CHAPTER-IV

PROBLEMS AND ROLE OF GOVERNMENT AGENCIES IN MARKETING OF AGRICULTURAL PRODUCTS IN MIZORAM

PROBLEMS IN MARKETING OF AGRICULTURAL PRODUCTS IN MIZORAM

Here an attempt has been made to highlight the problems in marketing of agricultural products in the State based on the analysis of fields level data and observation. The problems identified in course of investigation lie in marketing aspects which have caused inadequate income to the growers.

1. MARKETING CHANNEL

A marketing channel performs the work of moving products from farmers to consumers. It overcomes the time, place and services from those who need or want them. Members of the marketing channel perform a number of key functions. The producer and the final consumer are part of every channel. Generally it has been observed that consumers are located far away from the growers with the result there are various intermediaries working between the real grower and ultimate consumer. As already stated majority of the produces of ginger, chillies, sesame, orange and hatkora are sold outside the state. Due to this, the cost of these
commodities goes high and therefore effects the income of the real growers. The simplest and the best market is that in which the grower sells his own production to the ultimate consumer without any intermediary.

2. STORAGE

Absence of cold storage facilities are the cause of heavy losses for the growers which resulted in serious wastage of fruit and spices specially pineapple and ginger. As already stated there was no functioning cold storage in the state till the new multi chamber cold storage has been inaugurated on 10th February 2007. Due to absence of cold storage, oranges in Mizoram initially purchased by the traders from outside the state during the harvesting season has to be bought back by the consumers of the state during the off season. Unless and until proper cold storage has been functioning in the state, the problem will always be faced by the growers.

3. DRYING MACHINE

The new Drying Machine for ginger and chillies was inaugurated by Agriculture minister Shri H. Rammawi on 10th February 2007 at the initiative of Community Development Acting and Reflection (CDAR). This machine has been installed at Tuirial.

Airfield which is 27 kms away from the state capital Aizawl. It is projected that the machine can dry 500kgs of these items per day with electric heater of 60 kw and 40 kw. Due to the absence of drying machine, produces of the farmers has to be sold in a green from. Selling in a green from within a short span of time is a problem especially for a high perishable item like ginger. With the inauguration of the said drying machine, it is hope that this will cater the needs of drying ginger, chillies etc which in turn will benefit the farmers.

4. PROCESSING

Requirement of drying machine has already been stated. Over and above this, processing is necessary for perishable farm products like ginger etc. Many a times, the state faces a problem of unmarketable surplus especially in case of ginger. Hence the need of now is to establish scientific methods of preservation and processing units. As already mentioned at point no 2 and 3, cold storage and drying machine were inaugurated in the state. However, the extent of usefulness of these facilities has not been known by now. It is expected that these machines will be very much beneficial for the state. It is gratifying, however, to note that some measures have already been taken by the Mizoram Food and Allied Industries Corporation (MIFCO) Limited in this direction. But these measures are not sufficient to meet the requirement of the state as
a whole. The private sector is shy in setting up their own units mainly due to seasonal nature of business which keeps off people to take up this business and limited local market and processing industry has to export its products to other parts of the country, which, however, does not become possible in the absence of good transport facilities.

5. GRADING

In other parts of the country various standards for grading has been adopted. In Mizoram, the farmers are not aware of the importance of grading of their produces. They therefore adopted their own standards for grading their products and because of this they could not get best possible rate for such items. It is therefore important that the state Government be intervened to supervise the grading activity of our farm products.

6. TRANSPORTATION

Adequate and efficient transportation is corner stone of present marketing system the condition of which is already stated. In Mizoram, only one system of transport is available for marketing of our agricultural products, namely, road transport as the state is a hill-locked region. As a consequence of it the transportation cost goes high which in turn creates a problem for the farmers as well as the ultimate buyers. Addition of cost of transportation to the product
ultimately increases the selling price and at the same time creating less profits to the growers.

7. FINANCING

In fact finance is required at every stage from harvesting of the crops till its final disposal to the ultimate consumer. Because of non-availability of finance to meet the pre and post harvest operational expenses in Mizoram the growers have been forced to fall a prey into the hand of unscrupulous middlemen who fallen themselves on the expanse of poor growers. The organised credit lending institutions like commercial and co-operative banks were largely not within their reach.

8. MARKET INFORMATION

Any buying or selling activity, which is undertaken on an isolated or spontaneous decision has less chances or economic success. In Mizoram the sources of information for the growers are mainly Radio broadcasts, inquiries from neighbouring growers, local media broadcasts etc.

It is high time for them to know about the rates prevailing in the terminal markets. An attempt is being made by the National Informatic Centre (NIC) to provide an internet connection to so many interior villages which will greatly help the farmers.
ROLE OF GOVERNMENT AGENCIES IN MARKETING OF AGRICULTURAL PRODUCTS IN MIZORAM

Marketing has a challenging task and key role to play in agricultural production, growth, development and the over-all success in the years ahead is set in the marketing field and context. The Royal Commission on Agriculture (1928) and a host of subsequent committees/commission gave pointed references to the effect that the Indian farmer was at a serious disadvantage in selling his produce and therefore, needed help and support so as to enable him to sustain his production activity and to come up economically and the market and marketing system needed to be drastically reformed and rejuvenated. For this purpose, the State had to take concrete steps to usher in the required change for the betterment of the farmers and for the improvement of the system as a whole.

Professor W.A. Lewis envisaged the role of the State in diverse areas for "maintaining public services, influencing attitudes, shaping economic institutions, influencing the use of resources, influencing the distribution of income, controlling the quantity of money, controlling the fluctuations and influencing the level of investment". A welfare State has its prime national goal the aggregate economic well being of its people. The Government of India embarks upon a series of steps to bring about necessary
improvements in agricultural marketing system including market development for agricultural produce.

Let us explain below role of government and its agencies who are involved in the production and marketing of agricultural products in Mizoram.

A. AGRICULTURE DEPARTMENT

The Agriculture Department was established in 1972 by the time when Mizoram became a Union Territory. It has been looking after Crop Husbandry, Agriculture Research and Education, Land Used Board (LUB) and Minor Irrigation. There are three (3) Joint Directors looking after Minor Irrigation, Land Used Board and Administration. Under the Directorate, there are six (6) Agricultural Districts and fourteen (14) Sub-Divisions and fifty three (53) numbers of Agricultural Circles/Sub-Circles. The Minor Irrigation Wing has Joint Director at the Directorate and four (4) Divisions and nine (9) sub-divisions. For imparting training to Gram Sevaks and farmers, one Integrated Training Centre (ITC) was set up in 1979 at Hnahthial and is headed by the Principal in the rank of Joint Director. There are two (2) numbers of Krishi Vighyan Kendra (KVK) (Farm Science Centre) at Kolasib and Hnahthial established in 1977 and 2002 respectively and headed by Training Organisers.
Out of the seven (7) commodities in the present study, Agriculture Department has been taking up the production of one oilseed viz. Sesame. Oilseed Production Programme (OPP) along with other programmes being implemented as Centrally Sponsored Programmes under Technology Mission in Mizoram. Oilseed Production Programme was implemented since 1999-2000. The objective of the programme was to harness the best of production, processing and management technologies to accelerate self-reliance in oilseeds etc.

The status of fund released for OPP since 1999-2000 is indicated below:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Programme</th>
<th>Year</th>
<th>Fund released by the Govt. of India (in lakhs of Rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. OPP</td>
<td>1999-2000</td>
<td>120.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2000-2001</td>
<td>276.25</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2001-2002</td>
<td>190.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2002-2003</td>
<td>70.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2003-2004</td>
<td>79.00</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Statistical Abstracts 2004-2005, Department of Agriculture and Minor Irrigation, Mizoram.*
The Oilseed Production Programme (OPP) has been replaced by Macro Management of Agriculture (MMA) since 2004 - 2005.

The status of funds released for Macro Management of Agriculture (MMA) (Oilseeds) is shown below:

| TABLE 4.2 |
| STATUS OF FUND RELEASED FOR MMA |
| Sl.No. | Name of the Programme | Year | Fund released by the Govt. of India (in lakhs of Rupees) |
| 1. | MMA | 2004-2005 | 79.00 |
| | | 2005-2006 | 41.00 |
| | | 2006-2007 | 30.00 |

Source: Statistical Abstract 2004-2005, Department of Agriculture and Minor Irrigation, Mizoram.

B. HORTICULTURE DEPARTMENT

In 1993, Horticulture Department was established out of the parent Department of Agriculture. The organisational structure of Horticulture Department is presented in the next page:
DIAGRAM 4.1
ORGANIZATIONAL STRUCTURE OF HORTICULTURE DEPARTMENT

Director

Joint director

Deputy director (fruits)
- Superindent
- Horticulture Development officer (fruits)
- Hort. Development officer (plant protection)
- Field Consultant
- Horti. Development officer (plant protection)
- Horti. Extension officer

Deputy director (spices)
- Finance & Account Officer
- Horti. Development officer (Spices)
- Field consultant (Spices)
- Horti. Development Officer (Flowers)

Deputy director (vegetables)
- Horti. Development Officer (Vegetables)
- Horti Extension Officer (Vegetables)
- Engineers

Deputy director (plantation crops)
- Horti. Development Officer (plantation)
- Horti. Extension Officer (Store)
- Field Consultant (Plantation crops)
Besides these, there are 8 (eight) horticulture divisions and 3 (three) sub-divisions in the state. Out of the 7 (seven) commodities in the present study Horticulture Department has been taking up production of 6 (six) commodities of the study. The department has received the following funds for Area expansion under Mini-Mission (II) of Technology Mission from the Central Government. These funds were disbursed to various farmers for area expansion so as to enable them to increase production.

**TABLE 4.3**

**FUNDS RECEIVED UNDER MINI MISSION II (In lakh Rupees)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chilies</td>
<td>11.05</td>
<td>13.00</td>
<td>8.19</td>
<td>13.00</td>
<td>13.00</td>
<td>10.40</td>
</tr>
<tr>
<td>2</td>
<td>Passion Fruit</td>
<td>45.50</td>
<td>65.00</td>
<td>135.98</td>
<td>130.00</td>
<td>117.00</td>
<td>675.00</td>
</tr>
<tr>
<td>3</td>
<td>Orange</td>
<td>6.50</td>
<td>-</td>
<td>38.87</td>
<td>52.00</td>
<td>65.00</td>
<td>67.50</td>
</tr>
<tr>
<td>4</td>
<td>Pineapple</td>
<td>6.50</td>
<td>6.50</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Horticulture Department, Government of Mizoram

**C. MIZORAM INTODELHNA PROJECT (MIP)**

The Government of Mizoram introduced a project known as MIP which may be translated as a "project for self-sufficiency in Mizoram" on 26th March 2002 for upliftment of the
rural poor especially the shifting cultivators. Its main concern is attainment of self-sufficiency, food security and better livelihood for the cultivators as a whole. The Planning Commission has agreed to release Rs. 15.00 crores\(^2\) as Additional Central Assistance to the Government of Mizoram and therefore the Ministry of Finance has conveyed the sanction of the president of India and accordingly the Government of Mizoram has sanctioned the same on 27\(^{th}\) March 2003 for the implementation of the project during 2003 – 2004, the Planning Commission had agreed a One Time Additional Central Assistance (ACA) of Rs. 20.00 crores\(^3\) for MIP in the Annual plan of Mizoram.

The degree of success of the MIP depends on monitoring of programme implemented to a great extent. Therefore, a comprehensive monitoring system has been designed for MIP. A separate cell has been created at each level of administration namely village, District and State level respectively.

**D. MIZORAM FOOD & ALLIED INDUSTRIES CORPORATION LIMITED**

The Mizoram Food & Allied Industries Corporation (MIFCO) Limited came into existence on 19\(^{th}\) December 1989 with

\(^2\) Statistical Abstract, Department of Agriculture and Minor Irrigation, 2004 - 2005, p-76.

\(^3\) Ibid.
an authorised share capital of Rs 20,00,00,000* (Rupees twenty crores)*. The objects for which the company is established are:

(1) To engage in the processing and preservation of foods, milk, fish, fruits, vegetables and all food materials of animal, poultry, agricultural or piscicultural origin, and to buy, stock, sell, import and export and generally to deal in such processed foods

(2) To promote, establish, aid, improve, develop, administer, own and run, assist, food processing and Allied Industries, projects, or enterprises or Programmes or farms for manufacture or production of processed food, juice, squash, meat, canned products, oil oleoresin, sesamum, maize, bamboo shoots and likes, plant, machinery, implements. Accessories, tools, materials, substances, seeds, plants, goods or things of any description, which in opinion of the Company will help the growth, improvement and modernization of food processing, horticulture and allied industries.

(3) To buy, collect, import, export, sell, store, transport, distribute, and generally deal either on cash, deferred payments, installments or hire Purchase or on hire basis in processed food, plants and machinery, implement accessories tools, materials,  

*Amended as per resolution of the 20th Annual General meeting held on 20th April 2006

4 Memorandum and Articles of Association of Mizoram Food and Allied Industries Corporation Limited.
substances, seeds, plants, goods or things of any description including boilers and all types of modern food processing machineries and implements, pesticides, insecticides, weedicides, fungicides, plant and raw materials protection chemicals cold storages, deep freeze equipments and all types of equipments and prerequisites required for food processing, horticultural equipments for processing and preserving food products including materials of animal origin, fuel, oils, lubricants and other articles allied to the above.

(4) To promote, establish, improve, aid, assist, develop, administer, own and run, industries, projects, enterprises, programmes for processing and preservation of agricultural produce, forest produce, animal origin produce, and products of pisciculture, and horticulture for purposes of increasing quality or availability or otherwise of goods and subsidiary foods in all their forms and variation, either for export or consumption in the country.

(5) To promote, establish, improve, develop, administer, own and run service shops, repair shop or workshops, to maintain, repair, refine improve any plant, machinery, implement, accessories appliances, apparatus, tools goods or things of any description capable of being used by any activity which the company is competent to carry on or use by any customer or person having dealings, with the Company, or commonly dealt in by persons
engaged in any such business which may seem capable of being profitably dealt with by the Company and to manufacture, import, export, buy, sell or otherwise deal in workshop machinery of all kinds.

MIFCO Ltd. has installed Fruit Juice Concentrate Plant at Chhingchhip with a total project cost of Rs 2,59,97,000 lakhs\(^5\) and the same was commissioned on 19\(^{th}\) May 1998 with a capacity (single shift) of 1400 MT/ Pa. This plant is being upgraded since the year 2001 with a total project cost of Rs 375,00,000\(^6\) lakhs with an increase capacity of 1200 MT/ Pa. MIFCO has therefore procured certain Raw materials (Fruits) directly from the growers and were sold in a juice/squash form to the local market. Statement of Raw materials procured by MIFCO is shown in the following page:

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5. Receipt and Payment Register maintained by MIFCO Ltd.
6. Receipt and Payment Register maintained by MIFCO Ltd.
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantity (Qtn)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Amount (Rs)</td>
<td>2,254.77</td>
<td>254.80</td>
<td>13.20</td>
<td>13.00</td>
<td>13.00</td>
<td>13.00</td>
<td>13.00</td>
<td>13.00</td>
<td>13.00</td>
</tr>
<tr>
<td>Fruit</td>
<td>Passion</td>
<td>Pineapple</td>
<td>Orange</td>
<td>Pineapple</td>
<td>Pineapple</td>
<td>Pineapple</td>
<td>Pineapple</td>
<td>Pineapple</td>
<td>Pineapple</td>
</tr>
<tr>
<td>Quantity</td>
<td>2,254.77</td>
<td>254.80</td>
<td>13.20</td>
<td>13.00</td>
<td>13.00</td>
<td>13.00</td>
<td>13.00</td>
<td>13.00</td>
<td>13.00</td>
</tr>
<tr>
<td>Amount</td>
<td>1,27,400.00</td>
<td>1,27,400.00</td>
<td>6,600.00</td>
<td>6,600.00</td>
<td>6,792.00</td>
<td>6,792.00</td>
<td>6,792.00</td>
<td>6,792.00</td>
<td>6,792.00</td>
</tr>
</tbody>
</table>

Source: MISCO's Stock Register.
MIFCO's future plan on passion fruit is to process it as a concentrate from for which they have already acquired extractor. The concentrated passion fruit will be chemical free and packed with aseptic packaging machine which will then be sold outside the state for further processing.

E. TRADE AND COMMERCE DEPARTMENT

Trade and commerce Department was set up on 20\(^{th}\) February 1987 soon after Mizoram attained statehood. The Government of Mizoram, Allocation of Business Rules 1987 allotted the following subjects to the Trade and Commerce Department:

1. Promotion and Regulation of Trade and Commerce subject to Provision of entry of 33 (thirty three) list in the schedule of the Constitution.


3. Border Trades

4. Agricultural marketing including sericultural products.

5. Regulated Markets

6. Establishment of market yards and trade centres

7. Inter - state Trade

The Trade and Commerce Department has been established to undertake the necessary task in framing sound and comprehensive policies for the improvement of marketing in
Mizoram. Besides Directorate, There are 2(two) District Market Office viz. Lunglei District Market Office and Champhai District Market Office opened on 22\textsuperscript{nd} February 2002 and 28\textsuperscript{th} February 2003 respectively. The Trade and Commerce Department has been looking after export and import (between the states of the country) of all commodities including agricultural, horticultural, forests etc products. Whosoever wants to purchase these items from the neighbouring States has to obtain permit/license from the Trade and Commerce Department.

The Department has been taking steps for having a good international trade with the neighbouring countries especially with Myanmar and Bangladesh. The Customs Act, 1962 recognised Import and Export by air, by sea, by land and by post. For these purposes Customs Post, Airport and Land Customs Stations have been appointed by the Central Government under Section 7 of the Customs Act, 1962.

The Land Customs Stations which have been declared within Mizoram under Section 7 © of the Customs Act, 1962 are as follows\textsuperscript{7}:

(1) Zokhawthar L.C.S:- Zokhawthar-Rih Sector Road from Champhai to Melbuk – Tlau to Myanmar.

\textsuperscript{7} Export policy distributed on 'workshop-cum-Training programme held on 10 Nov 2005 at Tourist Lodge, Aizawl on export promotion from Mizoram, p-1.
(2) Demagiri (Tlabung L.C.S.):- Demagiri- Rangamati Sector, through Kanaphuli River (Khawthlang Tuipui) inland water-ways to Bangladesh.

All the goods other than those specified in Table ‘A’ and ‘B’ of the Exim Policy 2002-2007 are freely exportable. This is, however, subject to any other law for the time being in force.

Under the EXIM Policy, the normal trade in all commodities between the two countries through the Land Customs Stations is permitted subject to payment of customs duties as applicable on International Trade with any other country of the world.

I. BORDER TRADE WITH MYANMAR

For promoting trade relations between India and Myanmar, Border Trade Agreement dated 21.1.1994 was signed between the Government of India and the Government of Myanmar. For this Indo-Myanmar Border Trade, one Land Custom Station (LCS) has already been set up at Zokhawthar near Myanmar Border which is 22(twenty two) Kilometers away from Champhai. The Ministry of Commerce, Government of India has entrusted the Border Roads Organisation (BRO) for infrastructure Development at Zokhawthar and a sum of Rs 442 lakhs\(^8\) have been sanctioned for building the Land Custom Station in Zokhawthar and the work is

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8. Trade & Commerce Department, Government of Mizoram.
being carried out by the BRO. As per the request of BRO, a Memorandum of Understanding (MOU) was signed by the BRO and Government of Mizoram for undertaking this job. Land measuring 18.40 bhigas (24625.985sq.m)\(^9\) was acquired at Zokhawthar for the Land Custom Stations on 7\(^{th}\) September 2000 and this land had been handed over to the BRO by the Government of Mizoram on 25\(^{th}\) April 2001. The Government of Mizoram had also acquired 126.95\(^{10}\) acres of land at Khawnuam (Melbuk) for establishment of Indo - Myanmar Border Trade Township which is 8 Kms away from Zokhawthar. Out of the funds amounting to Rs 224.62 lakhs\(^{11}\) received from the Ministry of Commerce, Government of India, now the buildings are under construction and are nearing to completion and ancillary facilities are also under construction. A proposal for Rs. 38 crores\(^{12}\) was submitted in 2007-2008 to the Ministry of Commerce, Government of India for major improvement of the entire project and sanction for which is awaited.

In terms of the Agreement for Traditional Free Exchange/Barter Trade, Indo-Myanmar Trade is restricted to the 22 items

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\(^9\) Trade & Commerce Department, Government of Mizoram.

\(^{10}\) Ibid

\(^{11}\) Ibid

\(^{12}\) Ibid
as listed in Schedule 1 in Public Notice. Under the said Agreement, guidelines have been issued vide Public Notice No. 01/2004 dated 29-1-2004 by the Commissioner of Customs (P), NER, Shillong for the trade and public concerned as under:

PUBLIC NOTICE No.01/2004

The following guidelines are issued for the guidance of the trade and public concerned regarding the manner in which international border trade is to be conducted through the proposed Zokhawthar Land Customs Station.

i. The trade is to be conducted within the parameters prescribed in the Indo-Myanmar Trade Agreement signed between India and Myanmar.

ii. Traditional free exchange/Barter Trade will be restricted to the 22 items agreed upon by the two countries, finding mention in schedule I of the Agreement reproduced below, namely:

Schedule

a. Mustard / Rape Seed

b. Pulses and Beans

c. Fresh Vegetable

13. Short comments on export policy- part-I & export from Mizoram (India) to Myanmar part-II distributed in the workshop-cum-training programme held on 10-11-2005 at Tourist Lodge, Alzawi on 'Export Promotion from Mizoram', p-4.
d. Fruit

e. Garlic

f. Onions

g. Chillies

h. Spices (including nutmeg, cloves & cassia)
i. Bamboo

j. Minor forest products, excluding Teak

k. Betel nut and leaves

l. Food items for local consumption

m. Tobacco

n. Tomato

o. Reed Broom

p. Sesame

q. Resin

r. Coriander seed

s. Soya bean

t. Roasted sunflower seed

u. Katha

v. Ginger

iii. Trade will be conducted in the existing Traditional Exchange, the Barter Mechanism and Normal Trade under the Letter of Credit system (L/C), as explained below.
Traditional Exchange, will consist of items used in the schedule I above and will have a value limit of up to US $ 1000. This exchange will be limited to ethnic or indigenous people residing within 40 Km on either side of the international border. Trade will be conducted under a simplified document, without GR formalities as prescribed by the Reserve Bank of India.

Barter Mechanism, or trade under the barter system of up to US $ 20,000, with GR formalities, vide the Director General Foreign Trade (DGFT) Public Notice, PN No. 289(PN) 92-97. Under this system traders will have to possess an L/C number allotted by the DGFT (Commerce Ministry). The Items that can be traded /carried has been restricted to the 22 items listed in Schedule I. (Trade to the above modes shall take place only by way of head loads or non-motorized transport. Imports from Myanmar shall precede export from India to Myanmar. There will be no monetary transaction under barter trade agreement although consignments must be invoiced in US Dollars and should not exceed US $ 20,000 per transaction – Authority; RBI AP (DIR series) Circular No. 17 dated 16 Oct, 2000)

Normal Trade, as envisaged in Article of the Indo-Myanmar Trade Agreement will be conducted in freely convertible currencies under the Letters of Credit system (L/C) as per the Exim
Policy guidelines of the Commerce Ministry. Any item falling under the Open General License (OGL) of the Exim Policy can be traded under this method. Possession of an IEC number is a basic necessity.

iv. Customs duties and Cess will chargeable as per the Customs Tariff Act. Currently, for imports a rate of duty of 5% ad valorem is applicable on all the items specified in Schedule I, vide Ministry of Finance Notifications 9/1995 and 24/2002. For detailed clarification the office of the Commissioner of Customs NE Region Shillong or, the Deputy Commissioner of Customs, Aizawl Customs Division may be consulted.

v. Only Cess is currently chargeable on exports from India to Myanmar on some of the items mentioned in the said Schedule.

vi. Exchange of Barter in items other than the agreed 32 items will be liable to seizure/confiscation under the Customs Act 1962.

vii. Travel-Pass holders (To be issued by the Government of Mizoram in consultation with the Ministry of Home Affairs) eligible for Foreign Exchange will also be eligible for a baggage allowance along the lines permitted across the Indo-Nepal Border, i.e. goods of third Country origin will be chargeable to duty at the prevailing applicable to baggage items. The General Free allowance will not be available to Travel-pass holders. Used personal effects will however
be eligible for duty free clearance as per the prevailing Baggage Rules, 1978, as amended from time to time.

viii. All Export-Import undertaken in the Border trade will, as usual, be covered by proper Customs Documents as prescribed for the purpose of International Trade.

ix. The attention of the trade and public are specially invited to the Department of Agriculture & Co-operation, Ministry of Agriculture, Government of India, Notification under S.O. 1322(E) dated 18.11.2003 issued the Plant Quarantine (Regulation of Import into India) Order, 2003, effective from 1st January, 2004, which allows the import of Plants and Plant products only after the following conditions are fulfilled.

a. A valid permit is issued under the Order (Application for these permits are to be addressed the Deputy Director (PP/Ent), Regional Plant Quarantine Station, FB Block, Sector III, Salt Lake City, Kolkata-700024)

b. Phyto-sanitary certificates issued by an authorized officer at the country origin in respect of items mentioned in Schedule V & VI of the order.

c. Import can be affected through Authorized entry points only, as listed in Schedule-I, II & III of the Order. Champhai (Zokhawthar) is yet to be notified as authorized entry point.
Since the Indo-Myanmar Trade Agreement, is limited to agricultural and forest produces only, all of which are likely to fall under the category of Plant and Plant materials no trade in such materials can currently take place through Champhai (Zokhawthar) pending the Ministry of Agriculture notification.

Accordingly the Reserve Bank of India also issued guidelines for the Border Trade between India and Myanmar under the Border Trade Agreement between the Government of India and the Government of Myanmar vide C.C. CO.EXP: 19/8192/05.1.01(Myn) 2004-2005.14

II. BORDER TRADE WITH BANGLADESH

For having a good trade relationship with Bangladesh, the Government of Mizoram has made Indo-Bangladesh Border Trade Centre at Kawrpuichhuah, Tlabung 97 Kms away from Lunglei (one of the District capitals in the Southern part of Mizoram). Land Measuring 224.99 Bighas (3, 01,333sq.m)15 was acquired at kawrpuichhuah for Indo-Bangladesh Border Trade. Out of the sanction amount of Rs.248 lakhs, a sum of Rs113.53 lakhs16 has been released by the Government of India for construction of the

14. Short Comments on Export Policy- part-I & Export from Mizoram (India) to Myanmar part-II distributed in the Workshop-cum-Training program held on 10-11-2005 at Tourist Lodge, Aizawl on 'Export Promotion from Mizoram', p-4.
15. Trade and Commerce Department, Government of Mizoram
16. Ibid.
said trade centre. A team of 31 delegates from Federation of Bangladesh chamber of Commerce & Industries visited Aizawl, Mizoram in October 1999 and signed a Memorandum of Understanding (MOU) with Mizoram chamber of Commerce. Reciprocal action from Bangladesh is awaited for opening of the said centre.

F. MIZORAM AGRICULTURAL MARKETING CORPORATION (MAMCO) LIMITED

In view of the problems in the marketing of Agriculture produce, the Government of Mizoram felt it necessary to set up a corporate body. Accordingly, the Mizoram Agricultural Marketing Corporation Limited abbreviated as MAMCO Ltd. was set up on 26th February, 1993.

MAIN OBJECTS

The objectives of the company to be pursued on its incorporation are:

(1) To undertake, assist, finance and promote the business of purchase, sale, storage, processing, export and import of agricultural produce including the produce of horticulture, animal husbandry, piggery, fishery, forest and sericulture;

(2) To render service of all types with or without consideration to the farmers in production and sale of agricultural produce;
(3) To provide minimum support price for agricultural produce and also to make commercial purchases and sales;

(4) To promote or conduct any commercial or industrial enterprise establishment or company or concern for agricultural produce.

The authorized share capital of the company is Rs. 10,00,00,000 (Rupees ten crores) divided into 10,00,000 (ten lakhs) equity shares of Rs 100 (one hundred) each, with powers to increase or reduce the capital.

The money due against share shall be payable as under:

- With Application Rs. 50 per share
- On Allotment Rs. 50 per share

As decided in its first meeting of the Board of Directors of MAMCO Ltd. held on 5.3.1993 and with the consent from the Planning Department, the Agriculture Department transferred Rs. 1.5 crores in favour of Managing Director, MAMCO Ltd. during the financial year 1992-1993.

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17. Memorandum and Articles of Association of Mizoram Agricultural Marketing Corporation Limited; p-12.
18. Memorandum and Articles of Association of Mizoram Agricultural Marketing Corporation Limited; p-12
19. Board meeting minutes of MAMCO Ltd.
ACTIVITIES

Year wise activities of MAMCO since its inception are highlighted below. Effort was made by MAMCO to prevent exploitation of the farmers by the outside traders.

1) **1994-95**: Through the agencies appointed by MAMCO Ltd. Viz (i) Co-operation Department and (ii) Association of Mizoram Economics Forum, 424.34 MT of chillies were procured at a remunerative price and sold at Rs 25 per Kg to outside traders.

2) **1995-96**: In this season, 101.35 MT of chillies were procured by MAMCO from various farmers of Mizoram.

3) **1996-97**: The Corporation procured and sold 247.98 MT of ginger produced within Mizoram to outside the state.

4) **1997-98**: During this season, MAMCO Ltd. procured and sold 2346.18 MT of ginger outside the state of Mizoram.

5) **1998-99**: In this year, MAMCO Ltd did not directly involve in marketing of ginger, but arranged negotiation between Tribal co-operative marketing Development Federation of India Ltd. (TRIFED) and Mizoram Widow Association in marketing of ginger. As such, the corporation did not maintain record of quantity of ginger.

6) **1999-2000**: MAMCO Ltd successfully marketed 7263.70 MT of ginger produced in Mizoram to the neighbouring state at a remunerative rate ranging from Rs. 14 to Rs. 18 per Kg through
appointed buyers. With this, the farmers earned not less than Rs 9 crores without bothering Government exchequer.

7) **2000-2001**: During this season, MAMCO Ltd sold the following commodities with remunerative prices through appointed buyers.

(i) Ginger – 4726.40 MT @ Rs. 14 – 18 per Kg.

(ii) Chilies – 178.98 MT @ Rs. 45 -50 per Kg.

(iii) Sesame – 142.11 MT@ Rs 18 -22 per Kg.

(iv) Cotton – 4.67 MT@ Rs.14. 20 per Kg.

With these sales, it is estimated by MAMCO Ltd. that the farmers earned not less than Rs. 8 crores. During this season, MAMCO Ltd. procured 120.00 MT of Tung seeds from Tung growers in Mizoram and sold 24.00 MT of extracted Tung oil @ Rs. 50.00 per Kg (ex-factory price) to Kolkata through Mizoram Tung Processing and Marketing Society (MITPAMS).

8) **2001-2002**: Through MITPAMS, MAMCO procured 300.00 MT of Tung seeds from Tung growers of the interior places and extracted about 25.00 MT of Tung oils. These Tung oils could not be sold away due to exploitation of Chinese Tung oil which is lower in the price. This exploitation seems to be due to liberalization of trade and non-restriction of import of Tung oil unlike the previous years.

Marketing of ginger, chilies, sesame etc. were still going on well through appointed contractors by MAMCO Ltd.
Construction works of Wholesale markets and Rural Primary markets under Technology Mission (MM – III) is being started.

9) **2002–2003**: Marketing of the agricultural produces going on smoothly. MAMCO entered into an Agreement with Khaibak Enterprise, Noida (U.P) and this Company procured ginger from various places of Mizoram for further despatch to Noida.


    MAMCO is therefore authorised to issue permit for movement of the aforementioned produces to be carried beyond the state of Mizoram. Rate of permit fees was also fixed by the Government as under:

    **TABLE 4.5**
    **RATE OF PERMIT FEES**

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Name of Commodity</th>
<th>Approved Rate of Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Ginger</td>
<td>1-100 Qtls @ Rs. 50/-</td>
</tr>
<tr>
<td>2.</td>
<td>Chilies</td>
<td>101-1000 Qtls @ Rs. 100/-</td>
</tr>
<tr>
<td>3.</td>
<td>Sesame</td>
<td>1000 Qtls above @ Rs. 200/-</td>
</tr>
<tr>
<td>4.</td>
<td>Turmeric</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Squash</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Orange</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Hatkora</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Tung</td>
<td></td>
</tr>
</tbody>
</table>
11) 2004–2005, 2005–2006, 2006–2007: During these periods, permits were issued to whosoever wants to carry their produce beyond the State. No complain has been received from the farmers relating to problems in selling of their produce. Checkgate was made by MAMCO Ltd. at Vairengte, the Gateway of Mizoram and whosoever is carrying their produce beyond the state has to report himself to this Gate. Construction of markets under Technology Mission (MM - III) is going on.

12) 2007–2008: During this season, the Government of Mizoram in consultation with MAMCO Ltd. entrusted Mizoram Agricultural Crops Growers and Marketing Society (MACGAMS) to procure fresh ginger @ Rs 6/- per Kg at Vairengte w.e.f. 4th May 2007. The MACGAMS signed an agreement with Patel Ginger Company, Siliguri and this Agreement has been witnessed by MAMCO Ltd.

**PROCESSING AND MARKETING OF TUNG OIL**

Tung oil is also called 'Wood oil' in China and is obtained from the nuts of two species of trees botanically known as "Aleurites Fordii" and "Aleurites Montana". At present, China stands first in the production and supply of Tung oil in foreign trade. Tung oil is mostly extracted from the kernel of former species, while Montana oil is rarely derived from the later species for mixing to the extent of about 10% with Fordii oil. Apart from China, the principal
sources of supply of Tung oil are U.S.A., Argentina and Brazil. The characteristic properties which have made tung oil so valuable in modern varnish manufactures are its unique speed of drying and excellent water resistance capacity.

In India, a few plantations were started in tea estate of Assam, West Bengal, Bihar and Coorg District of Karnataka State. However, its production is meager compared to its domestic demand. Therefore, it is imported from China, Argentina and other countries in order to meet the demand for paints and varnishes manufacturing Industries. Tung oil is mainly used by Laminates Industry, Printing Ink Industry and Paints Industry.

In Mizoram also, Tung cultivation was first introduced in the year 1935 which was soon declined due to unexploration of the major uses of the oil. After knowing the value of Tung oil in the world, many farmers in Mizoram started cultivation of Tung trees from 1989-1990. Moreover, the State Government of Mizoram introduced cultivation of Tung under the New Land Use Policy (NLUP) since 1990-1991 and it became a large scale plantation throughout the State. As assessed by the Rural Development Department of Government of Mizoram, there are as many as 71,20,551 Nos. of Tung Trees with an area covering 7785 Ha. Since then cultivation of tung trees get popularised and more farmers are
interested in its cultivation. Some of the contributing factors for increasing Tung cultivation are:

(1) Suitability of the climate of Mizoram

(2) An expectation of farmers that it serves as the most viable alternative to Jhum cultivation.

Certain problems and constraints confronting the cultivation of tung trees may be enumerated as under:

(1) Production constraints

(2) Post harvest handling constraints

(3) Marketing constraints

(4) Unorganised farmers and mismanagement

(5) Credit and Investment constraints.

In order to remove the above constraints the State Government has formed a task force comprising of various State Departments and Corporation. As per the research paper on Indian Tung Characteristics and Processing by Oil Technological Research Institute, Anantapur, India, the prospect of Tung Cultivation is quiet satisfactory in Mizoram whereas many States in the country has failed. Further, the oil content and its characteristics (physio-chemical composition) are also quiet satisfactory as per Analytical Report of Central Food Technology Research Institute (CFTRI) Mysore.
As mentioned earlier, the Government of Mizoram has constituted a Coordination Committee for procurement and marketing of Tung seeds and oil. Series of meetings were held to chalk out better and reliable system of marketing of Tung oil. The meeting held on 7.6.1996 and 24.6.1997 decided that MAMCO and Trade & Commerce Department be Nodal Agency/Department for procurement of Tung seeds and Marketing of Tung oil. Accordingly, the Government of Mizoram in its Notification No.B.18011/14/95-NLUP(RD) dt 26th July, 1996 declared MAMCO and Trade & Commerce Department as Nodal Agency for the same. Therefore, MAMCO in consultation with Trade & Commerce Department has taken initiative steps for all the basic requirements of marketing of Tung oil in Mizoram. It had established close link up with the major producer of Tung oil in Mizoram namely Mizoram Tung Processing and Marketing Society (MITPAMS) and a reliable company dealing in Tung oil for more than 30 years namely J. K. Trading Company, Kolkata.

During 2001-2002, MAMCO started processing of 300.00 Mt of Tung seeds through MITPAMS and extracted about 25.00 Mt of Tung oils. However, these Tung oils could not be sold away at a remunerative price due to exploitation of Chinese Tung Oil which was much cheaper comparing to Mizoram Tung oil. Hence, MAMCO and Trade & Commerce Department were not successful
and unable to go ahead for marketing of Tung oil as there were no facilities for Transport/ Price Support subsidies for this Tung oil.20

TECHNOLOGY MISSION


Under Technology Mission, there are 4 (four) Mini-Missions for the State of Mizoram as shown in the table 4.6

TABLE 4.6

MINI-MISSIONS

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Name of Mission</th>
<th>Purpose</th>
<th>Executing Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Mini Mission-I</td>
<td>For research</td>
<td>Horticulture Department, Govt. of Mizoram</td>
</tr>
<tr>
<td>2.</td>
<td>Mini Mission-II</td>
<td>For improving production and productivity</td>
<td>Horticulture Department, Govt. of Mizoram</td>
</tr>
<tr>
<td>3.</td>
<td>Mini Mission-III</td>
<td>For post-harvest management, marketing and export</td>
<td>MAMCO Ltd. (A Govt. of Mizoram Undertaking)</td>
</tr>
<tr>
<td>4.</td>
<td>Mini Mission-IV</td>
<td>For processing and marketing of processed products</td>
<td>MIFCO Ltd. (A Govt. of Mizoram Undertaking)</td>
</tr>
</tbody>
</table>

MAMCO Ltd. has been taking up this MM-III scheme and has been constructing the following markets for streamlining marketing system of agricultural produces of the farmers:21

TABLE 4.7

CONSTRUCTION OF MARKETS UNDER MM-III

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Year</th>
<th>Number of Markets</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Wholesale Markets</td>
<td>Rural Primary Markets</td>
</tr>
<tr>
<td>1.</td>
<td>2001-2002</td>
<td>4</td>
<td>18 Works completed</td>
</tr>
<tr>
<td>2.</td>
<td>2003-2004</td>
<td>2</td>
<td>32 Works completed</td>
</tr>
<tr>
<td>3.</td>
<td>2004-2005</td>
<td>4</td>
<td>34 90% of works completed except for 3 Rural Primary Markets</td>
</tr>
<tr>
<td>4.</td>
<td>2005-2006</td>
<td>5</td>
<td>27 Approval from the Ministry is awaited except for 3 Rural Primary Markets</td>
</tr>
</tbody>
</table>

Source: MAMCO Ltd; Zarkawt, Aizawl

Funds received for construction of these markets since 2001-2002 amounted to Rs. 935 lakhs ie. Rs. 425 lakhs for Wholesale Markets and Rs. 510 lakhs for Rural Primary Markets.22

It is learnt from farmers that this MM-III Scheme is very useful for the villages where markets have been constructed because the farmers need not to sit under the hot sun or under the rain or on the road side to sell their produces.

21. Mizoram Agricultural Marketing Corporation (MAMCO) Limited
22. Ibid