advance.
5- After the disposal of the produce, farmers can get the loan repaid and interest etc.

6- A farmer can get Rs. 6000.00 loan at a time. Basically the scheme is make for small and marginal farmers.

7- Only notified agricultural produce are to be stored in the rural godowns.

8- The market committee shall not charge godown rent for the first seven days. From 8th day, the rent shall be charged @ Rs. 0.10 paise per quintal per day subject to maximum of 90 days.

9- No second advance will be sanctioned to any farmer if the previous advance is not fully paid or adjusted.

10- Before keeping the produce in the godown of market committee, grading of such produce is done by the godown incharge and for this purpose two samples of 250 gm. are drawn by the godown incharge in random sampling system in the presence of the farmer concerned one sealed sample is kept with the secretary of the market committee.

11- Prior to storing of produce in the godown, its weighment is done by the platefarm balance in the presence of farmer
concerned and its quantity mentioned in the receipt provided to the farmer.

Regulated Mandies Under Study:

The Mandies

The Krishi Utpadan Mandi samiti Lucknow, Kanpur, Sultanpur and Jaunpur are in operation, since, July, 1972, whereas Jaunpur Mandi is in operation from April, 1975.

The position of main and sub-mandies is in the selected districts have been shown in Table – IV-1.

Table- IV- 1 Main and sub-regulated mandies.

<table>
<thead>
<tr>
<th>District</th>
<th>Main Mandi</th>
<th>Class</th>
<th>Sub-mandi</th>
<th>Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kanpur</td>
<td>1. Kanpur</td>
<td>A*</td>
<td>1. Pura*</td>
<td>B</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(special)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. Pukharaya</td>
<td>B</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. Jhinjhal</td>
<td>C</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4. Baripal</td>
<td>C</td>
</tr>
</tbody>
</table>
District | Main Mandi | Class | Sub-mandi | Class
---|---|---|---|---
| | | 5. Utteripura | C |
| | | 6. Chaubepur | C |
| | | 2. Mugara Badshahpur | C |

* Mandies have its new market yard

Source: Bullitin-Rajya krishi Utpadan Mandi Prishad. Lucknow

Traders Shop:

Lucknow, Kanpur and Sultanpur mandi yards have three categories of traders shop, as mentioned in Table - IV- 2.

**Table- IV-2 Number of shops in regulated mandies.**

<table>
<thead>
<tr>
<th>Name of Mandi</th>
<th>Number of shops</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Lucknow</td>
<td>50</td>
<td>A</td>
</tr>
<tr>
<td></td>
<td>33</td>
<td>B</td>
</tr>
</tbody>
</table>
The capacity of shops were 2000 bags, 1000 bags for AB C categories shops respectively.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Lucknow</th>
<th>Kanpur</th>
<th>Sultanpur</th>
<th>Jaunpur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandi I</td>
<td>I</td>
<td>I</td>
<td>I</td>
<td>I</td>
</tr>
<tr>
<td>Secretary</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assistant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table - IV-3: Staffing Pattern in regulated mandies.

The staffing pattern in regulated mandies under study area.

<table>
<thead>
<tr>
<th>B</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>13</td>
</tr>
<tr>
<td>B</td>
<td>8</td>
</tr>
<tr>
<td>A</td>
<td>5</td>
</tr>
<tr>
<td>C</td>
<td>33</td>
</tr>
<tr>
<td>B</td>
<td>52</td>
</tr>
<tr>
<td>A</td>
<td>77</td>
</tr>
<tr>
<td>C</td>
<td>34</td>
</tr>
</tbody>
</table>
Secretary | 2 | 2 | 2 | 2
---|---|---|---|---
Amindar | 10 | 22 | 6 | 5
Accountant | 1 | 1 | 1 | 1
Cashier | 1 | 1 | 1 | 1
Yardman | 2 | 1 | 1 | 1
Kamdars | 11 | 10 | 4 | 2
Gardners | 4 | 1 | 1 | 2
Plumbers | 2 | 1 | 1 | 1
Sweepers | 5 | 6 | 1 | 3
Chaukidars | 4 | 7 | 5 | 2
Total | 43 | 53 | 24 | 20

*Source: Office record of the Mandi Samities.*

**Coverage:**

The Regulated Mandies cover all the development blocks of their respective districts.

**Market Functionaries:**

The main market functionaries engaged in the marketing of agricultural produce in the selected Regulated Mandies were
commission agents, wholesalers, weighman, dalals, palledars, millars, market servants, traders, retailers etc. The position of these functionaries has been given in Table – IV-4.

**Table – IV- 4 Position of market functionaries/ linces holders in different mandies (2001-2002)**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Lucknow</th>
<th>Kanpur</th>
<th>Sultanpur</th>
<th>Jaunpur</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Commission agents</td>
<td>207</td>
<td>121</td>
<td>70</td>
<td>60</td>
</tr>
<tr>
<td>2.</td>
<td>Weighmen</td>
<td>4</td>
<td>9</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>3.</td>
<td>Palledars</td>
<td>9</td>
<td>13</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>4.</td>
<td>Village Traders</td>
<td>103</td>
<td>330</td>
<td>228</td>
<td>225</td>
</tr>
<tr>
<td>5.</td>
<td>Millars</td>
<td>421</td>
<td>313</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>6.</td>
<td>Expellers</td>
<td>9</td>
<td>12</td>
<td>72</td>
<td>73</td>
</tr>
<tr>
<td>7.</td>
<td>Hullers</td>
<td>16</td>
<td>66</td>
<td>121</td>
<td>104</td>
</tr>
<tr>
<td>8.</td>
<td>Grinders</td>
<td>13</td>
<td>16</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>9.</td>
<td>Wholesalers</td>
<td>511</td>
<td>715</td>
<td>95</td>
<td>70</td>
</tr>
<tr>
<td>10.</td>
<td>Retailer</td>
<td>1048</td>
<td>1210</td>
<td>880</td>
<td>770</td>
</tr>
<tr>
<td>11.</td>
<td>Flour Chakki</td>
<td>174</td>
<td>220</td>
<td>143</td>
<td>91</td>
</tr>
</tbody>
</table>
The functionaries work in the assembling and distribution of different crops. A brief account of main functionaries may be given as below.

1- Commission agents (Adatiyas):

The sellers buy the produce on benefit of their clients. There are two classes of such adatiyas, i.e. Kachcha and pakka. The Kachcha Adatiyas are man of small capital, who sell their produce in assembling market on behalf of those bringing it from the villages. The pacca adatiyas are men of means who buy and sell the produce on behalf of the merchants in and outside market. They attend drying, cleaning and packing before disposal to consumers. They advance 70 to 90 percent of the goods presented to them for sale.
Adatiyas after perform the functions of wholesale merchants, also i.e. buying and selling on their own account, but it is customary in most markets that an adatiya does not himself make an outright purchase of the produce offered to him for sale. The commission agents charge the commission @ 2.5 percent of the total value and market committee provide license to them.

2- Brokers (Dalals):

The function of a broker is to bring together the buyer and the seller but brokers perform other functions also. They may work as agents and intermediaries and some times as Kachcha adatiyas. They can make purchase on behalf of buyers, or may show samples of produce on behalf of sellers to prospective buyers and brings out a transaction. They also canvas sellers to sell the produce through their clients. They are licensed by the market committee.

3- Tolas (weighmen):

The person actually having the scale is called a tola or tulva. The weighmen are licensed by market committee, weighing charges are paid @ 1.50 paise per quintal.
4- Palledars:

These are labourers engaged for weighing, filling, packing and stocking bags. The charges are fixed @ 1.50 paise per quintal in the mandies and marked committee licensed to them.

5- Traders:

Traders means a person who in the ordinary course of business is engaged in buying or selling of agricultural produce in a mandi. Some traders are licensed by market committee.

6- Wholesalers:

Wholesalers buy and resell merchandise to retailers and other merchants and to industrial and commercial users, but do not sell in significant amount to ultimate consumers.

7- Retailers:

A retailer is a merchant, or occasionally an agent or a business entrepreneur whose main business is selling the produce directly to ultimate consumers.
Market Fee:

Market fee, is payable on transaction of sale of specified agricultural produce in the market area at rates not less than two percent and more than two and half percent of the price of the agricultural produce sold. The state Government specified by notification for such fee which is realised in the following manner.

(a) If the produce sold through commission agent may realise the market fee from the purchaser and shall be liable to pay the same to the market committee.

(b) If the produce is purchased directly by a trader from producer, the trader shall be liable to pay the market fee to the market committee.

(c) If the produce is purchased by the trader from another trader, the trader selling the produce may realise it form the purchaser. And shall be liable to pay the market fee to the committee.
Method Of Sale In Mandies:

Negotiation and auction system of sale are prevalent in the regulated mandies. It was found that auction system is not very common in selling of food grains.

Means Of Transport:

The common means of transport prevalent in the mandi areas are rickshaws, bullock carts, tractors, trucks etc, engaged in transporting the produce from village to mandi.