

CHAPTER IV

ROLE OF AGRICULTURAL MARKET COMMITTEE, KADIRI IN THE MARKETING
OF GROUNDNUT

Kadiri is on Bombay, Madras National Highway and occupies an important place in Anantapur district. For a longtime Kadiri market functioned as a branch to Anantapur Market Committee and a separate market committee was formed for Kadiri on April 1, 1971. 11.50 acres of site were acquired for Kadiri market yard by the District Market Committee. The site for the market yard was selected by taking into consideration the convenience of both sellers and traders. Railway station is very near to Kadiri market yard providing adequate transport facilities.

Kadiri market was regulated on 30-11-1977. Local Oil Mill owners and traders filed a writ petition in Andhra Pradesh High Court against the regulation of market at Kadiri and obtained stay orders. Due to stay orders of the High Court, the market yard was stopped upto 24-1-1980. Subsequently the stay orders were vacated by the High Court and the market yard started functioning from 25-1-1980.

Kadiri has three sub-markets at Tanakal, Mudigubba and Talupula. A site of 4.03 acres was acquired for Rs.38,044/- for Tanakal market and a godown with a capacity of 400 M.T. was constructed alongwith the provision of other facilities

such as drying platform, water troughs, weighing shed, borewell, etc.

A site for Mudigubba market could not be acquired till now due to a writ petition filed in Andhra Pradesh High Court by the land owner and the same is pending for disposal.

All construction works in Kadiri market yard were completed. Various amenities existing in Kadiri market yard are shown in the following table.

Table 4.1

EXISTING AMENITIES IN THE MARKET YARD, KADIRI

S.No.	Amenity	Year of sanction	Value Rs. Ps.
1.	Site 11.5 acres	1960	13,718-00
2.	Well in the Market Yard	1974	13,171-00
3.	Fencing of Market Yard with barbed wire - Cement poles	1974	2,718-00
4.	Cattle Troughs	1974	5,540-00
5.	Road "A"	1974	800-00
6.	Earth Road	1974	1,025-00
7.	Road "B"	1975	10,188-00
8.	Road "C"	1975	13,796-00
9.	Construction of body wall alongwith side road	1975	4,988-00

Contd.....

S.No.	Amenity	Year of sanction	Value Rs. Ps.
10.	Office Building	1976	37,393-00
11.	Ryot Rest House	1976	20,818-00
12.	Covered Platform No.I(100'x30')	1976	54,210-00
13.	Godown with Platform	1976	60,740-00
14.	Drying Platform No.II	1976	33,628-00
15.	Construction of Compound Wall	1976	15,668-00
16.	Pump house cum overhead Tank	1977	18,000-00
17.	Earth Road filling with morass	1977	34,808-00
18.	Cattle Troughs, 2	1977	5,816-00
19.	Drying Platform No.5	1978	1,07,396-00
20.	Jeep shed	1980	4,595-00
21.	Construction of Godowns 2	1980	97,029-00
22.	Construction of covered Platforms 2	1981	47,688-00
23.	Construction of canteen building	1981	47,503-00
24.	Watchmen quarters - 2	1981	27,765-00
25.	Cattle sheds - 2	1981	21,144-00
26.	Providing Masonary Drains	1984	1,22,885-00
27.	C.C. Road	1987	92,273-00
Total			9,15,303-00

SOURCE: Agricultural Market Committee, Kadiri.

Notified Commodities:

Commodities notified in Regulated Market, Kadiri are as mentioned below:

1. Groundnut pods
2. Groundnut Kernels
3. Gingelly
4. Bajra
5. Paddy
6. Rice
7. Horsegram
8. Ragi

In Kadiri market yard, plots were sold for the construction of shops for commission agents. Nevertheless construction did not take place. Even though licences were issued to commission agents, sellers preferred to sell directly under the supervision of Market Committee Officials. So the commission agency system is not in vogue in Kadiri market yard. Transactions take place in Tender system.

In 1982, the Government announced tamarind and tamarind seeds as notified commodities. Purchase and sale transactions of tamarind are witnessed in Kadiri Market Yard besides groundnut. For a long time the tamarind trade was concentrated in Kutagulla which is very near Kadiri. On every Friday a weekly market used to be held for tamarind trade in Kutagulla.

Tamarind sellers were accustomed to bring their commodity to Kutagulla for sale. For the first time on 29-1-1982, the tamarind trade was shifted from Kutagulla to Kadiri market yard. Tamarind transactions take place on every Friday in Kadiri market yard now. Traders from other places like Hindupur do not participate in the buying of tamarind for the reason that the arrival of tamarind to the market yard is with seed unlike other markets. Thus tamarind buying is restricted to local traders only owing to the peculiarity of the product and experience necessary to deal with it. The sellers, however, are satisfied with correct weighment and immediate cash payment that are ensured in Kadiri market yard.

Among agricultural commodities, production of groundnut is fairly large in Kadiri. Particulars relating to the production of groundnut in Kadiri Taluk are shown in the following table.

Table 4.2

AREA AND QUANTITY OF GROUNDNUT PRODUCED

S.No.	Year	Area (in acres)	Production (in quintals)
1.	1982-83	2,13,284	5,33,210
2.	1983-84	2,20,203	8,80,812
3.	1984-85	2,05,103	5,12,757
4.	1985-86	2,23,830	6,71,490
5.	1986-87	2,20,750	6,62,250

SOURCE: Mandal Revenue Office, Kadiri.

Even though eight commodities were notified for dealing in Kadiri Market the main commodity that arrives is groundnut. However in recent years tamarind is also arriving in the market yard.

The particulars of market arrivals and their value are shown in the Table 4.3.

The particulars of market arrivals and their value of sub-markets Tanakal, Mudigubba and Talupula are shown in the Table 4.4.

Financial Position:

Unlike other forms of organisations, a regulated market does not possess ownership capital. In the beginning, funds have to be borrowed from external sources. Funds for a regulated market begin to flow only when the collection of licence fees prescribed for various market functionaries and the fees levied on market arrivals of the notified agricultural commodities are started. Since the regulated markets are non-profit seeking and non-charitable institutions they have been granted powers to impose levies for raising funds necessary for discharging the day-to-day functions. Market fee collected on agricultural produce constitutes an important source of internal finance for a regulated market. The

Table 4.3

MARKET ARRIVALS AND THEIR VALUE FROM 1977-78 TO 1986-87, KADIRI MARKET

Sl. No.	Year	Groundnut Pods		Groundnut Kernels		Horsegram	Gingelly	Tamarind with seed		Tamarind seeds	
		Arrivals in qtls.	Value in Rs.	Arrivals in qtls.	Value in Rs.			Arrivals in qtls.	Value in Rs.	Arrivals in qtls.	Value in Rs.
1.	1977-78	1,17,061	2,84,94,365	21,887	83,50,913	-	-	-	-	-	-
2.	1978-79	1,77,914	3,68,20,194	14,276	43,90,718	383	35,179	29	5,931	-	-
3.	1979-80	1,48,872	3,96,08,396	12,847	46,08,451	1,938	2,08,892	-	-	-	-
4.	1980-81	57,919	1,91,49,322	6,454	27,73,585	2,155	2,93,913	-	-	-	-
5.	1981-82	79,713	3,03,46,959	12,272	60,43,790	1,925	3,14,032	-	-	480	1,85,530
6.	1982-83	50,492	1,99,36,422	10,389	68,33,429	3,878	7,36,449	-	-	2,217	4,97,335
7.	1983-84	1,78,973	7,35,71,446	14,722	82,40,616	332	64,500	-	-	741	1,11,612
8.	1984-85	71,402	3,29,60,118	39,379	2,66,52,971	444	90,366	-	-	1,622	4,28,905
9.	1985-86	1,44,007	6,43,26,225	35,165	2,19,48,405	1,064	2,51,248	-	-	7,257	4,15,296
10.	1986-87	1,13,747	6,08,32,497	51,193	3,12,35,583	378	4,37,170	-	-	2,124	6,62,139

SOURCE: Annual Administration Reports, Agricultural Market Committee, Kadiri.

Table 4.4

MARKET ARRIVALS AND THEIR VALUE FROM 1977-78 TO 1986-87

Sl. No.	Year	Tanakal Market				Mudiyubba Market				Taluoula Market			
		Groundnut pods		Ground Seeds		Groundnut pods		Groundnut Seeds		Groundnut pods		Groundnut Seeds	
		Arrivals in qtls.	Value in Rs.	Arrivals in qtls.	Value in Rs.	Arrivals in qtls.	Value in Rs.	Arrivals in qtls.	Value in Rs.	Arrivals in qtls.	Value in Rs.	Arrivals in qtls.	Value in Rs.
1.	1977-78	42,037	70,46,530	4,485	17,17,911	23,346	56,11,712	-	-	-	-	-	-
2.	1978-79	43,736	92,10,275	5,207	14,92,473	29,419	65,52,047	-	-	-	-	-	-
3.	1979-80	42,504	1,15,40,605	6,912	25,67,401	22,776	59,36,170	-	-	-	-	-	-
4.	1980-81	26,311	89,26,297	7,177	32,41,646	9,376	34,35,397	-	-	-	-	-	-
5.	1981-82	21,710	85,18,418	1,765	9,44,480	16,814	65,19,000	-	-	-	-	-	-
6.	1982-83	14,069	57,74,619	982	5,91,300	16,265	66,60,790	-	-	-	-	-	-
7.	1983-84	34,494	1,44,27,811	-	-	44,365	1,22,80,020	-	-	-	-	-	-
8.	1984-85	13,832	67,52,726	-	-	14,459	68,40,216	3	1,600	8,621	40,51,160	288	1,89,236
9.	1985-86	36,602	1,66,66,320	-	-	32,195	1,44,19,003	470	3,56,275	-	-	-	-
10.	1986-87	27,559	1,62,99,053	-	-	15,321	74,53,196	-	-	13,333	68,43,976	-	-

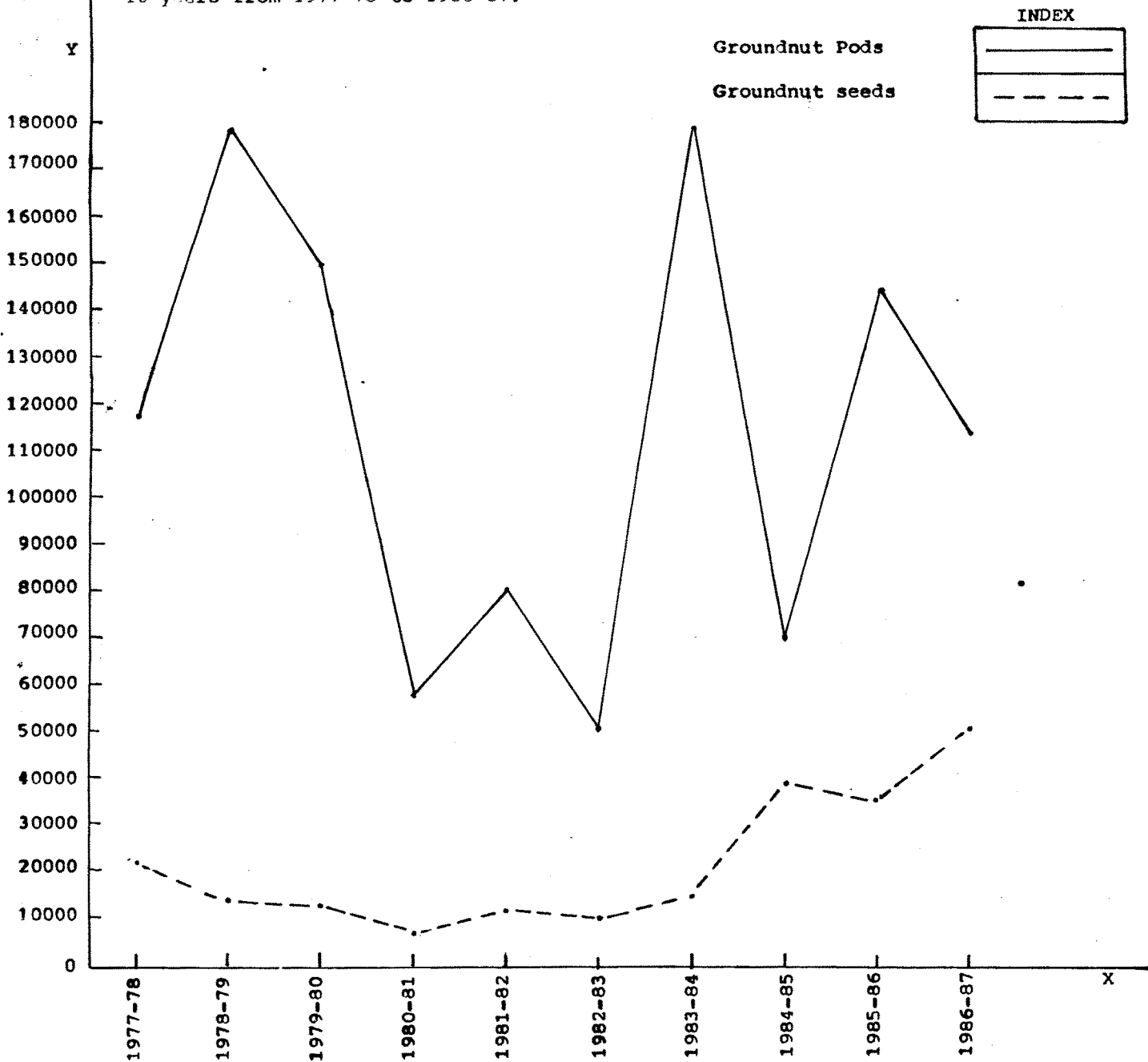
SOURCE: Annual Administration Reports, Agricultural Market Committee, Kadiri.

Arrivals and value of groundnut pods and groundnut seeds of Kadiri Market are presented in the following graphs.

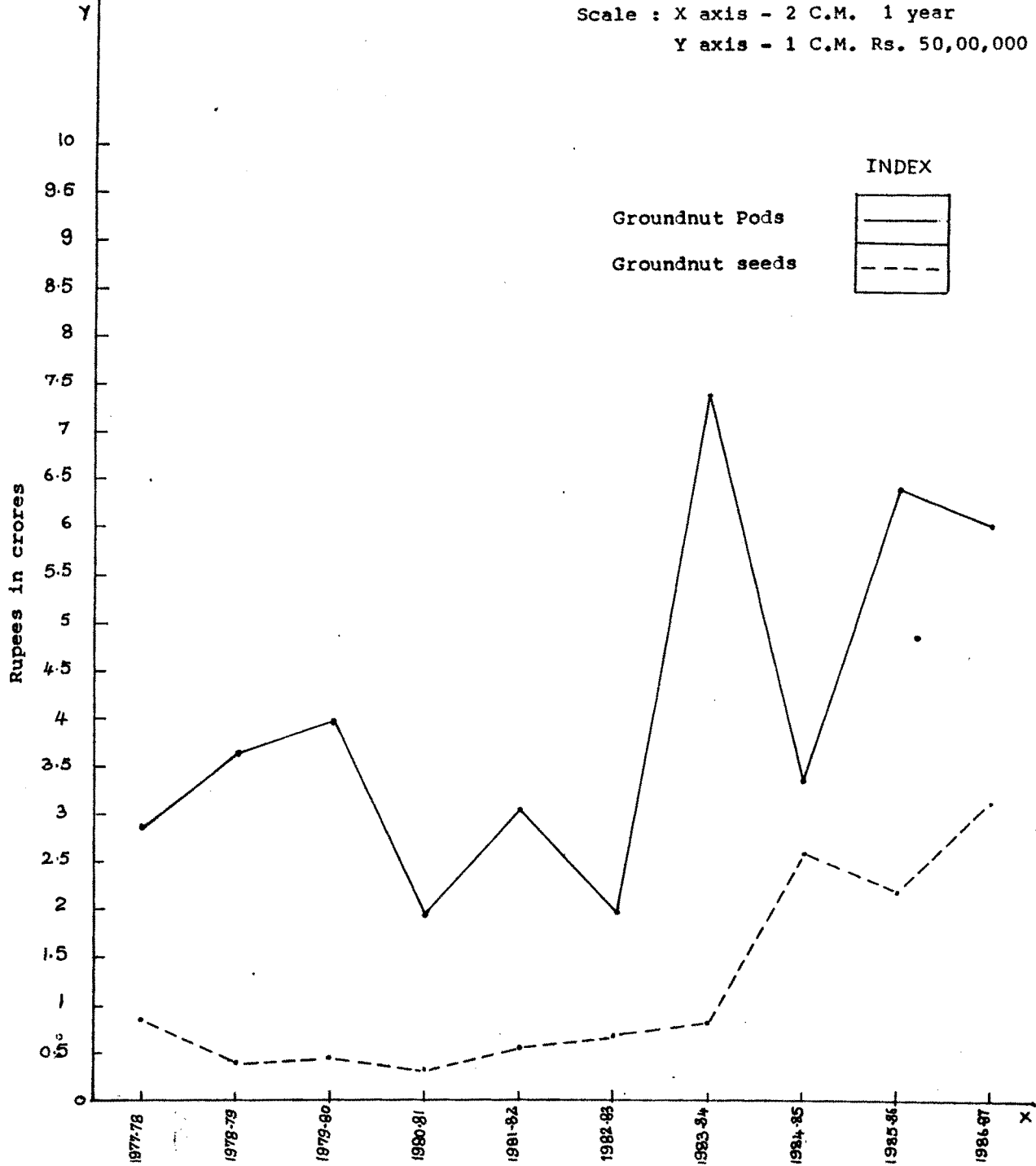
Graph : 4.1 :

Arrivals of Groundnut Pods and groundnut seeds to Kadiri Market for a period of 10 years from 1977-78 to 1986-87.

Scale : X axis - 2 C.M = 1 year
 Y axis - 1 C.M = 10,000 quintals



Graph 4.2 : Value of Groundnut Pods and Groundnut seeds for a ⁶²
 Period of 10 years from 1977-78 to 1986-87:
 Kadiri Market.



licence fees levied on different market functionaries constitute the second important source of income. In addition, there are a few other sources such as late fee, sale of plots and rents etc.

A regulated market is required to spend on all or any of the following:

- 1) Acquisition of site for the market.
- 2) Establishment, maintenance and improvement of the market.
- 3) Construction and maintenance of buildings necessary for the market.
- 4) Provision and maintenance of standard weights and measures.
- 5) Purchase of furniture and fixtures.
- 6) Purchase of Vehicles.
- 7) Payment of salaries to officials and other staff.
- 8) Payment of interest on loans that may be raised for purposes of the market and provisions of a sinking fund in respect of such loans.
- 9) Contribution to Central Market Fund.
- 10) Insurance.
- 11) Printing and Stationary.
- 12) Electricity Charges.
- 13) Propagation and dissemination of market information.
- 14) Subscription for dailies, Journals, Periodicals etc.
- 15) Such other purposes as may be specified by the government by general or special order.

Income and expenditure of Kadiri Market are shown in the under mentioned table:

Table 4.5

INCOME AND EXPENDITURE OF AGRICULTURAL MARKET COMMITTEE, KADIRI

S.No.	Year	Income Rs.	Expenditure Rs.	Percentage of surplus of Income
1	1977-78	3,70,957	2,86,597	22.74
2	1978-79	5,38,782	4,75,241	11.79
3	1979-80	10,23,435	7,64,289	25.32
4	1980-81	4,29,960	8,87,689	-51.56
5	1981-82	5,88,088	4,69,102	20.23
6	1982-83	5,07,015	5,74,860	-11.80
7	1983-84	13,46,210	6,14,215	54.37
8	1984-85	8,69,359	7,56,338	13.00
9	1985-86	11,23,032	8,80,056	21.63
10	1986-87	17,98,795	12,77,536	28.98

SOURCE: Annual Administration Reports, Agricultural Market Committee, Kadiri.

Income exceeded expenditure during 1977-78 to 1979-80 the percentage of which came to 22.74; 11.79 and 25.32 respectively. However there was a surplus of expenditure of 51.56 in 1980-81 and 11.80 in 1982-83. During 1981-82 the percentage of surplus of income was 20.23. The highest percentage of

surplus of income was 54.37 in 1983-84. During 1984-85 to 1986-87 income exceeded the expenditure the percentage of which being 13.00; 21.63 and 28.98 respectively.

The particulars of income and expenditure are also presented in a graph.

Different sources of income are shown in the following table:

Table 4.6

DIFFERENT SOURCES OF INCOME OF KADIRI MARKET

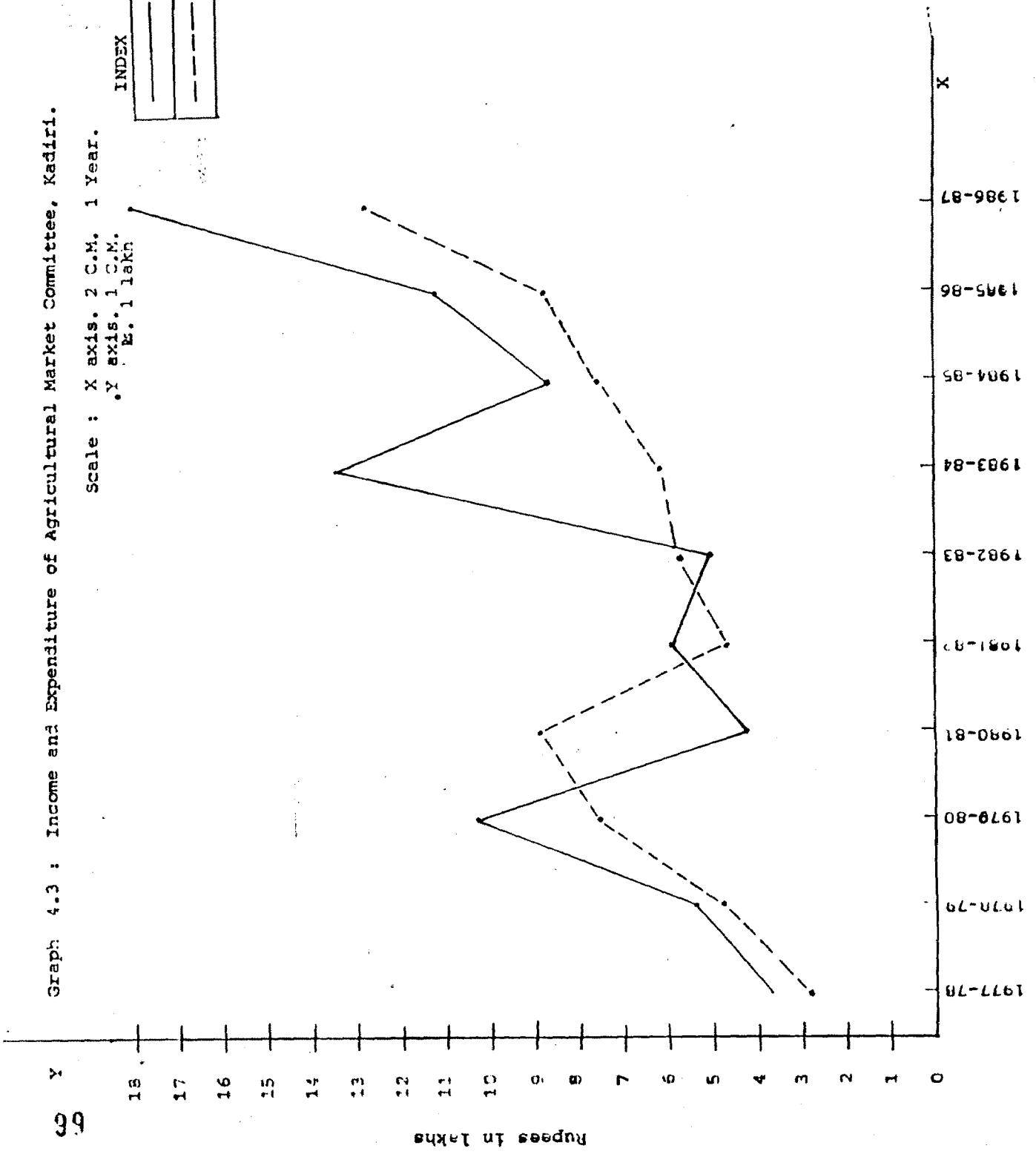
S.No.	Year	Market Fee Rs.	Percent- age to total	Licence Fee Rs.	Percent- age to total	Others Rs.	Percent- age to total
1.	1977-78	2,67,218	72.03	7,367	1.99	96,372	25.98
2.	1978-79	4,87,508	90.48	8,285	1.54	42,989	7.98
3.	1979-80	6,45,888	63.11	7,125	0.70	3,80,422	36.19
4.	1980-81	3,18,151	74.00	11,674	2.71	1,00,135	23.29
5.	1981-82	4,80,504	81.71	13,723	2.33	93,861	15.96
6.	1982-83	4,17,595	82.36	7,456	1.47	81,964	16.17
7.	1983-84	12,13,151	90.12	11,339	0.84	1,21,720	9.04
8.	1984-85	7,38,564	84.95	7,804	0.90	1,22,991	14.15
9.	1985-86	10,04,655	89.46	6,782	0.60	1,11,595	9.94
10.	1986-87	15,76,444	87.64	14,060	0.78	2,08,291	11.58

SOURCE: Agricultural Market Committee, Kadiri.

Graph 4.3 : Income and Expenditure of Agricultural Market Committee, Kadiri.

Scale : X axis. 2 C.M. 1 Year.
 Y axis. 1 C.M.
 E. 1 lakh

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 Income
 Expenditure



The Table 4.6 reveals that Market fee contributes a larger share of income to the Regulated Market, Kadiri. During 1977-78 to 1986-87 the percentage of market fee to the total income varied between 90.48 and 63.11. Licence fee contribution to the total income varied between 2.71 and 0.60 during the 1977-78 to 1986-87 while 'Other Sources' contributed the highest percentage of 36.19 and the lowest percentage of 7.98.

Different items of expenditure are shown in the undermentioned Table:

Table 4.7

ITEMS OF EXPENDITURE OF KADIRI MARKET

S.No.	Year	Establishment Rs.	Percentage to total	Developmental works Rs.	Percentage to total	Others Rs.	Percentage to total
1.	1977-78	1,26,277	44.06	24,004	8.38	1,36,316	47.56
2.	1978-79	1,43,668	30.23	2,47,740	52.13	83,833	17.64
3.	1979-80	1,52,747	19.98	3,43,390	44.93	2,68,152	35.09
4.	1980-81	1,76,399	19.87	2,06,611	23.28	5,04,679	56.85
5.	1981-82	1,98,558	42.33	1,42,327	30.34	1,28,217	27.33
6.	1982-83	2,22,714	38.74	1,52,318	26.50	1,99,828	34.76
7.	1983-84	2,51,893	41.01	2,08,249	33.91	1,54,073	25.08
8.	1984-85	3,14,676	41.61	1,63,614	21.63	2,78,048	36.76
9.	1985-86	3,22,628	36.66	2,98,755	33.95	2,58,673	29.39
10.	1986-87	3,55,004	27.79	2,45,141	19.19	6,77,391	53.02

SOURCE: Agricultural Market Committee, Kadiri. *

The Table 4.7 reveals that percentage of expenditure on establishment during 1977-78 to 1986-87 ranged between 44.06 and 19.87 while expenditure on developmental works witnessed the highest percentage of 52.13 in 1978-79 and the lowest percentage of 8.38 in 1977-78. Expenditure on 'others' such as contribution to Central Market Fund, Audit Fees etc., varied between 17.64 and 56.85 during 1977-78 to 1986-87.

Market Fee:

Market fee shall be levied on notified agricultural produce bought or sold in the notified market area on advalorem basis i.e., one rupee for every hundred rupees worth of produce. The fee shall be paid by the purchaser of the notified agricultural produce.

Licence Fee:

Licence fee is a charge imposed by the market committee on different types of market functionaries known as traders, commission agents, brokers, weighmen, warehousemen and other persons who desire to operate in the market area. Different classes of market functionaries of Kadirī market are shown in the Table 4.8.

Market Committee Funds:

All moneys received by a market committee shall be paid into a fund to be called 'The Market Committee Fund' and the said fund shall be deposited in a single banking account with the nearest Government treasury, or with the sanction of the Government, in a Bank. All expenditure incurred by the market committee shall be defrayed out of the said fund.

Table 4.9

TREASURY BALANCES OF AGRICULTURAL MARKET COMMITTEE, KADIRI

S.No.	Year	Treasury Balance Rs.
1.	1980-81	17,92,400
2.	1981-82	13,24,671
3.	1982-83	14,43,657
4.	1983-84	13,75,812
5.	1984-85	21,07,807
6.	1985-86	23,50,783
7.	1986-87	28,72,041

SOURCE: Assistant Director of Marketing, Anantapur.

Central Market Fund:

A fund to be called "The Central Market Fund" is set up at the state level. Every market committee shall contribute ten percent of its annual income to the Central Market Fund and the contribution so paid shall be placed to the credit of the said fund.

The undermentioned table shows the contributions of Kadiri Market Committee to the Central Market Fund during 1977-78 to 1986-87.

Table 4.10**CONTRIBUTION TO CENTRAL MARKET FUND**

S.No.	Year	Amount Rs.
1.	1977-78	43,850
2.	1978-79	27,500
3.	1979-80	49,614
4.	1980-81	65,312
5.	1981-82	32,990
6.	1982-83	49,430
7.	1983-84	42,490
8.	1984-85	1,23,330
9.	1985-86	75,481
10.	1986-87	1,00,768

SOURCE: Agricultural Market Committee, Kadiri.

Staff Pattern:

Staff pattern of Agricultural Market Committee, Kadiri for the year 1985-86 are given in the following table.

Table 4.11**STAFF PATTERN OF AGRICULTURAL MARKET COMMITTEE, KADIRI**

S.No.	Designation	No. of Posts
1.	Secretary Grade II	One
2.	Accountant	One
3.	Supervisor	Two
4.	Upper Division Clerk	One
5.	Assistant Engineer	One
6.	Lower Division Clerk	One
7.	Assistant Market Supervisor	Three (One vacar
8.	Typist	One
9.	Bid-clerk	One
10.	Graders	Two
11.	Maistry	Five
12.	Driver	One
13.	Attender	Two
14.	Watchman	Four

SOURCE: Agricultural Market Committee, Kadiri.

Conduct of Transactions in Kadiri Market Yard:

Working Days and Holidays:

The market shall remain open for business on all days except on Sunday. The market shall remain closed on Public Holidays. The Chairman is empowered to declare any local holiday besides above holidays if required. Sales in the market shall commence at 9 a.m. and close at 4 p.m. The produce brought after the closing hours is allowed to enter the market and shall remain till the next market day.

System of Sale:

Sale of the notified agricultural produce shall be conducted by the Market Committee by Tender System.

Tender System:

Sellers of groundnut pods bring their produce in bullock-carts to the market yard and unload on the platforms heapwise. Heaps or lots are consecutively numbered. During the peak season, the lots may range between 150 and 200. Buyers assemble at the market around 11.00 a.m. Tender slips are issued to the intending buyers. Buyers, on inspecting the quality of the produce which is kept on the platforms, fill in the tender slips quoting agreed price for the lots to be purchased by them. Then the tender slips are kept into a locked 'tender box'. Tenders are opened in the presence of a supervisor and other staff members of

the market committee. After the verification of the tenders, the highest price quoted for each lot is announced on mike. A declaration slip is issued to the highest bidder. Where two or more buyers quote equal price in the tender, bidder is selected on the priority basis i.e., the person who signed first in the priority Register.

Option of Sellers:

Seller has a right to reject the price for his produce if it is not acceptable to him. However a bidder cannot cancel the price quoted by him.

Commission agents are not functioning in Kadiri Market Yard. So the market committee arranged for direct sales without the media of commission agents.

Labour for all work within the market is engaged only from among hamals licensed by the market committee from time to time and they will be paid at prescribed rates.

Facilities for cleaning, sorting and grading are provided by the Market Committee, Particulars of grading of groundnut and benefit accrued are shown in the under mentioned Table 4.12.

Table 4.12

GRADING OF GROUNDNUT IN KADIRI MARKET

S.No.	Year	No. of graders	Quantity graded (quintals)	Accrued benefit (average per quintal) Rs.
1.	1977-78	2	2019	5
2.	1978-79	2	3378	3
3.	1979-80	2	1988	3
4.	1980-81	2	11020	5
5.	1981-82	2	22186	3
6.	1982-83	2	14825	3
7.	1983-84	2	28355	2
8.	1984-85	2	15947	3
9.	1985-86	2	25928	2
10.	1986-87	2	15403	2

SOURCE: Annual Administration Reports, Agricultural Market Committee, Kadiri.

Weightment:

Weightment shall be done by a weighman licensed by the Market Committee who shall be paid weightment charges by the buyer at the prescribed rates. The number of weighmen to be licensed for market shall be prescribed by the Market Committee every year as per the requirement.

The weighmen prepare the weighment chitta in the form prescribed by the Market Committee. The chitta shall be in triplicate, the original of which goes to the buyer, duplicate to the seller and triplicate shall be retained in the book. The book after completion shall be delivered in the office of the committee by the licensed weighmen. The weighment chitta book can be had from the Market Committee free of cost. Only such weights and scales as conform to the metric system are used in transactions in the market. The Market Committee arranges for check weighing of the produce so weighed by the weighman and maintains a register of check weighments and action is taken for any discrepancies committed by a weighman, as commensurate with the offence.

Storage:

The Market Committee allows temporary storage of notified agricultural produce in the market. For the purpose of storage three warehouses with a capacity of 300 M.T. each were constructed. Seller is permitted to keep the produce in warehouse for a period of 8 days free of rent.

Pledge Loans:

Pledge loans are sanctioned free of interest for a period not exceeding 30 days. There-after interest at the rate of 6.25 per cent is charged for 60 days. Thus pledge loans are given for a maximum period of 90 days.

In case of direct sales, the Market Committee prepares takpatties and issue original to the seller, duplicate to the buyer and retains the triplicate and quadruplicate in the book with the committee.

Market yard at sub-market Tanakal is not functioning and sub-markets Mudigubba and Talupula have no market yards. Sales are affected in these places through Commission Agents. Takpatties are issued to the Commission Agents. The takpatti book or book of sale slips can be had from the office of the Market Committee by payment of such cost as may be fixed by it from time to time. Each takpatti shall bear the seal of the market committee. Any takpatti used without the seal of the committee is not valid and is an offence punishable with fine besides the suspension or cancellation of licence of the commission agent. Every commission agent shall effect payment in accordance with the takpatti.

Processing Units:

Particulars of processing units in Kadiri Market area are shown in the Table 4.13.

Table 4.13

PROCESSING UNITS IN KADIRI MARKET AREA

S.No.	Year	Decorti- cators No. of Units	Capacity	Oil Expellers No. of Units	Capacity
1.	1977-78	23	100 quintals of ground nuts per day	3	80 quintals of ground nutseeds per day
2.	1978-79	37	150 -do-	4	80 -do-
3.	1979-80	38	150 -do-	4	80 -do-
4.	1980-81	38	150 -do-	5	80 -do-
5.	1981-82	26	150 -do-	5	80 -do-
6.	1982-83	29	150 -do-	3	80 -do-
7.	1983-84	29	150 -do-	3	80 -do-
8.	1984-85	28	150 -do-	3	80 -do-
9.	1985-86	29	-	4	-
10.	1986-87	33	-	4	-

SOURCE: Annual Administration Reports, Agricultural Market Committee, Kadiri.

It is distressing to note from the above table that though the number of decorticating units and oil expellers increased, the capacity of these units remained almost stationary without any proportionate increase.