CHAPTER-3

REGULATED MARKETS: AN OVERVIEW
3.1 Need for Regulated Market

The onset of technological revolution, better communications and introduction of money economy has increased the size of market and the marketing of agricultural produce. Marketing of agro-commodities has now become a very complicated process beyond the comprehension of the producer. Added to this, a number of steps, institutional, financial, technological, managerial etc., have been taken in India for increasing agricultural production and their marketing so as to bridge the gap between the demand and supply. Foodgrains, pulses, and commercial crops size of marketed surplus has increased due to increased production.

Primary assembling markets therefore grew up as staging areas at convenient points for assembling, distribution and exchange of goods moving from the village to the bigger cities where demand was concentrated. These primary and secondary markets constitute the first and most vital links in the long chain of agro-marketing. It is the primary market that the cultivator-seller first comes in contact with the trader. These traders, being the main functionaries, dominate in every activity in these markets and ignore the interests of the producers both as sellers and as buyers of consumer goods.

The producer on the other hand, is not getting adequate returns commensurate with the labour and investments due to intervention of middlemen and due to prevalence of many malpractices in marketing. Even he does not know the price that he is to receive for his produce. Neither he knows the prevailing prices. If he decides not to sell on that particular day, the producer has no facility to store his produce. This facility is provided only by the commission agent, who though supposed to look after the interests of the producer, actually colludes with the wholesaler and acts against the interests of the producer. The producer does not find even basic amenities of drinking water trough for his cattle in the market. Moreover, the cultivator being heavily dependent for his cash needs, on the commission agent is usually under

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1 Saxena, B.S (1970), Role of Agricultural Marketing, Commerce Annual Number, pp. 121-123.
obligation to sell his produce through him. Under these circumstances, he finds difficult to sell his produce in the urban market.

In the villages, on the other hand, number of traders purchasing of agro-commodities from the cultivators is very much limited. Some of the small villages have only one trader who does not only buy all the produce available in village for the market, but also meets the credit needs of farmers as also the consumer goods and agricultural inputs required by the village population. Under these conditions, the trader not only buys produce at low price, but also charges a high price for inputs he supplied to the cultivators. As a result in most of the markets in the country, proportion of produce brought by the cultivators themselves is very little as compared to the total arrivals in the market.

Creating fair competitive conditions to increase the bargaining power of producer-sellers is considered to be the most important pre-requisite of orderly marketing. Most of the defects and malpractices, under, the marketing system of agricultural products have been more or less removed by the exercise of public control over markets through the establishment of regulated markets in the country.

Government action pertains to the formulation of rules and regulations necessarily to be followed by all the market functionaries and also evolving an institutional structure vested with authority to see that the market functionaries obey the directives. The enforcement of market regulation for agricultural produce through the Agricultural Produce Marketing Committees in various states has attempted to organize the agricultural marketing to a large extent.

A market regulated through governmental intervention strives to create mutual trust, confidence between traders and cultivators, establish fair trade policies and assures them reasonable returns.

'A regulated market is a market in which market functionaries are controlled by legislative measures designed to regulate the marketing of agricultural produce'.

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1 Saxena, H.M. (1992), Regulated Agricultural Markets: A Case Study of Rajasthan, Rawat Publications, p.21
According to Mamoria and Joshi 'when the state or any public authority comes forward to enforce regulation for the organization of a market, it is termed as regulated market'.

'Regulated Agricultural Markets have been established by the government to save the farmers from the exploitation by middlemen with regard to sale of his agricultural produce in an open market'.

Regulated market is a government controlled exchange place of agricultural commodities in which efforts are made to ensure maximum benefit and fair price to the producer seller for their products. These markets play an important role in the development of food grains and vegetable cultivation. The regulated markets act not only as an exchange centres but also provide market infrastructures at site and diffuse the agricultural innovations in their market areas. They are not only a place of transaction of agricultural commodities but also provide an opportunity for people to meet and discuss matters of mutual interest, particularly social, economic and political conditions.

The regulated markets provide maximum facilities to both producer sellers and buyers by removing all kinds of problems like illegal deductions, wrong weighing and so on. Commission agents, weighmen, labourers etc., are also license holders and their all functions are controlled by market committee consisting of representatives of different market participants like producer, sellers, buyers, as well as administrators.

### 3.2 Important Features of Regulated Market

Under the provisions of Agricultural Produce Market Act, the state government gives notice of its intention to bring a particular area under regulation by notifying the market area, market yard, main assembling market and sub-market yard if any, under the principal regulated market. The meaning of these terms is explained under the following heads:

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(a) Market Area

The area from which the produce naturally and abundantly flows to a commercial centre i.e., the market, and which assures adequate business and income to the market committee.

(b) Principal Assembling Market

It is the main market which is declared as a principal market yard on the basis of transactions and income generated for the market committee.

(c) Sub-Market Yard

It is the sub-yard of the principal assembling market. This is a small market and does not generate sufficient income to be declared as a principal assembling market.

(d) Market Yard

This is a specified portion of the market area where the sale, purchase, storage and processing of agricultural commodities are carried out.

Market area is a spatial unit closely inter connected with a market, therefore forming a geographical unit. Market area is a geographical concept because it denotes a region which is served by a particular market. Market area of a regulated market is an area from where producer/farmers, traders bring their products for sale.

A regulated market can not sustain in isolation and its origin, growth and development depends on the surplus production from its surrounding region. Market area of a regulated market is a result of lots of factors such as:

1. Productivity of the region
2. Nature of accessibility
3. Size of the market
4. Location of other regulated markets
5. Administrative boundaries
6. Range of goods
7. Consumer behaviour etc.
Sometimes physical factors like terrain, forest, rivers, etc., also have had an impact on boundary of market area. But basically, market areas are the result of economic and demographic factors.

Marketing geographers are interested in delimitation of trade area boundaries to understand present status of the market and for its future planning (Saxena, H.M. 2004)

In the present context i.e., market area of the regulated markets, the problem of delimitation of market area is not applicable here because each regulated market has a declared market area under section of the ‘Uttar Pradesh Rajya Krishi Utpadan Mandi Adhiniyam Act, 1964.

The state government may at any time by notification in the official gazette, exclude from a market area any area or include in any market area any other area. For each market area there shall be one principal market yard and one or more sub-market yards, as may be necessary. Therefore, it becomes clear that all regulated markets in the state have their specified area.

### Table 3.1 Numbers of Villages around Regulated Market of Aligarh District (2005)

<table>
<thead>
<tr>
<th>Regulated Markets</th>
<th>Number of Villages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dhanipur</td>
<td>274</td>
</tr>
<tr>
<td>Khair</td>
<td>261</td>
</tr>
<tr>
<td>Chharra</td>
<td>143</td>
</tr>
<tr>
<td>Atrauli</td>
<td>130</td>
</tr>
</tbody>
</table>

**Source:** Records from the Respective Markets of Aligarh District-2005

Data from different markets indicate that Dhanipur regulated market is having maximum 274 villages as notified area followed by Khair with 261 villages, Chharra with 143 villages and Atrauli consisting of 130 villages in their notified area respectively (Table 3.1).

The study also indicates that most of the villages located in marginal areas between two markets have a choice to go to the market of their liking. There is no agency to check this practice. Apart from this, inter-district and even inter-state movement of commodities is also in practice (Saxena, 1992).

In Aligarh district there are four assembling regulated markets; Dhanipur, Khair, Atrauli and Chharra, and six sub-market yards. Dhanipur is

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the biggest regulated assembling market and having only one sub-market i.e., Herduaganj. Khair regulated market has three sub-market yards i.e., Jattari, Gabhana and Naujhil. And under Chharra principal assembling market has two sub-market yards Gangeri and Koriagunj, whereas no sub-market is working under Atrauli regulated market (Table 3.2).

<table>
<thead>
<tr>
<th>Regulated Markets</th>
<th>Name of Sub-Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dhanipur</td>
<td>Herduaganj</td>
</tr>
<tr>
<td>Khair</td>
<td>Jattari, Gabhana, Naujhil</td>
</tr>
<tr>
<td>Chharra</td>
<td>Gangeri, Koriagunj</td>
</tr>
<tr>
<td>Atrauli</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Records from the Respective Markets of Aligarh District-2005

For an effective regulation and centralization of sales, the establishment of spacious and well laid out market yards is necessary. In fact, it is impossible for the market committees to exercise supervision over multifarious transactions involved in marketing process, unless the sales are affected at centralized place.¹

Therefore, for this purpose market committees must give top priority to acquire land for the construction of market yards at suitable locations and to develop them with necessary amenities at the earliest possible time.

According to H.M. Saxena “market yard or agricultural mandi is a place where all marketing activities are performed such as assembling, sale and purchase, grading, storage, banking etc. This is also a place where all marketing agencies like producer- sellers, commission agents, traders, bankers, insurance people, administrative agencies etc. either have their permanent base or they use this place temporarily like farmers². Market yard is a nerve centre for the performance of the activities of a regulated market. The proper location and layout of a market yard is the degree of success of a committee. During the planning of location and layout of a market yard, it is necessary to provide

communication facilities, proper structures, buildings and other amenities so as to ensure orderly and efficient movement of goods.

3.3 **Objectives of the Regulated Market**

The main objective of the regulation of agricultural produce markets is to protect the interest of producers in the markets. Prior to this, producer sellers were severely exploited by the monopoly of traders in unregulated markets. Maximum efforts are made to fulfil the following objectives.

(a) To prevent the exploitation of farmers by the traders in marketing of their products.

(b) To make the marketing system more effective and efficient with a view to provide better prices of products to the producer sellers and to make available to the consumers at reasonable price.

(c) To encourage the farmers for better production both quantitatively and qualitatively by ensuring remunerative price incentives to the producers.

(d) To make an orderly marketing system of agricultural produce through the development of infrastructural facilities like link roads to villages from the regulated markets, storage, credit facilities, input facilities etc., in the market complex.

3.4 **Significance of Regulated Market**

Regulated market is a place where producer sellers, traders, middlemen market administrators and workers assemble for the marketing of agricultural products in order to fulfil the demands of society. These markets not only function as exchange centres but also provide market infrastructures at site and diffuse the agricultural innovations in their market areas. They are not only a place of transaction of agricultural commodities but they provide an opportunity for people to meet and discuss matters of mutual interest, particularly social, economic and political conditions as well.

The marketing system as well as social structure is always in a state of change both in terms of space and time. Whatever change has occurred in the
social structure is the result of multiple factors. Among them, marketing is also one of the most important factors because it provides an opportunity of interaction between rural population and urban environment. The relationship between producer farmers and traders has undergone a great change. Similarly, a change has also come in the farmers' way of life, his system of agriculture and social relationship etc.

Regulated markets have created a feeling of confidence of receiving fair deal, in the minds of the cultivators. This provides the urge in which they are well ready to accept new ideas and to strive to increase their agricultural production.

Regulated markets would benefit the producers economically, socially and psychologically. Economically, the producer gains by way of reduction of unwarranted market charges and unauthorized deductions. Socially, it profits the producer as he is now directly involved in the management of market committee and it provided him with a platform where he can vent out to his grievances and discuss matters concerning his interest. Psychologically, the producer occupies a dominant position in the market committee and faces the traders with greater confidence.

Thus, establishment of regulated markets is generally and widely accepted as a panacea of eliminating the ills in the traditional marketing system. Market regulation creates healthy conditions in the market, provides various amenities to the functionaries and ultimately helps in realizing a better reward to the producer-sellers.

3.5 **Historical Background of Regulated Markets**

The history of establishment of regulated markets is traced back to 1886, when the elements of regulation were introduced in the Karanja Cotton Market under the Hyderabad Residency's order. Though the motive behind this regulatory measure by the then British rulers was to ensure supply of pure cotton at reasonable prices to the textile mills at Manchester (U.K.). Subsequently, in the year 1897, the Berar Cotton and Grain Market law was
enacted. This law was constituted by the orders of the Governor General in Council on 6th May, 1897. It was the first statute on regulation of marketing of agricultural produce. The subsequent acts, whenever passed were virtually based on the general principles embodied in this law. The salient features of this law were:

(i) All the markets as existed on the date of the enforcement of the law came under its fold.

(ii) The resident could declare any additional market or bazaar for the sale of agricultural produce.

(iii) The Commissioner was to appoint from amongst the list of eligible persons submitted by the Deputy Commissioner, a committee ordinarily of five members two representing the Municipal Authority concerned and remaining three from amongst the cotton traders for enforcing the law.

(iv) The committee was authorized to appoint a sub-committee or joint committee from amongst its members for the conduct of any work and/or delegate its duties to one or more members.

(v) Trade allowances or customs in usage were abolished.

(vi) Unauthorized markets and bazaars were banned within five miles of the notified market or bazaar.

(vii) The resident was empowered to make rules for some specific matter.

(viii) Market functionaries were required to take out licenses.

(ix) Penalties for breach of certain provisions of the law were laid down.

The main drawback in this law was that it provided no representation for the growers in the committee. In fact it was the grower, who needed the maximum legislative protection.

The Indian Central Cotton Committee was appointed by the Governor General in Council in 1917 to look into the problems of marketing of cotton. This committee had observed that in most of the cases the cotton growers were selling cotton to the village trader-cum-money lender, under whose financial obligation they came and their price was much below the ruling market rate. Other agriculturists were seriously handicapped in securing adequate price for their produce because of a long chain of middlemen in the marketing process.
The committee recommended that on Berar system markets for cotton should be established in other provinces having compact cotton tracts. This could be done by introduction of suitable provisions in the Municipal Acts or under a special regulation as in the case of Berar Act. The Government of Bombay presidency was the first to implement this recommendation by enacting the Bombay cotton Markets Act in 1927. This act was an improvement over the Berar cotton and Grain Markets Law of 1897 as it provided for representation to the growers on the market committee and also contained provisions for spending the surplus funds of the market committee, which should be transferred to the respective local bodies in whose jurisdiction the market used to be situated. The rules under this act were framed in 1929 and the first regulated market was established under this act at Dhulia during the year 1930–31.

The Royal Commission on Agriculture (1928) recommended the establishment of regulated markets on the Berar pattern as modified by the Bombay Cotton Markets Act 1927, with special emphasis on the application of the scheme of regulation to all agricultural commodities instead of cotton alone; provision for establishment of machinery in the form of a board of arbitration for the settlement of disputes; prevention of brokers from acting for both buyers and sellers in the markets; adequate storage facilities in the market yards; standardization of weights and measures and the establishment of market committees only under a single pervading provincial legislation. The commission also recommended that the Provincial Governments should take initiative in the establishment of regulated markets and grant loans to market committees for meeting initial expenditure on land and buildings. This recommendation had a salutary effect on the states as borne out from the fact that a number of states enacted regulated markets act thereafter. In the year 1930, the ‘Hyderabad Agricultural Markets Act’ largely modeled on the ‘Bombay Cotton Markets’ Act 1927, was passed. The Central Provinces (now Madhya Pradesh) came next with the ‘Central Provinces Cotton Market’ Act, 1932. In 1935, another law called ‘Central Provinces Agricultural produce
Markets Act’ was passed on lines of the Central Provinces Cotton Markets Act, 1932. According to this act, markets could be regulated for the sale and purchase of all kinds of agricultural produce other than cotton as the latter was already covered by the ‘Cotton Markets’ Act of 1932.

Market regulation was introduced in Madras (now Tamil Nadu) under the ‘Madras Commercial Crops Markets’ Act, 1933 and the first regulated market was established in this state in 1936 at Tripura in Coimbatore district.

In 1938, Model Bill was prepared by the Central Agricultural Marketing Department (DMI) on the lines of which several states drafted their own bills.

In 1939, the Government of Bombay enacted the Bombay Agricultural Produce Markets’ Act and made it applicable to all the agricultural commodities including cotton. As a result, the cotton market Act of 1927 was repeated and all the market committees set up under this act were declared deemed to be the market committees under the new Act.

In Mysore State (now Karnataka), the ‘Mysore Agricultural Produce Markets’ Act was passed in 1939. However, the first regulated market at Tiptur could be established only about a decade later i.e. in November, 1948.

The outbreak of the Second World War in September, 1939 dislocated the normal economic activities in the country. Controls on foodgrains and other essential commodities were imposed, and their free movement was restricted. The levy system for direct procurement of foodgrains from producers was resorted and price control and statutory/informal rationing was introduced. As a result, very limited progress could be achieved in the field of regulation during the war period.

Market regulation was introduced in the erstwhile Patiala state in January, 1948 under the ‘Patiala Agricultural Produce Markets’ Act, 1947. The Government of Madhya Bharat passed the ‘Madhya Bharat Agricultural Produce Markets’ Act in 1952. This was modeled mostly on the line of Bombay Act. All mandis which were governed by the previous laws of the respective states were declared as regulated markets under the new Act.
The government of Sourashtra enacted the Sourashtra Agricultural Produce Markets’ Act, in February, 1955. This Act was also framed on the lines of the Bombay Act.

3.6 Progress and Distribution of Regulated Market

The progress of market regulation was not substantial till the Second World War. After independence, the planning commission laid emphasis on a market regulation scheme. Up to March 2005, 7,557 markets were brought under regulation. The progress of market regulation in India during different periods is given in table 3.3.

Table 3.3: Progress of Market Regulation in India

<table>
<thead>
<tr>
<th>Period</th>
<th>Number of Regulated markets</th>
<th>Regulated markets as percent of total wholesale assembling markets (28090)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before Commencement of First Five Year Plan (April 1951)</td>
<td>236</td>
<td>0.84</td>
</tr>
<tr>
<td>At the End of First Five Year Plan (March 1956)</td>
<td>470</td>
<td>1.67</td>
</tr>
<tr>
<td>At the End of Second Five Year Plan (March 1961)</td>
<td>715</td>
<td>2.54</td>
</tr>
<tr>
<td>At the End of Third Five Year Plan (March 1966)</td>
<td>1,012</td>
<td>3.60</td>
</tr>
<tr>
<td>At the End of October (1973)</td>
<td>2,754</td>
<td>9.80</td>
</tr>
<tr>
<td>At the End of March (1976)</td>
<td>3,528</td>
<td>12.55</td>
</tr>
<tr>
<td>At the End of September (1977)</td>
<td>3,763</td>
<td>13.39</td>
</tr>
<tr>
<td>At the End of March (1979)</td>
<td>4,345</td>
<td>15.46</td>
</tr>
<tr>
<td>At the End of March (1980)</td>
<td>4,446</td>
<td>15.82</td>
</tr>
<tr>
<td>At the End of March (1981)</td>
<td>4,605</td>
<td>16.39</td>
</tr>
<tr>
<td>At the End of March (1982)</td>
<td>4,792</td>
<td>17.05</td>
</tr>
<tr>
<td>At the End of March (1984)</td>
<td>5,579</td>
<td>19.86</td>
</tr>
<tr>
<td>At the end of March (2005)</td>
<td>7,557</td>
<td>29.90</td>
</tr>
</tbody>
</table>

Source: Directorate of Marketing and Inspection, Faridabad, (2005)

The state-wise progress of market regulation is given in the Table 3.4. Andhra Pradesh, Bihar, Haryana, Himachal Pradesh, Karnataka, Madhya Pradesh, Rajasthan, Punjab, Uttar Pradesh, Maharashtra, each introduced a scheme for the regulation of all assembling wholesale markets. The progress in Goa, Meghalaya, Sikkim, Pondicherry, Chandigarh, Tripura, and Manipur is extremely poor. Among the union territories, the progress of market regulation in Delhi and Pondicherry is good. Market regulation acts have not been
implemented or passed in Jammu & Kashmir, Kerala, Manipur, Andaman & Nicobar, Dadar and Nagar Haveli, and Lakshdweep

Table 3.4: Distribution of Regulated Markets in India

<table>
<thead>
<tr>
<th>S. No.</th>
<th>State/Union Territories</th>
<th>Total number of Wholesale Assembling Markets as on 31-3-2005</th>
<th>No. of Regulated Markets as on 31.3.2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Principal Markets</td>
<td>Sub Markets</td>
</tr>
<tr>
<td>1</td>
<td>Andhra Pradesh</td>
<td>589</td>
<td>299</td>
</tr>
<tr>
<td>2</td>
<td>Arunachal Pradesh</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Assam</td>
<td>822</td>
<td>20</td>
</tr>
<tr>
<td>4</td>
<td>Bihar</td>
<td>1794</td>
<td>95</td>
</tr>
<tr>
<td>5</td>
<td>Jharkhand</td>
<td>118</td>
<td>27</td>
</tr>
<tr>
<td>6</td>
<td>Goa</td>
<td>19</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>Gujarat</td>
<td>338</td>
<td>190</td>
</tr>
<tr>
<td>8</td>
<td>Haryana</td>
<td>441</td>
<td>106</td>
</tr>
<tr>
<td>9</td>
<td>Himachal Pradesh</td>
<td>68</td>
<td>10</td>
</tr>
<tr>
<td>10</td>
<td>Jammu and Kashmir</td>
<td>73</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Karnataka</td>
<td>1433</td>
<td>145</td>
</tr>
<tr>
<td>12</td>
<td>Kerala</td>
<td>2351</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Madhya Pradesh</td>
<td>1806</td>
<td>233</td>
</tr>
<tr>
<td>14</td>
<td>Chattisgarh</td>
<td>1679</td>
<td>73</td>
</tr>
<tr>
<td>15</td>
<td>Maharashtra</td>
<td>4373</td>
<td>287</td>
</tr>
<tr>
<td>16</td>
<td>Manipur</td>
<td>69</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Meghalaya</td>
<td>194</td>
<td>2</td>
</tr>
<tr>
<td>18</td>
<td>Mizoram</td>
<td>41</td>
<td>5</td>
</tr>
<tr>
<td>19</td>
<td>Nagaland</td>
<td>88</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Orissa</td>
<td>1548</td>
<td>45</td>
</tr>
<tr>
<td>21</td>
<td>Punjab</td>
<td>437</td>
<td>145</td>
</tr>
<tr>
<td>22</td>
<td>Rajasthan</td>
<td>971</td>
<td>123</td>
</tr>
<tr>
<td>23</td>
<td>Sikkim</td>
<td>37</td>
<td>1</td>
</tr>
<tr>
<td>24</td>
<td>Tamil Nadu</td>
<td>977</td>
<td>274</td>
</tr>
<tr>
<td>25</td>
<td>Tripura</td>
<td>638</td>
<td>21</td>
</tr>
<tr>
<td>26</td>
<td>Uttar Pradesh</td>
<td>3906</td>
<td>244</td>
</tr>
<tr>
<td>27</td>
<td>Uttrakhand</td>
<td>57</td>
<td>25</td>
</tr>
<tr>
<td>28</td>
<td>West Bengal</td>
<td>3139</td>
<td>43</td>
</tr>
<tr>
<td>29</td>
<td>Andaman &amp; Nicobar</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>Chandigarh</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>31</td>
<td>Daman &amp; Diu</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>Dadar and Nagar Haveli</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>Delhi</td>
<td>37</td>
<td>9</td>
</tr>
<tr>
<td>34</td>
<td>Lakshdeep</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>35</td>
<td>Pondicherry</td>
<td>16</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>28090</strong></td>
<td><strong>2428</strong></td>
</tr>
</tbody>
</table>

Source: Directorate of Marketing and Inspection, Ministry of Agricultural and Rural Development, Govt. of India, Faridabad, 2005
3.7 Administrative Organization

A sound and effective administration is essential for the successful operation of any organization. Newman defines ‘administration’ as “the guidance, leadership and control of the efforts of a group of individuals towards some common goal”. Undoubtedly, a good administration is one which enables the group to achieve its objectives with minimum expenditure, resources and efforts, and least interference with other worth while activities. It is however felt necessary to study the administrative machinery at the state level since the administrative body at the level of an individual market cannot function independently.

The administrative patterns of regulated markets in different states are largely influenced by the respective market legislations. These legislations intend to regulate the sale and purchase of agricultural produce at the primary level of marketing. Having regard to the fact that every transaction involves a buyer and a seller whose interests are diagonally opposite, these acts protect the interests not only of the producer sellers but also of buyers by imposing some restrictions on the manipulative activities of various market functionaries. Though these acts contain various penal clauses, regulation of markets is to be understood as a developmental measure rather than a police action.

The administration of Agricultural Produce Market Acts in different states is carried out by different authorities. The Director of Agriculture is, in charge of administration of the Markets Acts in Bihar, Rajasthan, Madhya Pradesh, Tamil Nadu, Uttar Pradesh, Tripura and Himachal Pradesh.

The state government is empowered to declare a market area (except under the Gujarat Act, where this power is vested in the Director) to notify commodities as agricultural produce, to establish market committees under the Act, to permit market committees to raise loans (except under the Maharashtra Act, where the Director is empowered), to supersede market committees, to make rules etc. In all the states, except in Karnataka, the state governments are

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also vested with the power to remove any member or members of the market committee from holding their office.

3.8 Organization and Composition of Market Committee

A market committee established under the markets Act is entrusted with the responsibility of enforcing within the notified area, the different provisions of the Act, the rules, and the by-laws framed there under. Furthermore, the act enjoins upon a market committee to establish markets within its market area and provide the necessary facilities to persons using it for an orderly marketing of agricultural produce and as directed by the Government from time to time. Such facilities may include competitive conditions for the sale and purchase of agricultural commodities, storage facilities, arrangements for weighment and prompt payment, provision of amenities in the market-yard such as drinking water, rest houses, cattle sheds, cart-parks, roads, covered pucca platforms, lighting and sanitary arrangements etc. A market committee is therefore, the pivot of the whole mechanism designed to improve the standards of marketing within its jurisdiction.

Market committees are corporate bodies comprising members representing various interests involved in the sale and purchase of agricultural produce. There is a great heterogeneity in the composition and constitution of market committees as provided in the various Acts.

3.8.1 Constitution of Market Committee

The seminar on regulated markets organized by the Ministry of Food and Agriculture, in January 1959, was of the view that (i) the strength of the committee be such as to accommodate various interests in proper proportions. The committee should neither be too small nor too unwieldy; (ii) the committee should consist of 12 to 18 members depending on the size of the market and other considerations; (iii) the interests of the grower should predominate with at least 50 per cent seats going to them, (iv) the traders representation should not exceed 25 per cent and (v) the cooperative marketing societies, the municipal or local bodies and government nominees should have the remaining seat and if there is a warehousing corporation one seat should go to it.
In connection with election of growers’ representatives, it favoured the adoption of the system of indirect election through the grower-members of the panchayats other registered growers associations and the agricultural cooperatives.

Under the Uttar Pradesh Act (the Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964), the market committees consist of 19 members or more in cases where more than one local body is exercising jurisdiction over the principal market-yard or a part thereof.

3.8.2 Functions of the Market Committee

The main functions of the market committees are:

(a) To ensure fair dealing between the producers/sellers and purchasers/traders and efficient marketing of the produce.

(b) To ensure prompt and ready payment to the sellers.

(c) To manage for grading, standardization and auction of the produce.

(d) To check the weights and measures used by the traders.

(e) To provide better facilities in the yard and also to accelerate rural development programmes in the area.

(f) To collect and provide upto date and reliable market information to the participants, and

(g) To act as mediator in case of disputes between the parties.

3.8.3 Constitution of Market Committee in Aligarh District

In Dhanipur regulated market, market committee named as “Rajya Krishi Utpadan Mandi Parishad Lucknow” consists of 45 members. Supersede system prevails over there. City Magistrate is considered as the president and rest of the employees work under his supervision. Khair regulated market of Aligarh district consists of 23 members. Supersede system is prevaile here also and SDM is the president of this committee. Chharra regulated market of Aligarh consists of 11 members, out of which 6 are farmer representatives, 2 traders, one each from among Senior Marketing Inspector, Mandi Sachiv and its president (SDM). Atrauli regulated market of the district consists of 7
members, out of which 4 are traders, one from senior marketing inspector, Mandi Sachiv and its president (SDM). Supersede system is also prevailing here.

3.9 Infrastructural Facilities

A regulated market yard is a place where marketing of agricultural produce is carried out and also where agencies relating to agricultural marketing are located. So from the structural point of view an agricultural market yard is different from other market places. Every market is supposed to have a standard lay-out in which all the market infrastructures are located. One of the main objectives of regulated marketing is to construct a planned market yard, where all the facilities of market are available. The need for planned and orderly regulated markets has been felt because of difficulties experienced in the previous regulated market places. The following are the common difficulties or conditions which were existing in traditional or unplanned regulated markets.

(i) The market place (generally known as dhanmandi) were congested and often located along narrow lanes which do not permit easy access to vehicular traffic. It becomes very difficult for traders to handle their produce and for market committees to supervise transactions.

(ii) The shops were scattered all over the town and the transaction took place all over the locality.

(iii) Adequate space was not available for exhibiting the produce, its cleaning and grading etc.

(iv) There were no auction platforms. The producer used to sell his produce on the day of its arrival in the market at whatever price.

(v) There was neither place for parking of carts nor for cattle.

(vi) No facilities of drinking water, public toilets, veterinary dispensary, canteen, rest house etc., were available.

(vii) Similarly, banks and post offices were located away from the markets.
These difficulties are still there in most of the regulated markets where yards have not been constructed. But at present the regulated market yards are providing lots of infrastructural facilities. The regulated market yards besides providing facilities for storage and sale of agricultural produce etc, also provides facilities for sale of agricultural inputs, banking and insurance. It also has consumer stores where farmers can buy their requirements, post office, veterinary dispensary etc. The details of regulated market yard infrastructure are as follows:-

(a) Shop-cum-godowns (b) Godowns (c) Retail shops, (d) Market committee office (e) Grading laboratory (f) Boundary wall, (g) Veterinary dispensary (h) Sale platforms, (i) Farmers guesthouse (j) Water troughs (k) Water huts (l) Canteen (m) Public urinals, latrines and bathrooms (n) Dust bin (o) Cycle stand (p) Bank (q) Post office (r) Internal roads (s) Drainage (t) Water supply arrangements (u) Electricity and lighting arrangements (v) Space for fodder shops, petrol pump, automobile workshop, godowns of FCI, CCI, CWC, etc.

The above mentioned structures/facilities may differ from one market to another in size according to the status of the market. With the growth of a market, the size and number of structures also increases. In fact, the infrastructure must be according to the needs, i.e., volume of trade in that particular market. The classification of markets in A, B and C category is only for convenience and often the status of a market changes. Therefore, for the construction of a market yard, proper perspective is needed so that it will be useful for a long time. In recent years, a new class of market- super ‘A’ class- has also been identified, which is a top class market having much more facilities and infrastructure.

3.10 Notified Commodities

Market legislation in India covers all agricultural as well as horticultural produce, livestock, their products and forest products. But, since the regulation of market is a state subject, there are some variations in the state legislations. In the case of Mysore Agricultural Produce Marketing (Regulation) Act, 1965.
The Madras Agricultural Produce Markets Act, 1951, and Uttar Pradesh Act, 1964, since no schedules have been appended to these Acts, a separate notification has always to be issued in respect of every commodity to be notified for regulation under the acts.

Most of the regulated markets now functioning are, by and large, multi-commodity markets. There are, however, some markets which deal in a single commodity like tobacco, vegetables or livestock\(^1\).

3.10.1 Commodities under Market Regulation

The Uttar Pradesh Mandi Adhiniyam 1964 has specified the commodities for marketing in regulated markets of the state. The following commodities have been listed after amendment.

1. **Cereals**: Paddy, Rice, Jwar, Bajra, Maize, Barley, Wheat, Bejhar
2. **Legumes**: Urd, Moong, Gram, Pea, Arhar, Masur, Lobia, Soyabean, Dnchsd, Guar, Snseeds.
3. **Oil seeds**: Groundnut, Til, Mustard, Castor, Linseed, Sehwan, Mahua, Gullu, Coconut, Sunflower.
4. **Fibres**: Cotton, Jute, Sani, Patson, Dancha, Mesta.
5. **Narcotics**: Tobacco
6. **Spices**: Coriander, Rapechillies, Methi, Turmeric, Amchur.
7. **Miscellaneous**: Gur, Khandsari, Popsyd, Rab, Sakkar, Jagery, Makhana

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\(^1\) Directorate of Marketing and Inspection (1968), Working of Regulated Markets in India- Regulated Markets, Vol.II, p.19
10. Forest Produce: Gum, Wood, Ctechu, Lac
11. Animal Husbandry: Ghee
12. Fish

3.11 Site of the Regulated Market

Site of the market yard is another important aspect, which requires special consideration by geographers i.e., its actual location—whether located in the congested part of the town, along main road, at the periphery of the town or away from the town. Before regulation all the markets of Aligarh district was located at the heart of the city or along the main road of the town, at the periphery of the town or away from the town.

There was heavy rush of vehicles both of town dwellers as well as of farmers who brought their products mostly in bullock and camel carts. There was no facility of auctioning and other processes of marketing. Soon this fact was realized and the construction of new market yards was taken up. Now four regulated markets have well designed market yards in Aligarh district.

Study shows that all the new regulated markets have been shifted to outside of towns, or along the main road. The main consideration for the location of regulated market is the availability of land. On an average 20 hectares land will be needed for ‘A’ class market yard, 13 hectares for ‘B’ class and 7 hectares for ‘C’ class. Sometimes it is happened that other factors are neglected but land availability remains to be the prime consideration for the location of regulated market.

In Aligarh district Dhanipur is comes under ‘A’ grade and Khair and Chharra comes under ‘B’ grade while Atrauli is only comes under ‘C’ grade regulated market.
References


Saxena, B.S (1970), Role of Agricultural Marketing, Commerce Annual Number, pp. 121-123.
