INTRODUCTION
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A Viable breakthrough in agricultural production has raised the hopes of not only meeting the domestic needs of our people satisfactorily but also exporting the produces to a considerable extent. In the light of increased production and productivity, new marketing problems, pertaining to grading, weighing, packing, financing and infrastructure have emerged. While the success in boosting agricultural production has been made possible on account of institutional reforms, technical change and industrial support, a continuous access to production programme can be ensured. It is a well known fact that the success of any agricultural development programme rests ultimately on the efficiency of marketing system.

Marketing had its beginning in agriculture. It developed only after man was able to produce more food than he needed for himself, and only after a way of exchanging the products of his labour for those of others had been found. This transition from production for consumption to production for exchange came about slowly. About a century ago, farmers used to consume most of what they produced, but now most of what the farmers produce is exchanged for the other things which they require. To reach this stage, farmers became production-minded. This
tendency has increased their dependence on marketing, which has resulted in the overall development of the market mechanism.

So for, a little attention has been on the agricultural producers side as to what limitations, problems and infrastructural bottlenecks do they face in marketing their product. It has been estimated that not even 20 percent of the total agricultural produce in our country reaches the market, while more than 35 percent of the country's G.N.P. is contributed by this sector alone. Inadequate infrastructural facilities and presence of long chain of middlemen in the marketing system, lack of storage facilities, forced sale, illiteracy of the farmer's in the marketing of their produce and for receiving lower share in the price paid by the consumers. Unless and until sufficient network of organized market is provided to the agricultural sector, farmers would not get remunerative price of their produce. The market network happens to be quite inadequate to meet the requirement of gigantic agricultural sector. Thus the farmers in the absence of organizational facilities sell their produce to the village trader at an unfavourable time and terms because of chronic poverty and indebtedness and meeting out their cash needs. Besides, due lack of infrastructural
facilities, the produce has to be sold just after harvesting, which is a peak period of arrivals (glut). At this time there is an all round depression of prices and the prices offered are very low. The principal agencies to whom producers still offer their stocks are the sahukars, Banias, village traders etc. fair dealings to the farmers is also denied on account of poor weighing, unauthorised deductions and absence of grading system. In this way, the whole agricultural economy is favourable to the traders and middlemen. Consequently, the farmers feel frustrated due to the apathy of the government.

A very essential requisite for moving agriculture produce from farmer to organised market is the existence of well knit system of pacca rods and transportation facilities at responsible charges. Statistics shows that the rural network now connects 64 percent of the villages, through not with all weather roads. About 36 percent of villages in the country are without any road connection and as much as 65 percent without weather roads. Along with such imperfect marketing system, the marketed surplus passes through a number of intermediaries until it reaches the final consumer. The intermediaries charge their own profit as a cost of labour and entrepreneurship. As a result
out of total profit generated on any output the share of producers (excluding the cost of cultivators) remain low and the major part of the profit is apportioned by these intermediaries. Consequently, low return from marketed surplus as a result of defective marketing organization results in low income, low saving, low investment, low agricultural production, low marketable surplus and low bargaining power. The vicious circle of producer/farmers poverty thus starts with low and ends with low.

In order to remove various problems and malpractices associated with the marketing system, the government has been conscious and taken various steps from time to time, in this direction. There is expanding range of direct mercantile activity in the farm of state trading in food grains and of agro industrial raw materials, procurement policy programme has been designed and implemented for building buffer stocks and exporting food grains to deficit states, zonal marketing policy to restrict the free movement of food grains has been implemented and there is financial intervention with the use of formal credit on stocks which come with nationalization of banks. But the introduction of regulated marketing system by the Government is a major step to safeguard the interest of the producers and the consumers.
Though the significance of regulated markets in Uttar Pradesh like other states of India, was realized as early as in 1897. When famous Berar Act was passed, and numbers of committees and commissions were appointed for facilitating and promoting the growth of regulated markets all over the country, but the major break through in Uttar Pradesh in this direction was made in 1964, when the Uttar Pradesh Krishi Udpadam Mandi Adhiniyam, was passed by the U. P. state legislative Assembly to provide for regulation of sale and purchase of agricultural produce and for the establishments, superintendence of markets. The mandi act rests on two main economic objectives i. e. (i) To help the farmers to dispose of their produce in the market smoothly without being exploited in any way through effective control on the traders by imposing a series regulatory measures and (ii) to provide Various infrastructural facilities for the benefit of the farmers as well as traders for transaction of agricultural produce through establishment of principal and sub market yards at important assembling centres. In detail the functions of regulated market committee includes issue of licenses to different market functionaries, provision of grading and standradiation faculties over all management of markets, looking after weight and measures, administering the fund of market committee, furnishing informations regarding prices and
arrivals, solving disputes etc. The charges, allowances and
deductions levied are to be fixed. Any one charging more is
likely to have his license cancelled. The dealers are also required
to fix prices in open auction. Based on these principles till 2001,
243 main regulated and 347 sub regulated mandies in the state
have been established.

Now the regulated mandies working in Uttar Pradesh are
supposed to have benefited the producers to a large extent by
way of providing proper marketing facilities, reducing marketing
cost and margins, consequently providing their higher share in
the price paid by the consumers. Over the years, several
Institutional reforms and policy formulations have been tried to
ensure an orderly marketing system and to mitigate the problems
of the farmers. Among the institutional innovations, regulated
market, open operations by the state, procurement through levy
and support prices etc. have been partially successful
(Shankarmurthy, 1996). Among these measures, regulated
market deserves special mention.

The regulated markets are considered as the responsible
institutions in discharging of all the functions connected with the
sale of the output, keeping in view the overall interests of the
farming community, and the ultimate consumers. In order to
regulate the marketing practices of agricultural commodities various states in the country passed legislations in early sixties and there after. However, this measures has brought little success in some states due to the lack of market infrastructural facilities Ghose (1992). This fact necessitated a big boost in the improvement of agricultural marketing system. In the year 1972 a proposal was submitted to International Development Agency (IDA) of the world Bank for development of agricultural wholesale markets in Karnataka state. Under this scheme, 47 regulated markets were developed with an amount of Rs. 14.26 crores in various parts of state during the period 1975-76 to 1982-83.

The development activities are supposed to influence the performance of the regulated market in regard to their structure, conduct and performance. Therefore, an attempt has been made in this study to evaluate the performance, of the regulated markets of Uttar Pradesh. Over the years, several institutional reforms and policy formulation have been tried to ensure orderly marketing system to mitigate the grievances of the farmers. Among the institutional innovations regulated marketing deserves special mention. Some successes of the regulatory measures introduced in the sixties brought to light the fact that it
is very difficult to improve the marketing system of the agricultural produce without an adequate infrastructural facilities. This was the main reason to give a big boost for the improvement of agricultural markets that has taken place under development of agricultural wholesale markets projects with the financial help from the International Development Agency (IDA) of the World Bank.

The building up of such market complexes would ensure more and more bulk arrivals in the market due to prevalence of pricing effectiveness and efficiency in the marketing of agricultural produce. Efficient agricultural marketing is being increasingly recognized as a powerful drawing force for agricultural development. An efficient form of marketing system is an important means for raising the income levels of farmers and for promoting development. The farmers allocate their resources according of their comparative advantage and invest in modern farm inputs to obtain enhanced production. This in turn contributes to increased market surplus to farm products and increased inter regional trade, which increase demand for market facilities. Hence, policies to improve the efficiency of agricultural marketing would have a self-accelerating effect on productivity. Considering above
points in view, the present study was undertaken in four

The finding of the study shall go a long way in providing necessary informations to the policy makers and administrators in removing weaknesses associated with the regulated marketing system on the one hand increasing the working efficiency of these mandies on the other. The main objectives of the study were:

**OBJECTIVES**

1- To study the progress of Regulated mandies in Uttar Pradesh.

2- To examine the flow of marketable surplus of the important food grain crops marketed through regulated mandies.

3- To examine the performance of the regulated mandies functions in the light of major economic objectives laid down in the Regulated Market Act.

4- To workout the price spread of important food crops marketed through Regulated Marketing system.
5- To study the attitudes of farmers, traders/wholesaler towards the benefits provided by the regulated markets to them.

6- To study the problems constraints of regulated marketing system in the study area and suggest suitable measures for its efficient functioning.