CHAPTER VII
OPERATIONAL ANALYSES


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As detailed out in Chapter IV, a regulated market comes into existence with notifications declaring the market area, the list of commodities brought within its fold, the constitution of a Market Committee and the market proper. Initially,
the place/s which have traditionally served as market places are treated temporarily as market yard/s. In the first general meeting, the chairman and the vice-chairman are elected and in the subsequent meeting/s the question of selecting the permanent site for the principal yard and the sub-yard, if any, are considered. A market yard is a statutorily declared area situated within the market proper where only all sellers of the notified commodities are supposed to bring them and effect transactions with the licensed traders directly or through the other licensed trading intermediaries under the supervision of the employees of the Committee. It is a nerve centre of the major part of the activities of a regulated market. The degree of success of a Committee in the implementation of the Act depends mainly upon the proper location of a yard. As uncertainties affect this decision making, in many cases, the yards are first notified temporarily to allow time to ascertain the feasibility of their satisfactory working in practice.

B: Selection of Site for the Market Yards

Determinants: For the ultimate selection of a permanent site for an yard, various factors are taken into account.

Suitability of land: The soil must stand a construction of buildings and other superstructures thereon. It must be level. It should not get waterlogged. A faulty selection of a low level piece by the APWC, Kodinar resulted in water accumulation
there during the monsoon and negatived all efforts at building
constructions and yard development. The Committee had to spend
more than four years to procure a more suitable site. ¹

Size: Both immediate and the future development needs have to be projected in the determination of size. The decision vari­ables are: (i) volume and nature of commodity-arrivals,
(ii) storage facilities, (iii) amenities, (iv) modern facili­ties, (iv) numbers of market functionaries and sellers, and (vi) the velocity of transactions. An incorrect estimation of the expansion potential leading to insufficient land acquisi­tion may make it difficult in future to procure adjoining land/s, particularly at reasonable prices.

Locality: An yard should neither be too far from the centres of population clusters nor should it be in the busy hearts of a town/city. For abnormal distance may be inhibitive as, for instance, in the case of the APMC, Borsad,² transport may be costly and auxiliary facilities like post and telegraph, bank­ing, storage, water supply, drainage, electricity, etc. may not be within easy reach. Also, if it is in a way-side corner of a town, abnormal situation may develop. Thus, the APMC, Mehmdabad had no other alternative but to shift its yard, after 10 years of its working and a large amount of investment on land and buildings from across the railway lines to the other end where direct entries in the town were practised by the incoming

vehicular traffic and where direct channelling of the agriculturist-sellers coming by the routes from the hinterland could be ensured without special efforts. As against this, the location in a congested central place will mean, among other things, (i) high purchase price, (ii) limited space availability, (iii) added traffic congestion and inconvenience to both the general public and the users of the market, and (iv) an impossibility, more or less, of future extension. For example, the APMC, Ahmedabad has a continuous headache of lack of space for the fast growing business in its yard.

Nearness to railways and/or roadways stations: Bulk of the commodities traded in the yards make transport charges a significant constituent cost element. Also, the facilities of shipment of the lots increases the attractability of an yard. Hence, this factor has its own importance, particularly, where the commodities are to be exported -- as in the case of cotton, groundnuts, tobacco, pulses, etc. For example, the main factor in the determination of the location of the yards of the APMCs at Bodeli, Bavla and Viramgam was their proximity to the railway stations.

Cost of land: Where suitable Government waste lands have been available, they have been the first choice as, as stated earlier, since 1949-50 until 1964-65, it was the Government policy to grant them for use during the entire life times of Committees

entirely free of cost and annual revenue. In all cases of purchase of privately owned lands, the land values vary in almost a direct proportion to the population densities and business prosperity of the towns/cities concerned. Actual procurement is co-related to the financial capacities of the Committees.

Ownership and occupancy rights in land: The ownership of land to be purchased may be vesting in individuals, municipal and other local authorities, charitable trusts and other public institutions, partnership firms, corporate business enterprises and Government. While in a few cases, the actual possession may be in the hands of the owners, in the other the occupants may be different. The Committees have to ensure that the vendors possess clear and marketable titles. Particularly when the ownership and the occupancy rights are possessed by different parties, and where negotiations have been made privately, they have to tread cautiously. The time involved in obtaining the actual possession of land for use as yard is an equally important consideration. (For instance, (i) agricultural tenancies, (ii) tenant occupation within the purview of the Rent Act, and (iii) Joint Family and otherwise diffused ownerships.)

C: Procurement of Land

1. Sources

Once a Committee reconciles the different pulls in the selection of the site for its yard/s and takes the final decision, it tries to tap one or more of the following sources for
its procurement:
(A) It approaches the Government for the grant of the piece, if owned by the latter.
(B) It starts negotiations with the private owners of lands in view.
(C) It starts negotiations for a lease of the land belonging to Government, Local Authorities or private individual/bodies.
(D) It approaches the Collector to start land acquisition proceedings under the Land Acquisition Act, 1894.

(A) Government land: Waste lands in compact blocks belonging to the Government are available in the urban as well as the rural areas. The State Government was aware of its potential. While enacting the Bombay Act, 1939, the Minister concerned had stated, in the course of the debate in the Legislature, that "Government will come forward to give as much assistance as possible in the form of grant of free land". No provision was, however, made until the market year 1949-50, during which, at the instance and pursuance of the Central Advisory Committee for Regulated Markets in Gujarat (i.e. Gujarat Niyanrit Bazar Sangh), the Land Revenue Rules 32(1) and 35 were amended to make the Committees eligible for the grant of Government waste lands free of price and revenue for use as market yards. The

5. G-12: p.42.
APMCs at Mehmadabad and Nadiad were the first beneficiaries of the scheme. They secured, in 1951-52, Govt. lands admeasuring 6 acres, 11 gunthas, 85 sq. yards and 3162 sq. yards respectively and valued at Rs. 29,270 and Rs. 16,468 respectively. By the end of 1963-64, out of 78 Committees, that had secured lands, 13 had obtained all such lands only from the Government, totalling 49 acres and 26 gunthas, and the other 9 Committees had secured Govt. lands admeasuring 26 acres and 8 gunthas, being parts of their total requirements. Thus, in all, 22 or 29% of the 78 Committees had received the benefit of about 75 acres of Govt. lands.

Now, if suitable sites are available or can be economically developed in Govt. lands granted free, the only major factor that has to be considered is the degree of promptness with which Government orders can be obtained. The data pertaining to the number of years taken by the 13 Committees, obtaining their entire land requirement from the Government, since their inception, are presented in Table VII.1.

<table>
<thead>
<tr>
<th>Number of Years</th>
<th>Number of Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto 1</td>
<td>4</td>
</tr>
<tr>
<td>1.1 - 2</td>
<td>1</td>
</tr>
<tr>
<td>2.1 - 3</td>
<td>4</td>
</tr>
<tr>
<td>3.1 - 4</td>
<td>1</td>
</tr>
<tr>
<td>4.1 - 5</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>13</td>
</tr>
</tbody>
</table>

Table VII.1

7. E-3: p.4. ((8,9,410) continued on p.393)
While no information about the dates when these Committees submitted their first demands to the Government and the dates when Government orders were passed has been traceable, the fact that two Committees had no land of their own for over 10 years is reflecting the gross inefficiency both on the part of the Committees and the Government administration. Ordinarily, the cases for the grant of Govt. lands ought not to have taken more than 6 months from the date of a demand by a Committee as the land was owned by the Government, it was not under any use, the law provided for its free grant to a Committee and it was the Govt. which was itself the granting authority. The District Collectors themselves had the administrative control over Committees until 1-6-1964 and it was not at all difficult for their organisations to find out why a Committee did not initiate a proposal when waste land was available for a suitable site for a market yard and, if the demand was already met, why it was lying undisposed by the Government. The undue delays, therefore, generated grievances, caused inefficiencies and went against the very purpose of the legislation for regulated marketing. The example of the APNC, Gondal (Rajkot) is worth quoting.

It had applied to the Govt. on 25-7-59 for the grant of land

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8. (continued from p.392)
   C-5, C-15, C-20, C-21, C-30, C-42, C-45, C-48, C-55, C-71, C-74, C-77 and C-84.
9. C-2, C-6, C-9, C-25, C-30, C-38, C-41, C-47 and C-61.
10. C-5, C-15, C-20, C-21, C-30, C-42, C-45, C-48, C-55, C-71, C-74, C-77 and C-84.
admeasuring 6 acres to establish an yard. Despite repeated follow up action by it, no decision was taken until 1964 when it got completely tired and disappointed by the inordinate waiting for 5 years and dropped the proposal. It did not succeed in its subsequent negotiations for the purchase of private land and had to apply to the Collector on 1-6-1964 to initiate proceedings for its compulsory acquisition, which are still not over.) In brief, the prescription of a control in the form of a time-limit of six months in the final disposal of such an application by a Committee is essential.

(B) Private land: Like the usual purchases of land from private owners, a Committee may try to effect a deal by private negotiations with them. The advantages consist of (i) quick decision making through bids and offers about the settlement of the purchase prices, (ii) personal persuasion and settlement with the existing occupants if different from the owners, (iii) verification of the titles, (iv) completion of registration formalities, and (v) securing immediate possession; for red-tape of administrative formalities are cut down substantially. Also, the choice of sites will be wide, concurrence of many government officials may be unnecessary and, unlike acquisition proceedings, antagonism on the local landowners and their supporters will be avoided. The limitations are (i) that relatively higher prices may have to be paid, (ii) that it may be

difficult to convince more than one owners for the purchase of a big block of land where the adjoining pieces are owned by parties, (iii) that a single owner may be unwilling to sell his land irrespective of the price offered or may start demanding an abnormal price once he comes to know of the special need of a Committee, (iv) that the titles of land may not be clear, marketable or free from encumbrances that may be time-consuming and costly to settle, (v) that the sale of land granted to an agriculturist under the 'New Tenure' will need the prior approval of the Collector before the occupant can transfer it to the Committee, and (vi) that it provides a scope for secret gains by the unscrupulous Committee-members. Of course, a check can be instituted by making it compulsory that all such land purchase negotiations should be conducted by a sub-Committee on which the departmental official-nominee must invariably find a place and by the latter being required to be more vigilant and to keep the Director regularly informed about the position from time to time.

By 31-8-1964, out of 78 Committees that had secured land, 21(i.e. 27%) had purchased all of their land requirements through negotiations with private owners. In addition 8 Committees, too, obtained a part of their land blocks from private owners. Out of the former 21 cases, in 20, the vendors were

12. C-4, C-11, C-15, C-24, C-27, C-32, C-36, C-37, C-46, C-49, C-54, C-59, C-65, C-70, C-79, C-80, C-83, C-86 to C-89.
13. C-2, C-6, C-9, C-25, C-30, C-41, C-61, C-62.
individuals and in the remaining one they were the Wankaner municipality. Insofar as the time taken in taking a decision to initiate a negotiation, to complete the deals and obtain the possession was concerned, it varied from less than one year in 4 cases to more than 11 years in 1 case, since the respective dates of the establishment of those Committees. The year-wise frequency is exhibited in Table VII.2.

Table VII.2

<table>
<thead>
<tr>
<th>Number of Year/s Committee/s</th>
<th>Number of Year/s Committee/s</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.1 - 1</td>
<td>4</td>
</tr>
<tr>
<td>1.1 - 2</td>
<td>3</td>
</tr>
<tr>
<td>2.1 - 3</td>
<td>5</td>
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<td>4.1 - 5</td>
<td>2</td>
</tr>
<tr>
<td>5.1 - 6</td>
<td>2</td>
</tr>
</tbody>
</table>

While the abnormal time-lags in some of the cases may be attributed to the multiplicity of the interacting variables, the fact remains that it were the indeciveness and the lethargy of the Committees that were mainly responsible for the long delays.

14. C-4, C-11, C-15, C-24, C-27, C-32, C-36, C-37, C-46, C-49, C-54, C-59, C-63, C-70, C-79, C-80, C-83, C-86 to C-89.
In such cases, the criticism against the government administration which is resorted to in vague terms by interested politicians seems to be unfounded.

(C) Leased land: Where the possibility of obtaining land on an ownership basis is distant, a practice of securing land on short-term or long-term lease has come in vogue. Under this arrangement, the Committees secure occupancy rights for prescribed periods on payment of nominal or market-rate rent as agreed upon for use of the land for market yards as per the terms and conditions in the lease-deeds. While such leasing enables the Committees to start operations without indefinite waiting for own lands, a serious limitation of a lease — particularly a short-term one — is that no structures of a permanent nature can be erected owing to the uncertainties of the lease-renewals and the timings of the availability of lands for purchases.

My field-work has shown that there were 3 Committees which had entered into agreement for securing all of their current land requirements. 15 The APMC at Ahmedabad procured land measuring 7519 sq. yards from the Municipal Corporation, a Public Trust and private traders. 16 The Savarkundla Committee procured land admeasuring 7 acres from the municipal authority. 17 The APMC, Gondal has 3000 sq. yards of land leased from Government. 18 The Savarkundla Committee had a lease for a period of

30 years on an annual nominal rent of Rs. 101. It is possible that the municipality may extend the period of the first lease on its completion or decide to sell it to the Committee. This has enabled the latter to provide some structures and amenities of a permanent nature even on the leased piece. But the situations at Ahmedabad and Gondal, where the leases are short-duration ones, are not satisfactory. There was a fourth Committee at Nadiad which had a long-term lease of municipal land in addition to that granted to it by the Government. 19

(D) Acquired land: We have, in our country, the Land Acquisition Act, 1894, for compulsory acquisition of land for public purpose. "Public purpose must include a purpose that is an object or aim in which the general interest of the community, as compared to the particular interests of individuals, is directly and vitally concerned."20 A procedure has been prescribed for the proceedings to be instituted under the Act.

When the land is so acquired, no deed of transfer or other documents are to be drawn or registered. The distinguishing features are that the availability of the particular land block is completely guaranteed irrespective of the willingness or otherwise of the owners to sell it and that the titles to such lands are indefeasible. Such compulsory acquisition under the Act is generally resorted to when (i) the owners and/or possessors refused to agree to transfer the land voluntarily at reasonable prices, (ii) the artificial hinderances are feared

19. C-47.
and (iii) too many owners are involved and individual negotia-
tions may be time-consuming and even impossible.

The Land Acquisition Act, 1894, in general and Section
16 of the Bombay Act, 1939, and Section 16 of the Saurashtra
Act, 1965, in particular provided for the acquisition of lands
by the Government for the Committees on the latter's requests,
provided all the costs incurred by the Government on account
of the acquisition proceedings and the compensations awarded
were borne by them. Pursuant to the recommendations of the
Dantwala Committee (1950-51), Section 16 of the Bombay Act,
1939, was amended in 1953 to empower the Government to acquire
such lands on its own instance and to transfer them subsequently
to the Committees at the latter's full cost. But the Expert
Committee (1954-55) was very critical of this provision when it
commented: "The use of this power has not been made so far
but there is a danger that Market Committees subsequently ap-
pointed may not consider the land thus acquired suitable for
the purpose. Apart from the question of cost in such a case, we
are of the opinion, it would not be fair to impose such land
on the Market Committees. At the other extreme we have come
across cases where the Market Committees shifted their choice
from one place to another and the acquisition proceedings had
consequently to be dropped." In actual practice the acquisi-
tions are being made on the specific requests by Committees
concerned. In view of this, the retention of the power for the

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Govt. to acquire land on its own accord for subsequent transfer to a Committee even under Section 49 of the Gujarat Act, 1963, has not been a correct approach in terms of its practical utility. A suitable modification is essential.

Out of 78 Committees having lands by 31-8-1964, 31 or about 40% had obtained them through compulsory acquisitions. (4 or 5.6% more had obtained a portion of their land requirements similarly.) A criticism of this method has been that the process of compulsory acquisition is long and tardy. The frequency Table VII.3 presents the particulars of the number of years elapsed between their dates of establishment and those of the grant of possession of compulsory acquired lands.

Table VII.3

<table>
<thead>
<tr>
<th>Number of Year/s</th>
<th>Number of Committee/s</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.1 - 1</td>
<td>1</td>
</tr>
<tr>
<td>1.1 - 2</td>
<td>2</td>
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<td>2</td>
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<tr>
<td>11.1 - 12</td>
<td>2</td>
</tr>
<tr>
<td>12.1 - 13</td>
<td>-</td>
</tr>
<tr>
<td>13.1 - 14</td>
<td>1</td>
</tr>
</tbody>
</table>

23. C-7, C-10, C-12, C-17, C-18, C-19, C-23, C-26, C-28, C-31, C-55, C-39, C-43, C-44, C-50, C-51, C-52, C-53, C-55, C-57, C-60, C-64, C-67, C-69, C-72, C-75, C-75, C-76, C-78, C-81 and C-82.

24. C-9, C-25, C-58 and C-62.

25. As per 23(above).
The Table shows that only 23% of the 31 Committees had a time-lag of less than 3 years, 61% had it up to 5 years, 77% had it up to 8 years and the remaining 19% had it between 8 and 14 years. Even if the time-lags between the establishment of the Committees and their taking of decisions to request the Government to initiate compulsory acquisition proceedings and consequently submission of such proposals to acquiring authorities were excepted, the figures of the total time-spreads do reflect long delays.

My field-work has shown that, where the members of the Committees were influential and pursued tenaciously the process of acquisition at all stages, prompt action ensued; but such cases were few. There were many contributory causes that were responsible for the long delays in the completion of the acquisition proceedings.

(i) The acquisition authorities have to undergo numerous formalities prescribed by the Land Acquisition Act, which are time-consuming. The major stages included (a) the submission of proposal for acquisition by the Committee to the Collector, the Deputy Collector or the Land Acquisition Officer, (b) the

26. A vain attempt was made by me to ascertain date-wise the actual time taken by the acquisition proceedings passing through various stages from the time when the first proposals were submitted by the Committees. Only 6, of the 31 could submit the date-wise information which was not found to be representative of the class in terms of the results of oral interviews.

27. The details of three actual cases given in Table VI.4
(continued on p.402)
preliminary survey under Section 3A in respect of the land proposed, (c) the submission of the proposal by the acquiring authority to Government for publication of notification under Section 4, (d) the publication of a notification in the Official Gazette by the Government, (e) the issue of notices to the parties concerned and allowing a period of 30 days from the date of notification inviting objections, if any, to the acquisition of land as notified, (f) the disposal of objections after giving an opportunity of hearing to the objectors and making further inquiry, if necessary, (g) the submission of proposal by the acquiring authority to Govt. for publication of final notification under Section 6, (h) the requiring the Committee to undertake to pay or deposit in advance a specified amount the Government may have to pay as compensation, (i) the publication of final notification under Section 6 with or without the urgency clause (j) the issue of at least 15 days' notices to the parties concerned for submission of claims for compensation, (k) the hearing, under ........................

27. (continued from p.401)

serve as an illustration.

Table VII.4

<table>
<thead>
<tr>
<th>APMC</th>
<th>Date of submission</th>
<th>Date of issuing notification</th>
<th>Date of publication of notification under Sec. 4</th>
<th>Date on which possession of land was given</th>
<th>Time involved years months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anand</td>
<td>12-6-58</td>
<td>20-11-58</td>
<td>19-2-59</td>
<td>24-4-59</td>
<td>0</td>
</tr>
<tr>
<td>Sanand</td>
<td>9-10-59</td>
<td>10-10-60</td>
<td>22-3-62</td>
<td>3-8-62</td>
<td>2</td>
</tr>
<tr>
<td>Bhabhar-Deodar</td>
<td>27-2-63</td>
<td>3-10-63</td>
<td>30-1-64</td>
<td>51-7-64</td>
<td>1</td>
</tr>
</tbody>
</table>

It is worth noting that in two of these cases, the urgency clause was applied.

* C-17, C-43 and C-51.
Section 11, of parties submitting the claims, (1) the declaration of the award, (m) the taking over of the possession of the land, (n) the payment of the compensation amounts to the original owners or depositing them in the courts if any persons have not accepted the awards and referred the matter to the Courts. And, any error committed in the compliance of the statutory requirements at any stage causes complication and further delays.

(ii) Where urgency clause is applied the process of acquisition is quickened as the possession of land can be taken immediately after the expiration of 15 days from the date of the publication of the notice under Section 9 of the Land Acquisition Act. But the urgency clause is not normally applied; and, there is also a limitation put by law that it can be applied only to land that is waste or arable i.e. free from any constructions or erections above or below the ground.

(iii) Where special land acquisition machinery does not exist, it is the Revenue Department which carries on the work of acquisition for the Committees along with its other jobs in a routine manner.

(iv) Frequent transfers in the establishment of the acquiring authority impedes even the routine progress of the acquisition proceedings as the transferees take time to acquaint themselves


29. K-1: p. 112.
themselves with the pending cases.

(v) Frequently, the acquiring officers and their staff have to face pressures from official, political, social and other vested interest, apart from the temptations of unlawful gains—monetary and others. The pulls may interact positively or negatively.

(vi) At times, the land-owners/occupants and other vicarious interests create impediments by filing law suits under various pretexts at various stages and add to the delays.

(vii) Many a time, the lack of knowledge, guidance, experience and inefficiency of the members and the staff of the sponsoring Committees result in incomplete and/or ambiguous or late submiss ons of information to the authorities and the absence of a planned and co-ordinated follow up of the proposals. Modifications in original acquisition proposals are further time-consuming.

In any case, delayed land acquisition hinders the initial growth of the Committee concerned and puts off the general programme of the marketing regulation in the State (i) A committee without its owned market yard can not enforce satisfactorily the provisions of the Act. (ii) The Committee to which a government loan has been granted for the purpose, has to bear the interest burden on the idle funds as the advance deposits with the Government for land acquisition proceedings do not carry any interest and the balances can not be invested
in alternative remunerative channels owing to the uncertainties of the dates of payments of compensation amounts. By the way, this virtually amounts to a freezing of the funds earmarked for this sector. (iii) The longer is the duration of acquisition proceedings, the greater is the possibility of land values moving up in our developing economy. Hence, in most cases, the compensation awarded far exceed the original estimates made by the Committees. (iv) The Committee without a market yard loses much of its income from market fees as regulation of trade proves to be only partial.

The delays have been criticised by various quarters. The Dantwala Committee (1950-51) had commented: "The most serious obstacle to the spread of regulated markets and to the satisfactory working of the legislation appears to be the difficulties -- financial and others in the acquisition of sites for the market and construction of buildings.... On top of this, anything between two to five years have been spent before the land could be acquired. This is the biggest deterrent to the establishment of regulated markets and a major obstacle to their efficient and smooth working later on". Similarly, the Expert Committee (1954-55) had observed: "The minimum time that is taken between the submission of the proposal by the Market Committee for the acquisition of a site and the possession of

land, is 3 years, but we are told that there were cases where the time taken was as much as 5 years. The First State Conference of Market Committees in Gujarat held at Surat in February, 1965, had become so touchy as to pass the first resolution severely criticising the commonly experienced occurrence of the inordinate delays in the acquisition of lands for the Market Committees.

Now, there can not be a disagreement on the view that delays must be cut down to the minimum everywhere. But in a democracy where a variety of interests are to be satisfied and the prescribed procedures have to be followed, certain delays are bound to occur. They can, of course, be minimised. A few suggestions to gear up the existing framework may be considered here.

(1) A view is that as is the case of the special projects like those of the Mahi Canal, the Gujarat State Fertilisers Co. Ltd. and the Koyali Refinery, a 'special land acquisition machinery' should be created. However, it may be not a practical feasibility if viewed in relation to limited feed and the scatteredness of the work over the entire State. As the matters stood on 31-8-1965, in 10 districts, 19 acquisition cases of lands requisitioned by the APMGs at Gondal and Wankaner (Rajkot), Palitana (Bhavnagar), Sanand, Dehgam and Viramgam (Ahmedabad),

31. G-12; p.41.
32. L-12; p.21.
Anand, Balasinor and Petlad(Kaira), Sidhpur, Vadnagar, and Mehsana(Mehsana), Radhanpur(Banaskantha), Godhra, Halol and Santrampur(Panch Mahals) and Surat(Surat), Naswadi(Baroda) and Malpur(Sabarkantha) were pending disposal at various levels in the proceedings. It has been the experience in some cases that some of the sections of the Government Departments have moved swiftly in the past. If, therefore, a better co-ordination amongst the acquiring authorities, the concerned Committees and the Director is devised, the existing machinery may prove competent to deliver the goods. For instance, if one or two Land Acquisition Officers are attached to the Director, being specialists in the work, they will be able (a) to guide the Committees in selecting proper sites and in preparing the proposals, (b) to remain in continuous and close touch with the different acquiring authorities in regard to the cases of various Committees pending at different stages and pursue them and (c) to keep the Director informed about the follow up action the latter may have to take with higher level authorities.

(ii) Government should issue administrative directions that all acquiring authorities must complete the acquisition proceedings within one year from the date of the receipt of the proposals and should make them submit monthly reports to the Collector and the Director for their control - information (iii) The

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33. C-3, C-4, C-6, C-17, C-18, C-21, C-26, C-31, C-33, C-40, C-46, C-54, C-57, C-64, C-67, C-68, C-71 and C-81.
Director should continuously review the progress made in different proceedings, under guidance and assistance as may be necessary to the Committees concerned from time to time and bring the negligence and lethargy to the notice of the superior-line officers and the Government for action.

2. Overall data-analysis

Table VII.5 presents a classified compact view of the relative importance of the different sources through which land was procured by 78 (out of 96) Committees that had any owned and/or leased lands on 31-8-64.

Table VII.5

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Source/s</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Government grant</td>
<td>15</td>
</tr>
<tr>
<td>2.</td>
<td>Private negotiations</td>
<td>21</td>
</tr>
<tr>
<td>3.</td>
<td>Lease (a) Government</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>(b) Municipality</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>(c) Private, Public Trust &amp; Municipal Corporation</td>
<td>1</td>
</tr>
<tr>
<td>4.</td>
<td>Acquisition</td>
<td>31</td>
</tr>
<tr>
<td>5.</td>
<td>Government grant, acquisition and private negotiations</td>
<td>2</td>
</tr>
<tr>
<td>6.</td>
<td>Government grant and acquisitions</td>
<td>1</td>
</tr>
<tr>
<td>7.</td>
<td>Government grant and private negotiations</td>
<td>5</td>
</tr>
<tr>
<td>8.</td>
<td>Private negotiations and acquisitions</td>
<td>1</td>
</tr>
<tr>
<td>9.</td>
<td>Government grant and municipal lease</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>78</strong></td>
</tr>
</tbody>
</table>

34. C-2 to C-15, C-15 to C-21, C-23 to C-28, C-30 to C-52, C-54 to C-39, C-41 to C-57, C-59 to C-64, C-67, C-69 to C-84, C-86 to C-89.
It is not enough for the Committees to get lands expeditiously; these should be sufficient to allow them to develop the market yards with necessary constructions and amenities. The frequency series in Table VII.6 gives the particulars of the number of Committees possessing the stated acreages on 31-8-1964.

Table VII.6

<table>
<thead>
<tr>
<th>Area (in acres)</th>
<th>No. of Committees</th>
<th>Area (in acres)</th>
<th>No. of Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIL</td>
<td>18</td>
<td>11.1 - 12</td>
<td>5</td>
</tr>
<tr>
<td>0.1 - 1</td>
<td>4</td>
<td>12.1 - 13</td>
<td>-</td>
</tr>
<tr>
<td>1.1 - 2</td>
<td>6</td>
<td>13.1 - 14</td>
<td>1</td>
</tr>
<tr>
<td>2.1 - 3</td>
<td>12</td>
<td>----</td>
<td>-</td>
</tr>
<tr>
<td>3.1 - 4</td>
<td>8</td>
<td>16.1 - 17</td>
<td>1</td>
</tr>
<tr>
<td>4.1 - 5</td>
<td>6</td>
<td>----</td>
<td>-</td>
</tr>
<tr>
<td>5.1 - 6</td>
<td>11</td>
<td>18.1 - 19</td>
<td>1</td>
</tr>
<tr>
<td>6.1 - 7</td>
<td>3</td>
<td>19.1 - 20</td>
<td>1</td>
</tr>
<tr>
<td>7.1 - 8</td>
<td>8</td>
<td>20.1 - 21</td>
<td>1</td>
</tr>
<tr>
<td>8.1 - 9</td>
<td>2</td>
<td>----</td>
<td>-</td>
</tr>
<tr>
<td>9.1 - 10</td>
<td>2</td>
<td>26.1 - 27</td>
<td>1</td>
</tr>
<tr>
<td>10.1 - 11</td>
<td>3</td>
<td>----</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>31.1 - 32</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>96</td>
</tr>
</tbody>
</table>

Thus, 18.7% of the 96 existing Committees were landless. 37.5%, 27.1%, 9.4%, 3.1% and 4.2% respectively possessed land.

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35. C-1 to C-89.
upto 5 acres, between 5.1 and 10 acres, between 10.1 and 15 acres, between 15.1 and 20 acres and between 20.1 and 32 acres. Insofar as the sufficiency was concerned, an analysis of the replies to my questionnaire received from the Committees has shown that 45 out of the 78 were not deficient for the purpose of their current land needs. In other words, 42% did have sufficient market yard space. 24 out of such 33 Committees had been trying to secure lands -- 6 as government grant, 2 from private owners, 2 on lease and 14 through compulsory acquisitions; the remaining 9 seemed not to be bothered by the shortages. And, another 10 of the 88 active Committees had yet to obtain lands the position being: 1 as Govt. land, 2 from private owners, 5 through acquisition proceedings and the rest were not making any effort to secure lands.

It is instructive to compare the earlier figures with the minima of 60, 50, 25 and 12.5 acres respectively prescribed by the Indian Standards Institution for the A, B, C and D category market yards. Even if the minimum requirement of 12.5 acres

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36. The regulated market yards have been categorised as A, B, C and D: Category A is that type of market yard where produce above 1000 carts or 500 metric tonnes arrives per day for sale or stock. Category B is that type of market yard where produce of 501 to 1000 carts or 251 to 500 metric tonnes arrives per day for sale or stock. Category C is that type of market yard where produce of 251 to 500 carts or 126 to 250 metric tonnes arrives per day for sale or stock and D category represents that type where produce below 250 carts or 126 metric tonnes arrives per day for sale or stock. Vide: K-21: pp. 4-5.
prescribed for the D category yards are taken into accounts, 70 Committees were deficient from \( \frac{1}{2} \) acre to 12 acres. Actually about two dozen Committees can fall in category B, which need 26 acres each as prescribed. However, there were in all only 5 Committees having lands between 25 and 32 acres. The seriousness of the shortfalls becomes self-evident. Moreover, (i) the Unsa yard which is a multi-commodity, all-the-year-round regulated market and which had the maximum arrivals of 5,10,783 quintals\(^{37}\) of regulated commodities during 1964-65, and (ii) the Patan yard which is almost equally prominent and has the special need for additional space owing to its being a cattle market also, belong to category B at least.\(^{38}\) The deficiency in their case is around 50% if not more.\(^{39}\) It becomes difficult to understand as to when, if ever, any market yard in Gujarat will attain the standards laid down by the Indian Standards Institution, New Delhi.

**D: Market Layout; Provision of Buildings, Enclosures, Equipments and Amenities**

**Layout design:** The area of a market yard has to be related to its layout; the non-availability of sufficient land in turn affect the design of the market yard. Once land is procured,

\(^{37}\) D-84: p.17.


\(^{39}\) C-23 and C-25.
a scientific layout and detailed plans and estimates of the office building and the other structures and amenities have to be prepared. A well laid design aims at ensuring the optimal space utilisation, allowing scope for future expansion and better supervision and mitigation of chances of the occurrences of bottlenecks in the smooth and efficient working of the market. My field-work has shown that a vast majority of the yards had developed in a hap-hazard without much pre-thought regarding the structural efficiency and the facilities to the people using them. Inadequacy of space in some sectors, unused surpluses in the other, cross haulages and handlings, overall congestion, the lack of resting places for men and animals, of drinking-water supply, conveniences, storage space, etc., -- all were a common feature with them, reflective of the primitiveness. When even the elementary conditions of utilitarianism were not fulfilled, the question of landscape and beautification that are the characteristics of such institution in affluent societies hardly arose.

**ISI Standards:** While prescribing, for the first time in February, 1960, standard layouts and plans for regulated market yards for agricultural commodities, the Indian Standards Institution stated: "Though the regulation of markets has been in operation for the last two and half decades, very few markets -- less than a hundred -- can be said to have well laid out. In some cases, the markets were originally planned for the quantity of produce they had to handle later. Lack of properly planned
markets affects their efficient working. It is realised that the size and scope of the area of a regulated market yard may vary from place to place, depending on the conditions of the locality, the land available, the economic conditions of a market, etc. The layout should, therefore, be flexible to suit local conditions. It is, however, desirable that, as far as possible, regulated market yards should be established according to standard layouts. It is felt that when such standards become available and are implemented, they will go a long way in improving the present conditions in the markets and will have a salutary effect on the overall improvement of marketing in the country.*

The Indian Standards Institution also prescribed the standard layouts for regulated market yards for (i) 'Fruits and Vegetables', (ii) 'Cattle' and (iii) 'Tobacco'.

Accordingly, in addition to affording ease of movement for persons, carts and trucks, and sufficient off-street parking and manoeuvring space for carts and trucks and adequate arrangements for drainage of sullage as well as rain-water, the general requirements and general amenities to be provided in minimum in market yards for different regulated commodities have been

42. K-23: pp. 4-5.
The regulated markets for agricultural commodities have been divided into 4 categories, viz., A, B, C and D, based on the market arrivals measured in terms of carts or weight; those for fruits and vegetables in 3 categories, viz., A, B and C, based on the number of three major types of market functionaries; those for cattle in three categories, viz., A, B and C, based on the number of cattle heads to be handled and those for tobacco in two categories, viz., A & B, based on the numbers of Commission agents and bales/bundles of tobacco arrivals. A study of the actual model layouts has shown that more structures and more space was the main feature of the larger one. Four layouts of category B in each of the four types of the market yards, therefore, are reproduced here as typical illustrations. (Vide: pp. 414-A, 414-B, 414-C and 414-D)

Patterns in practice: It must be noted, however, that it is not incumbent upon the Committees to follow the layouts and plans standardised by the Indian Standards Institution. The result has been that no yard in Gujarat has reportedly been designed accordingly. Even those few which have designed their yards since after the prescription of the standards have had their own architectural layout designs. For instance, the Market Committee at Unsa having the maximum market arrivals in terms of

All dimensions in metres.

Fig. 3 Layout for Regulated Market Yard — Type B (75 Shops) on Broad Piece of Land

AREA = 17 hectares (or 42 acres) APPROX.

Fig. 2. Layout for Regulated Market Yard for Fruits and Vegetables (Category B)
[Area = 3 Hectares (or 8 acres) Approx.]

Source: K-201 p. 7.
Fig. 2. Layout for Regulated Market Yard for Cattle (Category B) 
Area – 2 hectares (or 5 acres) 

C = COMMISSION AGENT'S BLOCK 25 X 35 METRES

All dimensions in metres.

Fig. 2 Layout For Regular Market Yard For Tobacco, Category B

[Area = 25 Hectares (or 7 Acres) Approx]

Source: R-263 P. 6
both quantity and value in the whole of Gujarat has its own
design of the new market yard that has been recently constructed.

A copy of the layout is reproduced here to give a comparative
idea. (Vide: p. 415-A) I understand that the 'Unsa pattern' has
impressed some of the other Committees and may be preferred to
the 'ISI pattern'. In all cases, the design will be conditioned
by factors like (i) the available area of land, (ii) the number
and type of commodities regulated in the market, (iii) the pre­
sent and projected volumes of commodity arrivals, (iv) the
strengths of market functionaries, agriculturist-sellers and
staff, and (v) financial resources.

Sanctioning and executing authorities: The layouts, plans and
estimates, as prepared by qualified architect/engineer have to
be got approved by the authorities prescribed under the market­
ing legislation and the Collector and/or the municipal authori­
ties concerned. Some Committees execute them departmentally and
the others through contractors. In both the cases, technical
experts have to be employed for supervision. Also, the members
of the Committee have to be vigilant inter se as also vis-a-vis
the outsider for the avoidance of malpractices.

Buildings, enclosures, equipments and amenities: The information
and data collected through field-work make interesting and ins­
tructive reading. Table VII.7 presents the particulars regarding

46. The construction work regarding godown and other structures
to be built by private occupants of the plots allotted is
still continuing.
the number of Committees that had been able to provide various types of general requirements and amenities by 31-8-1964.

Table VII.7

<table>
<thead>
<tr>
<th>Type of general requirement</th>
<th>Type of general requirement</th>
<th>No. of Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Godowns</td>
<td>Office building</td>
<td>21</td>
</tr>
<tr>
<td>Godown-cum-shops</td>
<td>Office-cum-godowns</td>
<td>7</td>
</tr>
<tr>
<td>Warehouse</td>
<td>Banks</td>
<td>18</td>
</tr>
<tr>
<td>Auction Halls, rings</td>
<td>Post Office</td>
<td>14</td>
</tr>
<tr>
<td>Platform for auction</td>
<td>Watchman room</td>
<td>11</td>
</tr>
<tr>
<td>Cart-parking ground</td>
<td>Railway siding</td>
<td>3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of general amenities</th>
<th>Type of general amenities</th>
<th>No. of Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urinals</td>
<td>Internal pacca roads</td>
<td>25</td>
</tr>
<tr>
<td>Latrines</td>
<td>Electric lights</td>
<td>25</td>
</tr>
<tr>
<td>Water well</td>
<td>Radio set</td>
<td>13</td>
</tr>
<tr>
<td>Water works</td>
<td>Loud Speaker</td>
<td>7</td>
</tr>
<tr>
<td>Electric pump/water tank</td>
<td>Telephone</td>
<td>13</td>
</tr>
<tr>
<td>Water Hut</td>
<td>Weighbridge</td>
<td>15</td>
</tr>
<tr>
<td>Water facilities</td>
<td>Bath rooms</td>
<td>23</td>
</tr>
<tr>
<td>Water cooler</td>
<td>Cattle bathing centre</td>
<td>1</td>
</tr>
<tr>
<td>Cattle trough</td>
<td>Cycle stand</td>
<td>37</td>
</tr>
<tr>
<td>Canteen</td>
<td>Drainage &amp; other sanitary arrangements</td>
<td>20</td>
</tr>
<tr>
<td>Resthouse for agriculturists</td>
<td>Tower</td>
<td>11</td>
</tr>
<tr>
<td>Guest house</td>
<td>Garden</td>
<td>6</td>
</tr>
<tr>
<td>Platform with trees</td>
<td>Garden fountain</td>
<td>6</td>
</tr>
<tr>
<td>Cattle shed</td>
<td>Weighment shed</td>
<td>20</td>
</tr>
</tbody>
</table>

47. C-1 to C-89. 48. 35 Committees had accommodated their offices in rented premises.
There has been a marked increase in the number of Committees providing basic structures and amenities as also in their varieties in the past decade and a half as is shown by a comparison of the present position with the situation as reported by the Dantwala Committee (1950-51) in 1951: "No appreciable work has been done by the Market Committees in the provision of amenities and facilities to the agriculturists bringing their produce to the market yards. Out of 50 Market Committees, hardly two Committees had built sheds for bullocks, only nine had provided resting place for the villagers and only twenty had provided drinking water facilities for men and bullocks." 49

A dozen Committees like those at Unza, Patan and Harij (Mehsana), Baroda and Bodeli (Baroda), Talod (Sabarkantha), Deesa (Banaskantha), Dohad and Derol (Panch Mahals), Surat (Surat), Amreli (Amreli) and Bavla (Ahmedabad) provided virtually all necessary amenities on the market yards 50 and the first three, when fully developed and equipped, would undoubtedly serve as model yards in the State.

There were two districts — Mehsana and Sabarkantha — only in the State in which one or more banks — commercial and/or co-operative — were functioning. The yard at Kalol had 3 banks,

49. C-10: p.20.
50. C-9, C-19, C-23 to C-25, C-38, C-42, C-59, C-60, C-69, C-72, and C-81.
and that at Unsa and Talod had 2 banks each and that at Bidhpur, Vishnagar and Meghraj had one bank each. The yards at Mehmabad, Mahuwa(Bhavnagar) and Surat may also have them soon. 51

Only one yard at Vishnagar had a post office. 52

A railway siding seemed to be luxury as only the Committee at Bodeli could provide it. 53

The APMC at Baroda has earned a place of pride in the country by constructing a modern cattle bathing fountain. 54

The Committees at Unsa, Patan, Harij, Umreth, Idar, Sidhpur and Dhansura involved private traders in the construction of shop-cum-godowns at the latters' costs on the market yard-plots provided by the former. 55 Two patterns were noted: One, some Committees effected outright sales of the plots to the traders and two, the others leased them out on a long-term basis. Banks, warehousing Corporations, etc. also got allotted such plots for their use. It needs to be suggested that the practice of an outright sale needs to be discontinued only on three grounds: (i) when the prices of landed property are fast rising, the sale of land is not in the best financial interest

51. C-23, C-26, C-29, C-32, C-36, C-38, C-48, C-7 and C-81.
52. C-32.
53. C-60.
54. C-59, D-52; Cover page 2 and L-20.
55. C-23 to C-26, C-34, C-39 and C-52.
of the Committees. (ii) It is inequitous to sell lands to private owners when in most cases it is either acquired compulsorily from the ex-owners or is granted by Government, and (iii) It would amount to the creation of oligopoly conditions; emanating from the vested interests that may get established in course of time and may not allow entry to new comer functionaries at a later stage or may create a profiteering racket both in terms of capital appreciation and unpermissible rentals. My inquiries have shown that this element has already begun penetrating in the Unza yard. The Director should issue a policy directive in this connection to all Committees in the State before it is too late.

The Central and the State Warehousing Corporations established warehouses in dozen and a half yards; the chief among them being those at Unza, Harij, Patan, Talod, Deesa, Nadiad, Kapadvanj, Baroda, Bodeli, Bavla, Bulsar and Gondal.

About 23% of the Committees have constructed their own godowns in the yards to provide storage facilities to the agriculturists.

With all this progress, the leeway to be covered is still large. An attempt has been made in Table VII.8 to work it out in terms of the percentages of total number of 96 Committees, not providing certain essential types of constructions and

56. C-23.
57. F-5; pp. 24-27, F-7; p. 11 and C-3, C-8, C-9, C-19, C-23, C-24, C-25, C-26, C-38, C-38, C-42, C-47, C-50, C-59, C-60, C-72, C-76 and C-87.
amenities.

Table VII.8

<table>
<thead>
<tr>
<th>Percentage of Committees did not providing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own office buildings</td>
</tr>
<tr>
<td>----------------------</td>
</tr>
<tr>
<td>Auction</td>
</tr>
<tr>
<td>44.8</td>
</tr>
</tbody>
</table>

Difficulties and impediments: It must also be added that the degrees of facilities varied from layout to layout, depending upon their architectural and engineering perfections. The harmony and active co-operation that could be secured from the warring interests subjected to regulation through the Committees affected the pace of their provision. Influential sections of trade-intermediaries are always reluctant to shift their business to new sites and try to create all possible hurdles in the work of the Committees, particularly during the period of transition. 59 While almost all Committees had no experience initial

58. C-1 to C-59.

59. Cf: "One of the major difficulties in the construction of such yard is the opposition of traders to shift the market from one place in which it is already established to a new place which may be developed in course of time. The opposition party emanated from the vested interests on the present sites. This is either in the form of ownership of the plot and buildings in the locality or facilities for circumventing the provisions of the Law & the Rules. To enforce their views, the traders have resorted to boycotts and strikes and also to litigation." Vide: G-12: p.40.
opposition, the APMCs at Ahmedabad, Nadiad and Anand had to face severe crises on account of the regulation of the vegetables' trade. The first two were dragged by the dealers to the Law Courts and were shut more than once owing to striking functionaries.\footnote{D-2* p.11, D-4* p.8, D-5* pp.6-7, D-8* p.3, D-9* p.5, D-10* p.3, D-11* pp.3-4, D-12* pp.3-4, D-13* pp.6-7.} The Anand market dealers who were forced to shift to the new open plots refused to stay on there on the ground that they had lost major portions of their business at the traditional place in front of the railway station.\footnote{C-51.}

Again, in some instances municipal bodies were lukewarm in providing facilities like those of water supply, drainage, electricity, approach roads, public sanitation, etc., the APMC, Vyara was the worst sufferer in this regard. Similarly, the tribulations which the APMC at Ahmedabad has been going through for more than 15 years at the hands of the Ahmedabad Municipal Corporation which goes on refusing the allotment of a very suitable centrally located site near by Leprosy Asylum near Astodia Gate on untenable grounds is illustrative of the non-co-operative attitude of some of the so-called enlightened local authorities.\footnote{D-2* p.11, D-4* p.8, D-5* pp.6-7, D-8* p.3, D-9* p.5, D-10* p.3, D-11* pp.3-4, D-12* pp.3-4, D-13* pp.6-7.}

The APMC at Devgadh Baria has faced a peculiar situation.
The land it secured for the market yard was just near the major District Road. Relaxation of some of the conditions laid down in the Ribbon Development Rules was necessary before the yard could be developed. Despite persuasive efforts, the Government decided unfavourably after three long years. The technical barrier disabled the Committee to proceed with constructions.63

I have already discussed at length the limiting factors like the lack of finances and timely cash flows for capital works programmes, the procedural delays in the approval of the layouts, plans and estimates and in the timely and efficient execution of works and the non-availability of trained and experienced staff owing to the backwardness of the tracts (for example, Bansda, Nizar, Halol, Devgadh-Baria and Lunawada).64

Suggested action: As orderly marketing of agricultural produce under regulation can not be ensured in the absence of minimum viable market yard-units, it is essential that the Government, the Committees and all other concerned must act in a planned and co-ordinated manner with sincerity of purpose. Particularly, it becomes incumbent upon the Government not just to remain satisfied by declaring an area as a regulated market and dealing with its problems in a casual manner to show spectacular growth. In fact, the preliminary surveys and feasibility reports must incorporate time schedules to ensure that the scientifically

63. C-74.
64. C-68, C-70, C-74, C-83 and C-88.
laid market yards begin function within not more than 2 years since the date of the establishment of the Market Committees. The element of uncertainty must be reduced to the minimum to avoid the formation of Committees that continue to be defunct or struggle for a meagre existence for want of sufficient real resources. As regards the existing defunct and tottering Committees, a chain of programme of rehabilitation and regeneration must be initiated taking into account the suggestions already made earlier in regard to various facets.

E: Market Functionaries

Unlike produce exchanges, regulated markets are wholesale spot markets where intending sellers and buyers meet and enter into deals either directly or through intermediaries. The main operations are: commodities arrive in the yards; bids and offers based on personal inspection by the prospective buyers take place; prices of the lots are settled; weighments are made; deliveries are effected; payments are made; and if the lots are not sold or removed from the yards on the same day, they have to be stored. Market functionaries undertake one or more of these functions. In order to avoid exploitation by them of the numerous agriculturist-sellers through malpractices, the system of licensing them and supervising their operations by the Committees concerned has been a fundamental ingredient of marketing legislation from the very beginning.

1. Categories

Prior to 1-6-1964, no definite meanings were assigned in
the Act or the Rules to the different functionaries operating in the market areas and, therefore, clear-cut demarcation of their functions never existed. The Gujarat Act, 1963, and the Gujarat Rules, 1965, have categorised them in 8 classes and attached set meanings to them based on their respective functional characteristics.

(A) Traders: "Trader means any person, who carries on the business of buying or selling of agricultural produce or of processing of agricultural produce for sale and includes a co-operative society, joint family or an association of persons, whether incorporated or not, which carries on such business."65 The sub-classifications of traders are made in the bye-laws of the respective Committees. The territorial limits of activities or the volume of business transacted served as the basis of their classification intended to provide licence fee variations on the principle of what the traffic can bear. The latter has been in vogue entirely in the tobacco trade and also partly in the vegetables trade regulated by the APMC, Surat only.66 App.VII.2 contains illustrative information for the Kaira District Tobacco Market Committee, Anand and the APMC, Surat as on 31-8-64. The former was adopted by the other Committees. The usual pattern of classification was as exhibited in Table VII.9.

66. The APMC, Surat has also adopted the 'place of business' basis for three other types: Vide: I-7: p.15.
Table VII.967

<table>
<thead>
<tr>
<th>Traders</th>
<th>Entitlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Class</td>
<td>To trade anywhere in the market area except the prohibited market proper area.</td>
</tr>
<tr>
<td>B Class</td>
<td>To make purchases anywhere in the market area except in the market proper and the principal market yard; to sell only in the market yard.</td>
</tr>
<tr>
<td>Retailers68</td>
<td>To make purchases in restricted quantities from licensed traders and agriculturists anywhere in the market area for their resale, at licensed premises, to consumers</td>
</tr>
</tbody>
</table>

The APMC, Ahmedabad has a unique pattern consisting of only A class and B class traders; the former are allowed to purchase and sell the produce in the market yard itself and included the exporters; and the latter have the right to make purchases from within the market yard but can sell only outside the yard and only in the market area to the consumers and are

67. C-1 to C-89.

68. Retailers were of three categories:

C class: It was a universal class found in every Committee. The numbers of such licence-holders rose from 269 in 1945-46 to 26544 in 1965-64.

D class: The APMCs at Surat, Dohad, Umreth, Thasra and Cambay where the only Committees issuing these licences.

Miscellaneous class: The APMC at Baroda only had created it, with 571 such licence-holders.
sub-divided into shop-keepers, 'lorriwalas', and 'topakawalas'.

Again, a variety of sub-classes were found prevalent in different Committees as follows and the rates of their growth were uneven:

(i) The AA class\(^69\) licences were issued by 5 Committees, viz., Bayad, Dhansura, Himatnagar, Idar and Malpur—all in Sabarkantha district.

(ii) A-I class\(^70\) licence-holders were a speciality in the APMCs at Ankleshwar and Broach.

(iii) The Teli Traders (indigenous oil crushers) were found licensed in 16 Committees situated in the Broach, Panch Mahals, Banaskantha, Mehsana and Kaira districts.\(^71\)

The Co-operative Societies held on 31-8-64 915 as against 48053 licences held by the private sector intermediaries.\(^72\)

As examined earlier, no uniformity prevailed in the licence fee rates prescribed by the different Committees in the State. However, those prescribed by three typical Committees charging the lowest, the highest and the in-between modal fees are

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69. AA Class trader is one whose trading in the market proper is of a size larger than that of a retailer and one who can buy and sell anywhere in the market area except the market yard.

70. A-I Class trader is one who is allowed (i) to purchase commodities from the A Class traders or General Commission Agents, (ii) to import in the market area, after purchasing a commodity from outside the market area, and (iii) to sell only by retail to the consumers for household use within the market area.

71. C-24, C-25, C-27, C-30, C-32, C-42, C-44, C-45, C-46, C-48, C-68, C-71, C-72, C-73, C-77 and C-78.

72. C-1 to C-89.
reproduced in App. VII.5 to serve as illustrations.

(B) General Commission Agents: A general commission agent is "a trader who bona fide buys or sells or offers to buy or sell for an agreed commission, any agricultural produce on behalf of another person and does or offers to do anything necessary for completing and carrying out the transaction of such sale or purchase". He acts either for the seller or for the buyer in any given transaction. It is obligatory on a general commission agent (i) to show the produce to be sold to the buyer before prices are settled (ii) to acquaint the seller or his representative orally and by means of a copy of the agreement of the prices fixed in the transaction, (iii) to arrange for weighing equipment at the place where the produce is to be delivered to the buyer, (iv) to give delivery of the produce sold to the buyer within the prescribed time-limit and, if necessary, keep it in his custody until then, (v) to collect the invoiced prices from the buyers and make the payments to the sellers, (vi) to keep the books in the form prescribed by the Committees, (vii) to submit necessary periodical returns to the Committees, (viii) to collect fees as directed by the Committees, and (ix) to render all required assistance to the Committee in the prevention of evasion of fees due under the Act, the Rules and the Bye-laws.

Except the 3 tobacco trade Committees (Anand, Baroda and

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Sanand) and the vegetables trade Committee at Surat, all other prescribed a uniform flat rate of annual licence fees for this class. In the case of these tobacco Committees, the G.C.A.s were divided in 5 classes — B-1 to B-5 — with licence fee range from Rs. 1 to Rs. 50, and in the case of the APMC at Surat, there were 3 classes — A, B and C with the licence fees of Rs. 120, Rs. 60 and Rs. 30 respectively, based upon the prescribed volumes of trade for the immediate proceeding year (Vide: App. VII.475) so that smaller agents had only a proportionate burden.

The system of granting a combined licence of G.C.A.-cum-A class traders has come in prominence during the past few years. The number of such licences went up from 567 in 1955-56 to 2163 in 1963-64 as compared to an increase of a mere 191 in the ranks of the G.C.A. only during the same period.76 Such combined licence grants a two-end benefit to its holder in that it offers a reduction in the total licence fee and a discretion to act as a buyer or a broker. It is necessary, in the interest of trade in general and of agriculturist-sellers in particular that no combined licence should be granted nor should the same person be granted more than one type of licences concurrently.

74. C-1 to C-89.
76. C-1 to C-89. Figures are for all regulated trades excluding the tobacco one.
There is a view that the general commission agents are an unnecessary link in the chain of intermediaries and that it must be eliminated. The Mysore Seminar (1959) has observed: "The Commission agents in the markets were functioning not so much to the advantage of the sellers as to that of the buyers. But at the same time, it was felt that it was due to commission agents that the payments to the sellers on behalf of the buyers were effected the very same day. The commission agents paid themselves and realised the amount at a later date from the buyers. Till such time as this function was taken over by another institution, it would not be advisable to eliminate the services of the commission agents in the regulated markets." A case study of the APMC, Baroda, the condensed results of which are presented in Table VII.10, has shown that once the agriculturists-sellers get initiation to a market, their dependence on the commission agents or brokers declines in an effort to save cost of their commission.

Ordinarily, the A class traders or the general commission agents are not allowed to undertake business in combination with other market functionaries so as to avert the danger of monopoly. However, a bye-law of the APMC, Nadiad empowers it to allow joint venture purchases by A class traders and general commission agents not exceeding three in the event of large arrivals of goods in the market. The logic behind the provision

77. I-6: p.6.
Table VII.10

<table>
<thead>
<tr>
<th>Year</th>
<th>Month (i)</th>
<th>Number of livestock sold as percentage of (iii)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(ii)</td>
<td>Total (iii)</td>
</tr>
<tr>
<td>1960</td>
<td>May</td>
<td>2254</td>
</tr>
<tr>
<td>1961</td>
<td>May</td>
<td>1795</td>
</tr>
<tr>
<td>1962</td>
<td>May</td>
<td>2159</td>
</tr>
<tr>
<td>1963</td>
<td>May</td>
<td>2431</td>
</tr>
<tr>
<td>1964</td>
<td>May</td>
<td>3171</td>
</tr>
<tr>
<td>1965</td>
<td>May</td>
<td>2954</td>
</tr>
</tbody>
</table>

(*) This was the month of peak seasonal arrivals.

is that these functionaries may not be able to take off the market the abnormal large supplies beyond their means and the consequent glut may have a depressionary effect on the prices received by the agriculturist-sellers. It may be well as far as it goes theoretically that a consortium may have accelerated purchasing power and risk-bearing potential as compared to those of individual parties thereto. But the risk of elimination of the conditions of completion amongst the existing limited numbers of the individual bidders is augmented through the very process.

79. Complied from the 'Soda Patraaks' (Deals Registers) for the years from 1959-60 to 1965-66 of the APMC, Baroda.
(C) Brokers: A broker is an "agent whose ordinary course of business is to negotiate and make contracts on payment of commission for purchase or sale of agricultural produce on behalf of his principal but does not include a servant of such principal whether engaged in negotiating or making such contracts."  

As soon as the transaction is settled, his job as the broker ends. He is concerned neither with the custody of the goods sold or purchased nor with the responsibility of ensuring payment thereof. During the last twentyfive years, the increase registered in the number of brokers has been that from 3 to 136. If the figure is compared with that (88) of the active Committees, the average per unit comes to an unimpressive 1.5 as on 31-8-1964. It is indicative of the preference of functionaries in favour of the two types of licences discussed earlier. Again, the average is deceptive as the APWC, Baroda had granted the broker's licences to 88 persons in 1963-64, leaving a meagre 0.5 per other Committees. It also goes to show that in the cattle trade, persons like to hold licences for brokers only.

A uniform rate of licence-fee was charged by each Committee except by the three Tobacco trade Committees, though the rates did differ from Committee to Committee. The latter prescribed rate-variations on the basis of the volume of business done by

81. C-1 to C-89.
82. D-30: p.16.
the applicants in the previous year, the volume-slabs being those as detailed out for the Kaira District Tobacco Committee in Table VII.11 as illustrative one.

Table VII.11

<table>
<thead>
<tr>
<th>Volume-slab (Bangali maunds)</th>
<th>Annual licence fee (Re/s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 250</td>
<td>1</td>
</tr>
<tr>
<td>251 - 500</td>
<td>5</td>
</tr>
<tr>
<td>501 - 1000</td>
<td>10</td>
</tr>
<tr>
<td>1001 - 2000</td>
<td>25</td>
</tr>
<tr>
<td>Over 2000</td>
<td>50</td>
</tr>
</tbody>
</table>

(D) Weighman: A weighman is a person whose job is to weigh or measure agricultural produce. He has been brought in as an independent agency to ensure the correct weighment of the produce sold by the agriculturist-seller so as to protect him against manipulatory actions by the buyers and their accomplices. There are two classes of weighmen: (i) A class weighmen are entitled to weigh lots in the yards only and (ii) B class weighmen are entitled to work in the market area excluding the market yard/s. Some Committees charge uniform licence fees, while the other charge higher ones for the A class licensed weighmen. The growth was from 9 in 1939-40 to 1623 in 1963-64. 16% of the 88 active Committees did not have any licensed weighman during

84. Sec.2(xxiv) of the Gujarat Act, 1965: Vide: J-14: p.3.
1963-64. The average per Committee for the rest of them came to Rs. 22. The licence fee ranged from Re. one to Rs. fifteen.  

(E) Surveyors: A surveyor is a person whose business is to survey agricultural produce with regard to its quality, quantity, refraction, price and such other factors as may be prescribed, in the event of a dispute between a buyer and a seller. Not a single individual in any Committee in the whole State had taken out such a licence during 1963-64.

(F) Carting Agents: They are licensees for transportation of agricultural produce. The APMC, Ahmedabad was the only Committee in which 6 licences in this regard were issued at an annual uniform fee of Rs. 100 for C class carting agent and of Rs. 10 for B class carting agent.

(G) Clearing Agents: Their job is to clear the lots that arrived in or left the market yard/s. There were two such licence holders in the APMC, Ahmedabad only. The annual licence fee was Rs. 25.

(H) Hamals: They are labourers whose job consists of loading, unloading, carrying and clearing of agricultural produce handled in the market. Out of the 88 active Committees on 31-8-64,

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85. C-1 to C-89. It was Re. one in the case of the APMC, Malpur, and Rs. fifteen in the case of the APMC, Surat.
86. Sec.2(xxii) of the Gujarat Act, 1963; Vide: J-14: p.3.
87. C-1 to C-89.
89. C-16.
only 49 had 1032 hamal-licence holders.\(^\text{92}\)

\textbf{(I) Miscellaneous:} The two other categories of functionaries, viz., (i) recorders of auction deals and (ii) 'Han Kants' i.e. independent drivers of cattle have not been defined in the Gujarat Act, 1963 and the rules thereunder. The APWC at Ahmedabad issued licences to the former and that at Baroda to the latter.\(^\text{93}\)

We have already made, in Chapters I, II, & III, detailed — period-wise and overall — analyses of growth in the ranks of the market functionaries since 1939 in the State(Vide pages 37 to 38, 51 to 53, 74 to 75, 93 to 95, 107 to 109 and 127 to 128).

\section*{2. Inter-relations}

\textbf{Attitude of market functionaries towards the Committees:} The foregoing particulars are evidence of the success of Committees on the whole in bringing a majority of the erstwhile intermediaries within the fold of the regulated marketing organisation through the issue of a variety of licences. However, this step has only been one of the initiation; the licence-holders do not, as a class, seem to have yet imbied the discipline and the social responsibility. It can be unhesitatingly said that they have been offered a reasonable and equitous representation on

\(^{92}\) C-1 to C-89.

\(^{93}\) C-16 and C-59.
the Committees and no artificial barriers have been raised to
the freeplay of the forces of completion in the market. But
still it has been the experience of even the well established
Committees like those at Ahmedabad, Amreli, Baroda, Bavla, Bor-
sad, Broach, Cambay, Derol, Dohad, Nadiad, Patan, Surat and
Unna 94 that the traders have seized every available opportunity
of impeding their efficient working and growth through the
means of strikes, boycotts and court suits. Moreover, attempts
to sabotage any move at stricter enforcement of the Act have
been made openly or surreptitiously. It is indeed an irony that
not a single Committee that has not had to face such a situa-
tion at one time or the other during its life-time can be
named here.

Attitude of Committees towards the market functionaries: The
Committees, too, followed the policies of persuasion and com-
promise, and frequently connived at the indiscipline, gross
misbehaviour and ultra vires acts of the licence-holders owing
to many factors 95 such as (i) the general absence of unanimity
and determination of the members of the Committees in regard to
the degree of enforcement of the Act, the Rules and the Bye-
laws, (ii) the socio-political pressures on the members of the
Committees, (iii) the continuance of the grip of the business
community in general on the agriculturists and the other sectors

94. C-9, C-16, C-19, C-23, C-25, C-47, C-55, C-56, C-59,
C-69, C-72, C-75 and C-81.

95. C-1 to C-89 and personal interviews.
of society, (iv) the capture of key positions by the representa-
tives of the traders and/or their supporters on the Committees, 
(v) the insufficiency of effective alternative agencies like 
co-operatives and state enterprises, that can help Committees 
to tide over transitionary difficulties caused by the non-
co-operation from private trade, (vi) the lack of well-developed, 
properly equipped and efficiently organised market yards, 
(vii) the delays in the disposal of civil suits filed by the 
Committees against the defaulters and the imposition of meagre 
non-reformatory fines even when convictions were pronounced, 
(viii) the non-availability of proper and timely legal advice 
to the Committees in preparing prosecution and other cases 
against the miscreant traders, and (ix) the inadequacy of com-
petent supervisory and office personnel at the disposal of the 
Committees.

5. Regulation and Control

The preventive and punitive provisions of law aiming at 
the enforcement of discipline and the establishment of control 
on and curbing the malpractices of traditional middlemen were 
related to (1) the necessity for the holding of specific li-
cences and their annual renewals, (2) the depositing of secu-
ritv amounts, (3) the suspension and cancellation of licences, 
and (4) the imposition of penalties and prosecution.

(1) Issue and renewal of licences

Concept development: The procedure for the grant of licences 
to the functionaries in regulated markets has undergone a radical
Rule 50 of the Berar Rules, 1897, made it obligatory on a Committee to register the name of any applicant as trader or commission agent executing an agreement in the prescribed form and paying an annual fee, not exceeding Rs. 50/- and Rs. 100/- respectively, as prescribed by the Committees with the previous sanction of the commissioner. The Committee was also empowered to issue licences to applicants intending to work as brokers on payment of an annual fee of Rs. 20 each. The weighmen's licences were to be issued free of cost.  

The Bombay Cotton Rules, 1927, made three major changes: (1) There was no provision for the registration of commission agents. (ii) The order of a Committee regarding the issue of licences to brokers and weighmen was made appealable by the aggrieved party to the Collector. (iii) A maximum fee of Rs. 5 was prescribed for weighman's licence.  

The Baroda Rules, 1939, the Bombay Rules, 1941, and the Saurashtra Rules, 1956, followed the Bombay Cotton Rules' pattern with major changes (i) that the actual licence fees to be charged were to be fixed in the bye-laws of the Committee concerned within the limits prescribed, (ii) that the provision for the commission agents was made, and (iii) that the Committee was empowered to lay down the conditions of the issue of the

licences. 98

Position under the Gujarat Act, 1963, and the Gujarat Rules, 1965: The Gujarat Act, 1963, has made much more detailed provisions than any of the legislation in the past. Particularly, the traders' licences are categorised in 'general' and 'special' licences. The general licence is meant for persons residing in the market area of the Committee and cover their entire business operations during the licence year. The special licences are issued to facilitate the participations of outsiders limited to transactions not exceeding four in a year and are issuable on payment of a nominal fee not exceeding Rs. 20 as decided by a Committee. The special licence 'epso facto' gets terminated on completion of the fourth transaction. Its holder is ineligible for a candidature or voting in the elections of the Committee concerned. 99

The provision for the issue of a special licence is a step in the right direction to bring in outsiders to generate forces of additional competition. However, the restrictions of a total of four transactions during the whole year makes it ridiculous; for if prices are to be raised for the benefit of agriculturists through a competitive operation of the general and special licence-holders, the latter should have a frequent


entry to the market — especially during the periods of seasonal gluts. Actually, the 4-transactions-special licence may have a cometic impact in that the once-in-a-while arrival of the outsiders may generate resentment among the regular insiders against the agriculturist-sellers entering into transactions with the former and the vindictive action of the latter may have a depressionary effect on the prices during the rest of the periods. Therefore, the present system of special licence must be replaced by one of two types of special licences:

(i) Where the commodities have an all-the-year-round market, the licence should be for trading for a maximum number of days and not for transactions. Also, the maximum number of days so prescribed should not be less than 75 during the licensing year. (ii) Where the arrivals of the commodities are seasonal, seasonal special licences should be issued, with entries restricted to a maximum of 50% of the working days during the season and the maximum, in no case, should be related to the number of transactions. Such steps alone can boost up prices in the primary wholesale markets through an enlarged scope for competition. The influence of such outsiders in the management of the market certainly be avoided by continuing the existing disability with regards to voting rights and candidature for committee elections. But, to make the regulated markets statutorily insulated against a flow of competing outside buyers goes against the very interests of agriculturist-sellers who are obliged to be at the mercy of the small group of local buyers who alone are entitled to take out the general licences.
While no such specific provision exists about the traders and commission agents, a person wishing to hold the licence of a broker, weighman, measurer, hamal, surveyor, warehouseman, carting agent or clearing agent must not be in the 'service' of another person. 100

Licensing procedure: The grant or renewal of a licence involves the completion of five major steps: (i) An application in the prescribed form along with the prescribed fees 101 for the licence concerned has to be made to the Committee. (ii) Inquiry as may be deemed necessary may be made by the Committee. (Usually, this is being done by the inspectors or supervisors who submit their reports to the Committee.) (iii) A declaration has to be signed by the prospective licensee that he will abide by the provisions of the Act, the Rules and the Bye-laws and such other conditions as may be laid down by the Committee. (iv) A decision to grant the licence is made by the Committee or its sub-committee/member to whom the authority is granted. 102 (v) Licence is issued/renewed. It is from the date of the licence that its holder is entitled to exercise his rights.

A Committee is entitled after recording the reasons therefor, to refuse the grant/renewal of a licence. The decision

102. On 31-8-1964, 55 Committees had special sub-committees dealing with all matters pertaining to licences. Irrespective of the degree of authority delegated to them, the practice was to put all cases for pre- or post approval of the Market Committee concerned.
can be appealed against, within 30 days of its communication, by the applicant to the Director. 103

In short, while prior to 1941, a licence had to be granted to anyone applying for it together with the prescribed fees, since then a discretion has statutorily been made available to the Committees to weed out unhealthy elements. However, the implications of such a vital power do not appear to have been fully realised by most of the Committees which rarely used it on considerations like (i) the loss of revenue from licence fees, (ii) the fear of conflict of interest and resultant split within their membership, (iii) the apprehension of the generation of misunderstanding and antagonism to their attitude towards the trading community, and (iv) the fear of concerted action including strikes by the traders. My investigation of even some well established Committees has revealed that despite the specific recommendations based upon detailed inquiries of their inspectorial staff for the refusal of the grant/renewal of licences, hardly a few were refused. Unless the Committees become rationally stiff and are guided by considerations only of the interest of the smooth and efficient working of the regulated market in their charge and institute proper investigations and abide by their results, the present stagnation cannot be remedied. Certainly, the appealability of their decisions is a sufficient check on a misuse of their discretionary authority.

103. Sec. 27(1)8(5) of the Gujarat Act, 1965: Vide: J-14: pp.11-12.
(2) Deposits of security amounts

As per one of the conditions of an agreement to be executed by the general commission gents and the A & B Class traders, each of them is required to furnish such security in cash or in any other form as the Committee may decide from time to time. The scrutiny of the balance sheets of the 86 active Committees as on 31-8-64 showed that none of them had any such cash security balance appearing to the credit of any licence-holder. My personal field-work, too, disclosed that no Committee has cared to enforce the provision.

(3) Suspension and cancellation of licences

Section 27(3) of the Gujarat Act, 1963, empowers a Committee to suspend or cancel a licence (i) if it was found obtained through wilful misrepresentation or fraud, (ii) if the licence holder or his authorised agent/servant commits a breach of the terms and conditions of all the restrictions imposed by the licence, (iii) if the licence holder is adjudged insolvent or is convicted for any offence under the Act. A reasonable opportunity has to be given to such a licence holder of showing cause against the proposed action. Also, reasons for suspension or cancellation have to be recorded by the Committee in writing. The Director, too, can on his own initiative take such action if he finds that the Committee has not done so inspite of the prevalence of a case for it. In both

104. Sec. 27(3) of the Gujarat Act, 1965; Vide: J-14: p.11.
105. Sec. 27(4) of the Gujarat Act, 1965; Vide: J-14: p.12.
the event, the aggrieved party can make an appeal to the Director and the State Government respectively within 30 days of the date of the communication for justice. A licence stands automatically cancelled immediately any licensed broker, carting agent, hamal, measurer, surveyor, warehouseman or weighman takes up 'service' or engages himself in any other business for which he holds no licence.

The Gujarat Act, 1963, has liberalised the powers of the Committees for the suspension or cancellation of a licence. In that, by implication a simple resolution passed at a Committee meeting will be sufficient for the purpose irrespective of the type of the licence. Under the earlier legislations in force until then, only licences granted to brokers, weighmen, measurers and surveyors could be suspended or cancelled by such simple resolutions, and it needed a Committee resolution passed by a majority of not less than two-thirds of its members to suspend or cancel a licence granted to a trader or a commission agent for a period of less than six months and, where the period was to exceed six months, additional previous approval of the Collector was necessary. (However, the power available to the Chairmen of Committees under the Bombay Rules, 1941, and the Saurashtra Rules, 1956, to suspend a licence upto a month was withdrawn in the new Act.)

The super power granted to the Director may theoretically have a self-contradictory impact in that, on one hand, it may serve as a spur to lethargic Committees and, on the other, the timid or the cunning ones may shift the odium to him. It is too premature to pass a judgement as not a single incident of the use of this special authority by the Director has occurred until now.

The authority of the Committee to delegate these powers to sub-committees or one or more of its members continues to exist as in the past. It is not a good practice to delegate such vital powers to individuals if personal prejudices and vagaries are to be safeguarded against. The sub-committee is a better tool for a plural, considered, impartial and swift decision making.

(4) The imposition of penalties

The penalty clauses in the Gujarat Act, 1963, and the Rules thereunder have been tightened. The limits for the imposition of fines have been raised and punishment of imprisonment has been provided, for the first time, for convictions through the competent Courts of Law. Details in a compressed form are presented in Table VII.12.

Table VII.13 presents the information regarding cases filed and disposed of during the last two years ending 31-8-64.
<table>
<thead>
<tr>
<th>Nature of offence</th>
<th>Punishment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fine</td>
</tr>
<tr>
<td></td>
<td>Minimum*</td>
</tr>
<tr>
<td></td>
<td>Rs</td>
</tr>
<tr>
<td>1. Operation in the market area without a licence</td>
<td></td>
</tr>
<tr>
<td>(a) First offence</td>
<td>100</td>
</tr>
<tr>
<td>(b) Second offence</td>
<td>500</td>
</tr>
<tr>
<td>(c) Subsequent offences</td>
<td>500</td>
</tr>
<tr>
<td>2. Breach of any condition of licence</td>
<td>100</td>
</tr>
<tr>
<td>3. Evasion of payment of market fees</td>
<td>-</td>
</tr>
<tr>
<td>4. Purchase or sale of agricultural produce outside the market yard</td>
<td>-</td>
</tr>
<tr>
<td>5. Failure to carry out the duties under Rule 58</td>
<td>-</td>
</tr>
<tr>
<td>6. Failure on the part of the licensed weighman, hamal or measurer to wear authorised badge</td>
<td>-</td>
</tr>
<tr>
<td>7. Recovery of unauthorised trade allowance</td>
<td>-</td>
</tr>
<tr>
<td>8. Disobedience of order to produce weights or measures, or weighing or measuring instruments for examinations</td>
<td>-</td>
</tr>
</tbody>
</table>

Provided a court judgement includes special and adequate reasons for the imposition of fines less than the respective minima.

My field-work has shown that these actual cases have hardly touch even the fringe of the problem of the breach of regulations. In many Committees that were visited, transactions were made by traders without licences, deals were effected by licence-holders in prohibited areas and other conditions of holding of licences were frequently violated. The people coming to the markets were so many and the transactions so numerous and the areas so wide that even vigilant and efficient Committees, too, had a problem to establish control everywhere every time and bring all offenders to books. At the same time, however, it must be conceded that in many Committees stricter action needs to be taken and is also possible.

The time consuming procedures of suits in the courts, many time, discourage the Committees instituting any prosecu-
tions. As most of the offences are of such a nature that can

110. E-12; pp. 752-61. The Directorate of Agricultural Market-
ing, Ahmedabad.
be summarily tried, the institution of 'summary trials' alone will be a solution. It will ensure justice without abnormal delays which are the order of the day.

F: Working Hours of Market Yards

The Committees have been granted the discretion to fix the hours of trading and declare the holidays. A list of holidays has to be prepared and notified on the notice board at the commencement of the market year. Ordinarily, Sundays, gazetted holidays and a few local holidays are observed. The chairman has been authorised (i) to change the prescribed trading hours to make temporary exigencies and (ii) to declare any additional special holiday with the written consent of two members representing the constituencies of the agriculturists and the traders. The information available from 82 of the 88 active Committees, as collated in App. VII.5, shows that as many as 35 timings were prevalent on 31-8-64 as prescribed in their bye-laws. Except in the case of the APMCs at Vijapur, Mahuwa, Nizar, Banada and Kaira District Tobacco, the trading hours began from between 4-00 a.m. and 9-30 a.m. Under the bye-laws of the Committees, no business can be transacted or nothing related to it can be done outside the prescribed business

111. Bye-law No. 54 of the 'Model Bye-laws'(Vide: J-17:p.18), and Bye-law No. 52 of the new 'Model Bye-laws'; Vide: J-18: p.18.
114. C-1 to C-89.
However, my field-work has amply shown that transactions did frequently take place in violation of this regulation in most of the markets. Moreover, there was no check except through random rounds by the inspectorial staff of the Committees on transactions that took place at odd hours outside the yards. Also, there were many Committees having yards where arrivals were nil or negligible and the prescription of trading hours by them virtually amounted to mirage creation.

G: Commodity Arrivals

A market yard is the hub of regulated marketing. Agriculturist-sellers can be protected from the traditional malpractices of intermediaries only through direct supervision on transactions therein. Hence, the extend of commodity arrivals is a measure of the practical utility of a regulated market. But, unless a market yard — principal or sub-yard — is located in each town/village or group of villages within, say, a radius distance of two miles from a central place, it would be a practical impossibility to require each seller to bring his produce to a market yard located at a long distance — apart from the inconvenience involved, the cost of handling and transportation would be prohibitive. Now, financially, structurally and administratively, establishment of hundreds of markets in the State cannot be thought of. Therefore, in every market area excluding

the market proper, transactions have to take place outside
the market yards as the sellers within the area of market
proper only can be -- and are -- required to bring their lots
to the market yard. Rule 60 of the Bombay Rules, 1941, stated;
"All agricultural produce brought into the market shall pass
through the Principal Market Yard or sub-market yard" subject
to the exceptions as provided for "processed agriculture pro­
duce". Rule 37 of the Saurashtra Rules, 1956, and Rule 54 of
the Gujarat Rules, 1965, too, made the same provision.

Analysis of data: Table VII.14 shows the gross quantities/num­
bers and values of the commodity arrivals as recorded by the
existing committees since 1939-40.

Table VII.14

<table>
<thead>
<tr>
<th>Market year</th>
<th>Quantity (in '000 quintals)</th>
<th>Value (in '000 rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1939-40</td>
<td>19.0</td>
<td>569.8</td>
</tr>
<tr>
<td>1945-46</td>
<td>129.6</td>
<td>5685.0</td>
</tr>
<tr>
<td>1950-51</td>
<td>1603.1</td>
<td>91284.0</td>
</tr>
<tr>
<td>1955-56</td>
<td>5990.2</td>
<td>380827.1</td>
</tr>
<tr>
<td>1960-61</td>
<td>11622.8</td>
<td>950784.7</td>
</tr>
<tr>
<td>1963-64</td>
<td>15285.8</td>
<td>1309885.5</td>
</tr>
</tbody>
</table>

In addition, the cattle sales were as follows:-

<table>
<thead>
<tr>
<th>Market year</th>
<th>Number ('000)</th>
<th>Value (in '000 Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955-56</td>
<td>13.9</td>
<td>1329.6</td>
</tr>
<tr>
<td>1960-61</td>
<td>36.1</td>
<td>21415.9</td>
</tr>
<tr>
<td>1963-64</td>
<td>70.6</td>
<td>36527.4</td>
</tr>
</tbody>
</table>

116. C-1 to C-89.
The figures depict quite substantial progressively expanding market arrivals. The growth of regulated marketing could be considered promising provided the figures reflected the actual commodity arrivals in the principal or sub-market yards. Unfortunately, it was not so. The figures were gross ones, inclusive of those of sales outside all the yards in the State. My efforts to collect actual figures separately for commodity arrivals (a) in the market yards and (b) outside them have materialised partially. Table VII.15 gives relevant data in this regard extracted from the printed annual reports for the year 1963-64 of 14 out of 88 active Committees, situated in 8 districts.

The main readings are: The range of sales outside the market yards varied from 6.2% to 99.99%. In 8 Committees, the incidence was 68% up. On an over-all basis over 53% of the total quantities were recorded as sold outside the market yards. Even the long established markets those at Broach, Nadiad and Anand had very low coverages through yards. The Table is indicative of a vast sector within the market areas still remaining unregulated with the result that not only do the Committees concerned lose market fees income but in all probability the traditional malpractices continue to have a sway on the agriculturist-sellers. Another serious aspect is the ultra vires transactions that go on taking place within the limits of the markets proper. Any intelligent review of the figures and surprise personal visits to some of the Committees bear ample
Table VII.1

<table>
<thead>
<tr>
<th>S. No.</th>
<th>APMC</th>
<th>District</th>
<th>Commodity arrivals (in quintals) recorded for the entire market area</th>
<th>Commodity arrivals (in quintals) recorded for market yards only</th>
<th>Percentage of arrivals outside the market yards</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Patan</td>
<td>Mehsana</td>
<td>2,87,187</td>
<td>2,79,086</td>
<td>6.2</td>
</tr>
<tr>
<td>2.</td>
<td>Chansma</td>
<td>Mehsana</td>
<td>2,34,675</td>
<td>1,96,262</td>
<td>16.7</td>
</tr>
<tr>
<td>3.</td>
<td>Ankleshwar</td>
<td>Broach</td>
<td>2,17,952</td>
<td>1,69,876</td>
<td>26.7</td>
</tr>
<tr>
<td>4.</td>
<td>Amreli</td>
<td>Amreli</td>
<td>3,29,622</td>
<td>2,34,885</td>
<td>29.0</td>
</tr>
<tr>
<td>5.</td>
<td>Dhansura</td>
<td>Sabarkantha</td>
<td>3,76,700</td>
<td>2,42,566</td>
<td>55.1</td>
</tr>
<tr>
<td>6.</td>
<td>Rajula</td>
<td>Amreli</td>
<td>70,544</td>
<td>42,200</td>
<td>40.1</td>
</tr>
<tr>
<td>7.</td>
<td>Cambay</td>
<td>Kaira</td>
<td>1,60,957</td>
<td>51,050</td>
<td>68.3</td>
</tr>
<tr>
<td>8.</td>
<td>Broach</td>
<td>Broach</td>
<td>3,15,665</td>
<td>97,585</td>
<td>69.2</td>
</tr>
<tr>
<td>9.</td>
<td>Nadiad</td>
<td>Kaira</td>
<td>2,74,492</td>
<td>47,800</td>
<td>82.7</td>
</tr>
<tr>
<td>10.</td>
<td>Dabhol</td>
<td>Baroda</td>
<td>77,557</td>
<td>12,822</td>
<td>83.5</td>
</tr>
<tr>
<td>11.</td>
<td>Chikhali</td>
<td>Bulsar</td>
<td>1,49,895</td>
<td>22,630</td>
<td>84.9</td>
</tr>
<tr>
<td>12.</td>
<td>Borsad</td>
<td>Kaira</td>
<td>1,60,649</td>
<td>7,689</td>
<td>95.0</td>
</tr>
<tr>
<td>13.</td>
<td>Dhandhuka</td>
<td>Ahmedabad</td>
<td>1,90,163</td>
<td>3,830</td>
<td>98.0</td>
</tr>
</tbody>
</table>

Total | 30,03,171 | 14,08,165 | 53.1 |

Testimony to this statement. For instance, if the actual market yard arrivals in the case of Anand, Dhandhuka and Borsad ranged from 0.01% to 5%, there was a prima facie case for immediate investigation and action as soon as the respective printed annual

Table VII.16 presents the frequency series from the estimated overall percentages given by the different active Committees.

<table>
<thead>
<tr>
<th>Sales outside the market yard as percentage of the gross sales recorded in the market areas</th>
<th>Number of active Committees</th>
<th>Sales outside the market yards as percentage of the gross sales recorded in the market areas</th>
<th>Number of active Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.1 - 10</td>
<td>9</td>
<td>60.1 - 70</td>
<td>7</td>
</tr>
<tr>
<td>10.1 - 20</td>
<td>4</td>
<td>70.1 - 80</td>
<td>7</td>
</tr>
<tr>
<td>20.1 - 30</td>
<td>11</td>
<td>80.1 - 90</td>
<td>7</td>
</tr>
<tr>
<td>30.1 - 40</td>
<td>10</td>
<td>90.1 - 99.8</td>
<td>2</td>
</tr>
<tr>
<td>40.1 - 50</td>
<td>9</td>
<td>99.9 - 100</td>
<td>10</td>
</tr>
<tr>
<td>50.1 - 60</td>
<td>12</td>
<td>Total</td>
<td>88</td>
</tr>
</tbody>
</table>

Even if a bias of 5 to 15 percent is not taken into account, 50% of the Committees had over 50% of the commodity sales effected outside the market yard.

Further more, in the case of the Tobacco trade my personal investigations has shown that all the transactions to the tune of 478.7 thousand quintals valued at Rs. 6.36 crores during 1963-64 took place outside the market yards, despite the functioning of two Committees since 1960 and one since 1962.

118. C-1 to C-13, C-16 to C-89.
Factors impeding the flow of commodities to market yards: It is necessary to analyse the causes responsible for this malaise so that corrective action can be taken wherever and to the extent possible.

(i) The quantities that come to the market for open sale are very small for most of the agriculturist-sellers. According to recent estimates over 66% of the 22.4 lakhs land-holders in the State possessed holdings admeasuring only upto 10 acres of land each. As is well-known, agricultural productivity in the country is very low and these holdings have given rise to the system of subsistence farming. The production per holding is low. Insofar, as foodgrains are concerned, the small holders rarely had production sufficient for their domestic consumption, seed for next season's sowing, barter purchases of other requisites, payment of wages in kind to labourers that have to be employed and for stock feeding. Far from contributing anything for sale to the markets, they had to meet their deficits through procurements from the big fellow-agriculturists in the same villages. Most of such transactions are almost domestic and direct. Therefore, actual quantities available for free market sales with many of the big holders were also limited. At times, entire villages suffer from overall deficiencies. Their inhabitants, instead of obtaining their requirements from the markets make direct purchases from agriculturists who are either their

relations or acquaintances in the neighbouring villages. Such purchases for personal consumption do not fall within the pur-
view of regulated market sales. Again, despite the efforts to develop foodgrains productions on modern lines through supply of improved seeds, irrigation facilities, fertilisers, etc., the growth in the pressure of population on land in the rural areas over decades has outstripped the expanding supply. The putting of more acreage of land for the cultivation of cash crops -- a rise of 130.9% on the base figure of 1949-50 -- has also disturbed the supply-demand balance. Hence, the 'net marketable surpluses' channelled through the markets have been adversely affected over year. The quantities of a majority of producers can spare for, or are, owing to financial stringency, forced to sell in the markets are so small that their transport

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120. e.g. even during the period of a decade and a half for which comparable figures are available, the movements in the acreages under cultivation were as follows:

<table>
<thead>
<tr>
<th>Commodity-group</th>
<th>Acreage under cultivation</th>
<th>variation ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1949-50</td>
<td>1965-64</td>
</tr>
<tr>
<td>Foodgrains</td>
<td>1,31,70,300</td>
<td>1,09,72,500</td>
</tr>
<tr>
<td>Cash crops</td>
<td>40,11,700</td>
<td>92,66,400</td>
</tr>
</tbody>
</table>


121. Cf.: The overall low capacities of the agriculturists to have marketable surpluses are well brought by this state-
ment: " In the U.S.A. less than 10% of the value of the farm products produced, excluding that fed to livestock is consumed on farms and thus about 90% is available for sale. In India as a whole, more than 60% of the cereals are con-
sumed on farms and only 40% are left for sale. In fact, a major share of production is consumed on the farms; Vide: K-25: p.25.
transport to the distant market yards becomes costly and time-consuming. Obviously, they prefer to dispose of to the traders at the formers' own doors.

Insofar as the position of cash crops like tobacco, oilseeds, cotton, condiments and groceries are concerned, the retention of quantities for domestic consumption are comparatively very meagre. Therefore, most of the produce has to go to the markets for sale to manufacturers or distributive channels. To the extent, they are not brought to the market yards, a lacuna is created in the implementation of the regulated marketing legislation. The case of perishable commodities like fruits and vegetables produced for concentrated market demand is a similar one.

(ii) The statutory coverage of a market area is usually the territorial revenue limits of a taluka. Out of 96 Committees, 72 had jurisdiction over all the villages in a taluka each, 15 had it two talukas or a little more or less and 2 tobacco Committees had it over the entire district. It was only 1 Committee at Gondal (Rajkot) that functioned for the municipal area of the town and 6 others that covered villages forming parts of a taluka each. These figures make evident that the areas to be supervised and controlled for numerous scattered marketing operations were vast and unwieldy. If a catchment area of 20 to 30 surrounding villages attached to a market yard is difficult to

\[122\] C-1 to C-89 and the Directorate of Agricultural Marketing, Ahmedabad.
manage in a regulated market, the mere declaration of larger areas for regulated marketing serves the purpose no other than of paper regulation; for, as one goes beyond a reasonable radius-distance from the focal points of market yards, the unmanagability or defunctness is just implied in the situation.

(iii) As A and B Class traders are statutorily entitled to make purchases anywhere outside the 'market proper' areas, their purchases at the village level accompanied by direct sales within or without resulted in a reduced flow of produce to the market yards directly from the agriculturists-sellers.

(iv) Inadequacy of inspectorial staff comes in the way of the efficient enforcement of the statutory provisions of law. 19.3% of the 88 active Committees had no inspectors at all, 54.5% had only one inspector each, 26.1% had two inspectors and the remaining 4 had three or more inspectors each on 31-8-64. And, the fun of it was that most of them were entirely busy managing the collection of licence fees from and the market fees collected by the traders so that they had hardly any time left to supervise or inspect.

(v) Apart from the Committees' standpoint, to expect small agriculturist-sellers to bring their small lots every time to the market yards is to be blind to the elementary economic principles of actual and opportunity costs. The village sales have an important advantage over the sales in the market yards;

123. C-1 to C-89.
for, the seller can wait for better prices if the offers made by the buyers are found to be unremunerative but in the case of his taking the produce to the market yard he has to sell it at whatever prices are available there as he would have already incurred transport charges from his residence to the yard and (a) carrying it back would augment the loss or (b) waiting for an indefinite price the next day or the day after would also be a cost factor to him. The transport or waiting costs set, so to speak, the limits to the acceptability of price disadvantages, which are bound to be relatively severe when the lots are small, the bargaining position of the seller is weaker and the market suffers from conditions of imperfect completion.

(vi) The transport costs are not only heavy but many a time transport is difficult/impossible. All-weather roads in many parts of the State are few and maintenance of the 'kachcha' roads establishing dependable inter-village/town links is unsatisfactory. At the end of 1960, in the State, the road mileage totalled 15081 being 6807 metalled and 8274 non-metalled.124 Progress has been made since then but it has not been satisfactory. "In Gujarat State, road development at the end of the Second Plan was behind the targets of the Nagpur Plan by 42 percent and even at the end of the Third Plan, it will be short by 34 percent, while at the beginning of the Third Plan, the all India position was that the Nagpur Plan target was exceeded

124. K-10; p.127.
by 33 percent. The Gujarat State had hardly 25 miles of road per 100 sq. miles of area and 78 miles of road per lac of population. The all India position in these respects is that there are 37 miles of road per 100 sq. miles of area and 103 miles of road per lac of population. It ranks twelfth among the 15 States of the country as regards road mileage per 100 sq. miles and only last but one as regards road mileage per lac of population."125 And, the growth is uneven in the different parts of the State. This itself is a serious limitation to the augmentation of commodity arrivals from villages to the market yards.

(vii)a)The method of sale by sample particularly in the tobacco trade has become so deeply ingrained historically in the economic fabrics of the villages that actual lots have not to be brought to the market at all. (b) While, statutorily, the transactions in respect of the purchase and sale of agricultural produce for one's own private consumption do not fall within the purview of the Act, it is difficult, in practice, to draw a line of distinction between transactions for business purposes and for private consumption. A new class, viz., agriculturist-cum-traders has come up in the villages. They exercise a very powerful pull in capturing sizable quantities of the marketed agricultural produce at the village level. Their operations, combined with those of the village money-lenders-cum-traders, leave very small marketable surpluses available for trading in

the market yards. (c) In many parts of the State the system of forward sales is in vogue particularly for cash crops like cotton, groundnuts, etc. Small cultivators found it very convenient to book the sales of their small lots before they were harvested on the basis of the forward rates declared by the buyers in the respective villages. Thus, it was only a question of physical delivery of the produce when ready to the buyer to whom it was sold previously. (d) Despite the progressive expansion of co-operative credit to the farmers, they are still largely dependent on finance from village money-lenders, whose superiority in terms of personal relationship and special services has still remained unsurpassed. The loanees have to give a priority treatment to the creditors in the sale of their produce.

All these factors cut across the very roots of the open auction system that serves as the corner stone of regulated marketing.

(viii) An argument has been put forward that the small farmers become an easy prey to the malpractices of the buyers in villages because of the farmers' gullibility owing to illiteracy. However, the rise in literacy over the last six decades and particularly since Independence has been substantial. (Vide: Table VII.17)

The rural areas did have their share in the advance of literacy so that in 1961 the percentages of rural literates to
Table VII.17

<table>
<thead>
<tr>
<th>Censuses year</th>
<th>% of literacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1901</td>
<td>10.8</td>
</tr>
<tr>
<td>1911</td>
<td>11.2</td>
</tr>
<tr>
<td>1921</td>
<td>12.6</td>
</tr>
<tr>
<td>1931</td>
<td>14.4</td>
</tr>
<tr>
<td>1941</td>
<td>N.A.</td>
</tr>
<tr>
<td>1951</td>
<td>25.2</td>
</tr>
<tr>
<td>1961</td>
<td>36.2</td>
</tr>
</tbody>
</table>

total population, rural literates to rural population and rural literates to total literates came to 21.1, 28.8 and 58.7 respectively. Spread of literacy and advent of newspapers and radio restrict blind movements of produce to the yards as the literate members in the farmers' family think in terms of transport cost and market intelligence and are not guided away by mere village gossip.

(ix) Big agriculturists who have large marketable surpluses themselves, many a time, act as traders and money-lenders and dispose of their own as well as procured produce directly anywhere in or outside the State.

(x) The established policy of the Government declaring the place of taluka head-quarters for the establishment of the principal market yard therein, has not always been a scientific

approach. It should be the business centres which have grown historically that should be preferred for their transition to regulated markets.

(xi) We have already discussed at length the lack or absence of proper requirements and amenities in the market yards, which themselves are repulsive.

(xii) Until 31-5-1964, the marketing legislation did not provide for the imposition of any penalty on the agriculturist-seller in the event of his committing its breach. He could go unscathed even when he sold his produce to a non-licence-holder and/or in contravention of the statutory provision. It is only in the Gujarat Act, 1965, that a provision has been made, for the first time, to penalise miscreant agriculturist sellers.\(^\text{128}\)

(xiii) The volumes of the commodities brought to the market yards get restricted also as a result of compulsory procurement of controlled ones directly from the farmers, statutory price fixations and restrictions on the movements of some of them.

H: Grading and Standardisation

One of the reasons why agriculturists in underdeveloped countries suffer is the price fixation on the basis of mixed

produce. The traders depressed prices under the pretext of inferior quality of the entire lot. When, if the homogeneous stuff is classified in different categories, the total proceeds at varying rates of the inferior and the superior produce will be higher. Again, standardised material always finds wider acceptance and increases its marketability. While standardisation and grading of agricultural commodities are more difficult than those of manufactures, attempts are being made in this sphere everywhere to protect the agriculturist-producers from exploitation on this count.

Historical review: In India as a sequel to the preliminary marketing surveys conducted by the Agricultural Marketing Advisor to the Government of India during the middle thirties, the Agricultural Produce (Grading and Marketing) Act, 1937, was passed by the Central Legislature. It provided for the fixation of grade designations to indicate the quality of any scheduled article of agricultural produce, for defining standards of quality and specifying grade designation marks. Since then, grading and standardisation have been voluntary except for commodities like wool, tobacco, sanhemp, lac, goat-hair, and bristles. Right from the beginning, the administration of the Act has been entrusted to the Agricultural Marketing Advisor to the Government of India with the help of the State Marketing

Officers and their staff, in addition to market staff at the centre. The State Market staff is supposed to perform the following functions:

(i) To make suggestions to the Agricultural Marketing Advisor to the Government of India, in consultation with the growers, traders and manufacturers with regard to new grade specifications for commodities and amendments to the existing grade specifications.

(ii) To carry out investigations and propose grade specifications for new commodities for inclusion under the Agricultural Produce (Grading and Marking) Act, 1937.

(iii) To introduce commercial grading on the basis of present trade practices for different commodities regulated under the Bombay Agricultural Produce Markets Act, 1939, with a view to bring them under Agricultural Produce (Grading and Marking) Act, 1937, later on.

(iv) To introduce and carry on grading work of important commodities after obtaining certificates of authorisation from the Agricultural Marketing Advisor to Govt. of India.

(v) To supervise and inspect grading work.


Now, the Central Agmark Laboratory at Nagpur and a chain of 7 Agmark regional laboratories perform study and test samples, develop Agmarks and carry out Agmark quality control work. However, although the Act was passed as long as in 1937 "except in respect of certain export commodities, progress in the grading of agricultural produce has not been made." Again, whatever limited grading was accomplished was technical in character. Commercial grading began to be undertaken only during the Third Five Year Plan period. If sales of the agricultural produce at higher prices are to be augmented without personal physical inspection of every lot and by open auction in the regulated markets, and lots are to be bulked for cheap and efficient warehousing and transport, standardisation and grading become imperative.

Therefore, each of the market yards must have facilities for the grading of the regulated commodities on arrival and before they are allowed to be auctioned for sale. Though Rule 91 of the Bombay Rules, 1941, and Rule 72 of the Saurashtra Rules, 1956, made it obligatory on each Committee to undertake grading, nothing was done until the scheme of introducing grading on intensive scale in about 40 centres during the Third Five Year Plan, with a financial outlay of Rs. 4.92 lakhs in addition to the setting up of 6 supervisory grading centres at a cost of Rs. 2.75 lakhs, to ensure that the prescribed

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132. K-17: p.278.
standards are adopted in the regulated markets and by the co-
operatives, was included in the Third Five Year Plan of Gujarat. In pursuance of this policy-decision, the Government of Gujarat sanctioned the scheme of Expansion of Grading and Quality Control on 3-12-63. It provided for the establishment of three supervisory units of Divisional levels each at Ahmedabad, Baroda and Rajkot and 15 units for commercial grading to be started by the end of May, 1964, for different commodities. Moreover, a provision for the establishment of additional such units during 1964-65 was made.

Analysis of data: By the end of August, 1965, 17 centres for commercial grading of a total of 15 commodities were functioning as detailed out in App.VII.6.

Thus, out of 88 active Committees, only 17 have, during the last three years, introduced grading in specified 15 commodities. Wheat was graded in the maximum number of centres i.e. 10 followed by groundnuts in 6, Bajara in 5, cumin in 3, castor seeds, mang, gram and guwar 2 each. Mehsana District had the maximum number of grading centres being 4. Ahmedabad, Banaskantha, Kaira and Sabarkantha had 2 each.

Difficulties: Some of the Committees experienced various teething troubles like the difficulties in the availability of trained staff and the procurement of grading equipments. The grading

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136. C-3, C-8, C-9, C-19, C-20, C-23 to C-25, C-32, C-37, C-38, C-42, C-45, C-47, C-55, C-72 and C-87.
137. D-46; p.4, D-47; p.7.
centres established at Palanpur had to be wound up as it did not have its own market yard. 138

Suggestions: If grading is to be popularised, steps such as propaganda highlighting its benefits to farmers, holding of demonstrations to convince the producers with regard to the potentiality of graded products to fetch better prices, display of standard samples, preparation of standard grades for agricultural commodities of local importance, dissemination of market intelligence on the basis of standard grades, adoption of the standard grades by the Gujarat State Warehousing Corporation and co-operative societies in all their transactions and introduction of special incentives to come forward willingly for commercial grading prior to the sale of their produce on the market yards would have to be initiated. For instance, the APMC, Talod, had introduced a scheme of giving special prizes to farmers who brought commodities of the prescribed grades for sale on the market yard. 139 It is the experience of the existing grading centres that once the farmers realise the advantages of commercial grading, they have a tendency to support it. 140 It is the job of the Committees to start grading centres, where they have not yet been established. Where they are already being run, they have to persuade the agriculturist-sellers to take advantage of the grading facilities offered.

Selling is the pivot of any marketing structure. It is primarily the method of sale upon which the return of the produce sold by an agriculturist depends. His power of bargaining is conditioned by its efficiency and the degrees of perfect competition and malpractices prevalent in the market. The major methods of sale which have been practised both within and without the market yards comprise (1) Forward Sale, (2) 'Jalap Sale', (3) Sale by Sample, (4) 'Moghum' Sale, (5) 'Hatta' Sale(or Sale under cover or secret sale), (6) Sale by Open Agreement and (7) Sale by Open Auction.

(1) Forward Sale: Under this system, the producer-seller sells his anticipated future produce in advance to the trader directly at a price fixed at the time of striking the transaction either at the village or at the business place of the trader depending upon the party that initiates negotiations. The characteristic features of such sale are:

(i) It is an oral contract, a gentleman's agreement, not enforceable in any court of law. Small price fluctuations do not disturb these moral commitments. However, where spot prices rise abnormally, (a) the farmer-seller has to abide by the oral sale owing to social pressures, but (b) in most of the cases, when the prices fall, the influential buyer prolongs or refuses to

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141. C-1 to C-89 and personal interviews.
lift the forward-sold quantities under one pretext or the other and compels the seller to dispose them of at the lower ruling prices. Thus, wide price-fluctuations result in inflicting losses both ways on the poor farmers.

(ii) As neither the buyer nor the seller has any scientific basis for estimating the quality, the quantity and the future price of the produce, the forward deals mainly amount to gambling on uncertainties rather than speculation.

(iii) While the forward sale ties down the produce to the buyer, the agriculturist-seller does not receive the payment except when the delivery of the produce is actually made. Where any advance is received, the forward price is depressed by the buyer to take advantage of the financial difficulties of small sellers and high rates of interest are deducted in advance.

(iv) The weighment of the produce when ready is done by the buyer or his assistant/servant. Malpractices enter with regard to over-weighment, provision of free transport by the seller, unlawful adjustment of previous dues, late payment, etc..

(E) Jalap Sale: Under this method, the trader purchases the standing crop of the producer well-in-advance of the harvesting season at a price fixed on the date of bargain. The price may be quoted in lump sum for the entire crop on the farm. The
vagaries of nature may yield an edge to either party and has an element of insurance in that a minimum income to the farmer-seller is assured. Again, advance payment to the extent of 50% of the agreed value of the sale transaction is received by the seller. Usually, the 'Jalap' sale transactions go against the interests of the agriculturist-sellers. (i) The price is determined by the buyer on the basis not of the ruling market price but of the urgency of the producer to sell his produce, the condition of the standing crop, his present expectations of the spot market prices at the time of the delivery of the produce and the risk involved in the transaction. Such price quotations are in almost all cases abnormally low. (ii) Whenever, the buyer faces an adverse situation at the time when the 'Jalap' sale crops are ready for delivery, he creates false disputes relating to quality, quantity, period of delivery, etc. and forces further down the already low price previously agreed to by him. Again, as the balance payment is not made by the buyer unless when he takes the delivery of the produce 'Jalap' sold, delays—particularly when prices are sagging — in taking such deliveries inflict the financial stringency on the farmer who does not have the waiting capacity. Many a time, he is forced to borrow high cost loans from other source when he is a creditor to the trader. When the current prices are rising or the crops have come up in better qualities and quantities, the buyer does not share the gains with the seller.
(3) 'Mohgum' or 'Unbhav' sale: Here, the deal consists in the delivery of the produce by the agriculturist-seller to the buyer on the verbal understanding between the two that the latter would pay the price ruling on any day, within the period prescribed, as may be named later by the seller. The method is being adopted mostly in places located a little in the interior where price movements get communicated within conventional time-lag. It is usually beneficial to the farmer as (i) he may not have to incur the loss during storage of commodities like cotton and oilseeds which deteriorate in quality and/or lose weight, (ii) he has not to worry about storage space and protection of produce against insects, rats, shop-soiling, fire hazards, etc., (iii) no quick decision about a price based on insufficient information needs to be taken by him, and (iv) it is he who dictates the price the buyer should pay by giving the intimation on a future date of his choice. Of course, the agreement is oral, he has to wait for the payment until he exercises his option and a miscalculation of the trend of the market price by him may transfer the benefit to the buyer. But then, the latter also bears the risks and there is no malpractice about it unless when his behaviour is fraudulent or coercive or of undue influence. Actually, the transactions are peculiarly speculative in character. (By the way, they open up a new direction of research: spot transactions relate to present sales at current prices for ready deliveries of the quantities
sold; forward sales relate to transactions at future prices ruling in the present market for quantities to be delivered at fixed or determinable dates in future; but here are the transactions that involve delivery of the produce without any fixation of prices -- whether spot or future -- now, with an option granted only to the seller to name the date -- again, any time in future within the conventional period-limit -- on which the ruling price shall apply.)

(4) Sale by Sample: Whether the produce is brought to the market place or not, it is the samples which are brought by the producer or collected by a general commission agent or a broker, that formed the basis for price fixation. The practice is for him to go round a few traders, show them the samples, collect their offers and settle the highest price. If honestly in dealing is adhered to by all the parties concerned, this method can be considered to be an efficient one. It presupposes grading and inspection of random samples. Unnecessary transport, storage and heaping of bagged or loose produce to verify personal inspection of large homogeneous lots are eliminated. If avoids the assembly of traders at one place. The only serious limitations of the methods are; (i) The samples shown may prove to be unrepresentative when delivery of the produce sold is taken and genuine disputes may ensue. (ii) Where a collusion occurs between the commission agent and the traders, the seller may not secure the maximum price. (iii) Where price declines occur later, unscrupulous buyers may put forward false excuses
to nullify the deals or effect price reductions.

(5) 'Hatta' Sale (Sale under cover or Secret Sale): The agriculturist-sellers bring their produce to the market. The brokers or other middlemen conduct the sale operations on their behalf by receiving offers from prospective buyers through code signs or finger manipulations under cover of thick cloth and disclosing finally the particulars of the first ranking bid and the bidder's name. The deal gets effected once this is done. Variations of the system prevailed in different markets but the principle involved everywhere has been that the offers made by the different intending buyers are known only by the intermediate agency whose decision about the highest offer is treated as final. A possibility of manipulations by collusion is there in two ways: (i) Where any of the intending buyers quotes too high a rate when the rest have given low offers, the 'Hatta Dalal' can oblige him by communicating the information secretly to him and declaring a lower final price to the former's advantage and at the cost of the agriculturist-sellers, (ii) Where the 'Hatta Dalal' wants to help any one in effecting a deal in his favour only when competition is stiff, he may disclose to him secretly the highest offer from amongst the other intending buyers and, with his consent under cover, declare his offer as the highest one and close the deal. This makes discriminatory treatment to the others present.

The negotiators have always a soft corner for the buyers vis-a-vis the agriculturist-sellers owing to their local
acquaintance, familiarity and common vested interests in the formers.

In addition to these objectional practices, the fundamental limitation of the system is that no intending buyer is entitled to make a repeat offer of a price higher than the one finally declared by the negotiator. Therefore, no price competition can ever take place. Of course, in the anxiety not to lose a deal the prospective buyers may be tempted to make higher offers from the very beginning. But, the possibility of secret collusion serves as a surer low cost alternative and the interests of the farmer-sellers are jeopardised. Moreover, all throughout the process the seller has to be an overwhelmed onlooker and it is the negotiator on whose integrity and prudence he has to rely entirely. The former passes anxious movements while the process of fingers' manipulation continues and even when the final price is declared by the 'Hatta Dalai' in good faith, he suffers from a sub-conscious sense of frustration of his having been cheated.

The satisfying feature of the method is that the chances of disputes about the quality and price of the produce are minimised as the lots are open to physical inspection before offers are given and the deals are closed in public.

(6) Sale by open agreement: Whenever the grower of agricultural produce deals with the buyer to enter into a sale transaction with him, a sale by open agreement is said to be made. There is
no intermediary and it is the seller who moves buyer to buyer in search of a remunerative price. Ignorance of market conditions may prove to be damaging. Also, the buyer may exploit him through wrong weighment, manipulation of accounts, deductions of unauthorised allowances and delays in making payment of sale proceeds. Further, 'Oligopsony' of a few buyers in market places may result in depressing the prices.

(7) Open auction sale: Under this method, as soon as the farmer sellers bring their produce to a market, it is arranged commodity --, grade -- and lot-wise by the general commission agents or the brokers or the auctioneers. The latter conduct the auctions, turn by turn, in the presence of the seller or his agent and the competing traders. The bids are to be made in the prescribed units of quotation. The offer of the highest bidder is accepted with the consent of the seller who has the discretion to refuse it and sell the lot to a lower bidder or not to sell it at all. The essence of the system is to create conditions of perfect competition by eliminating under cover practices and providing for the interaction of the forces of supply and demand in relation to the quantitative and quality variations. As pre-auction inspection of the graded lots is provided, disputes regarding the quality are eliminated. The watching of the open auction process gives the psychological satisfaction to the seller that he has not been cheated in price fixation. The buyers, too, have an opportunity of putting forward repeat bids to reach his maximum paying capacity for
striking a particular deal.

The limiting factors of the system are: (i) The process is very time-consuming and presupposes extensive development of commercial grading. (ii) Auctioning has to be done lot by lot, the number of competing traders may be larger in the beginning but may thin out as the requirements of a few of them may get satisfied. My field-work has shown that frequently the auctions at the later stage became routine and mercenary in character, few dealers took part in competitive biddings and the agriculturist-sellers whose turns came later realised relatively lower prices. (iii) There is a structural self-contradiction in the open auction system as the higher bids came in small bits as no competitor wants to risk the payment of unduly high price through inadvertence, while the aim of open auction sales is to secure the maximum price for the produce of the seller.

2. Legal position

Prior to the enactment of the Bombay Cotton Act, 1927, no specific method of sale, in a regulated market was statutorily prescribed. It was the Bombay Cotton Rules, 1929, which had provided that "the price of cotton brought into the market for sale shall be settled openly and not by secret signa". 142

The Baroda Rules, 1939, contained similar provision. The Bombay Rules, 1941, were more specific in that, as discussed earlier, all agricultural produce except the processed ones as specified brought into the market was to pass through the market yard and that the prices were to be settled by open auction or by open agreement only. Also, the purchaser had to sign an agreement in triplicate in the prescribed form in favour of the seller as soon as any transaction is effected and supply its copy to the seller and the Committee. The Saurashtra Rules, 1956, contained similar provisions. Thus, the forward sales, 'Jalap' sales, 'Mohgum' sales, sample sales and 'Hatta' sales have been invalidated by law.

3. Analysis of data

The information supplied by the 88 active Committees has shown that the illegalised methods of sale were in vogue in some of them as late as 31-8-64. My field-work has revealed the vagueness in the replies shrewdly given to the related questions by most of the Committees. Without attempting to

147. C-1 to C-89.
148. The very fact that village sales take place invariably in all the regulated markets, perhaps no evidence needs to be produced in this regard.
rectify the error, the data are tabulated in Table VII.19 in group categories according to the methods of sale practised in various markets.

Table VII.19

<table>
<thead>
<tr>
<th>Sale Method/s</th>
<th>Number of Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open auction</td>
<td>47</td>
</tr>
<tr>
<td>Open agreement</td>
<td>5</td>
</tr>
<tr>
<td>Open auction and open agreement</td>
<td>8</td>
</tr>
<tr>
<td>Open auction, open agreement, forward sale and 'mohgam' sales</td>
<td>4</td>
</tr>
<tr>
<td>Open auction and 'Hatta' sale</td>
<td>3</td>
</tr>
<tr>
<td>Open auction &amp; forward sale</td>
<td>3</td>
</tr>
<tr>
<td>Open auction, forward sale and 'Jalap' sale</td>
<td>3</td>
</tr>
<tr>
<td>Forward sale and 'mohgam' sales</td>
<td>2</td>
</tr>
<tr>
<td>Open auction, forward sale and 'mohgam' sale</td>
<td>1</td>
</tr>
<tr>
<td>Open auction, open agreement and forward sale</td>
<td>1</td>
</tr>
<tr>
<td>Forward sale</td>
<td>1</td>
</tr>
<tr>
<td>Unspecified</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>88</strong></td>
</tr>
</tbody>
</table>

Thus, even as per the authentic information supplied by the Committees themselves only 60% of the active Committees adhered to the two methods of sales statutorily recognised. Taking out

149. C-1 to C-89.
the 10 Committees that have not specified the method -- suggesting the prevalence of ultra vires methods -- 30% were officially aware of the use of illegal methods. It is queer why action was not taken to stop the rot. Surprisingly, in the advanced and developed vegetables' regulated markets at Ahmedabad and Surat, the bids were first struck by 'Hatta' system, followed by the open auction.

4. Open auction method at work

We have already discussed the general limitations of the open auction system, it needs to be added that it is not the existence of large number in a market alone that would generate ripples of constructive competition; the members of the trading community intending to buy at an auction must belong to divergent class/group interests so that even unintended oligopsony does not overshadow the bids. It was expected that the co-operatives holding licences would act as a powerful force combating the private sector traders in the regulated markets, but they seemed to have failed miserably in their mission in this field.

Another vital issue for increasing the efficiency and

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150. Resolution No.17 passed by the First State Conference of the Regulated Markets in Gujarat(held at Surat in February, 1965) itself stated that the Committees had concentrated their attention to sales of agricultural produce in the market yards but could not pay proper attention to sales in villages in the market area, while the systems of forward sales, 'Mohgum' sales etc. were found widely in vogue: Vide: L-13: p.5.

151. C-16 and I-7: p.3.
dependability of the auction sales is that of agency through which they are effected. In most of the market yards, the general commission agents do the auctioning. In order to ensure the maximisation of price advantage to the producer-seller and proper recording of the auctions, auctioning should invariably be entrusted to either special auctioneers employed by each Committee or special licensed auctioneers, who would serve as an impartial agency. The former group would be in a better position. to discharge their duties more honestly, faithfully and responsibly. Out of the 88 active Committees, 15 had made a beginning in this direction by 31-8-64, but neither the number of appointees was adequate nor were they qualified and properly paid.152

The practice of buyers initiating the competition at an auction with fantastically low bids so that frequently the growers are compelled to accept final prices that are unreasonable in comparison with those prevailing in the neighbouring markets, must be curbed. It is possible to prescribe minimum opening bids for each commodity based upon the previous day's experience in the same market and the reports of the prices that had prevailed in the neighbouring markets the previous day.


The Expert Committee(1954-5) had recommended that statutory

152. C-3, C-8, C-9, C-23, C-24m C-25, C-26, C-30, C-32, C-33, C-43, C-46, C-55.
recognition should be granted (i) to the open auction system and the tender system within the market yard and (ii) to the open agreement system outside the market yards but within the market area as conduct of open auction will be impossible in the direct dealings of the growers and the buyers.\textsuperscript{153} However, neither the Gujarat Act, 1963, nor the Gujarat Rules, 1965, lays down any specific method of sale to be followed in the market yards. By implications, the discretion was granted in this regard to the Committees. However, the model bye-laws prepared by the Director for the guidance of the Committees have specified that the sale of any produce brought to a principal or sub-yard will be made either by open auction or by tender or by open agreement and never by secret signs.\textsuperscript{154} There are also rules in unnumbered appendices that detailed out for the requirements and procedures for (i) sample sales which permit the open auction through samples without bringing the entire lots to the market yards, with a condition that the lots thus sold will be delivered within a period not more than a week from the date of the transaction, and (ii) the 'Unhbav' sales where also quantities so taken possession of by the authorised dealers would have to be treated as deposited and stored in a godown or place registered with the Committee and

\textsuperscript{153} G-12; p.32.

brought to the market yard for sale through open auction only on the day decided upon by the farmers concerned. 155

The possible impact of these provisions would be of the following types:-

(i) Legalised regulation of the particular forms of sale has been restricted only to the produce arriving in the market yards.

(ii) A system of sale by tender is also, recognised. It suffers from the same limitations from which the secret sale system suffered. (Of course, one trader is eligible to offer his bids by filling in as many tenders he likes within the stipulated time.) The only difference is that the prices offered by various competing buyers became known to the seller. However, there was no scope for competitive high offers once the highest offer in the tender.

(iii) The recognition of the method of sale by sample is an appropriate step to encourage the channeling of the sales in the earlier non-covered sector through the market yards. The degree of its success will vary in direct proportion to the spread of grading habits among the farmers and the extent to which the samples will be representative of the lots to be sold. Otherwise, a chain of disputes may ensue.

(iv) An impression is created that 'Unbhav' sales have been regularised. But it is not so, as its entire concept has been metamorphosed. It is not to be 'Unbhav' sale but is an 'Unbhav' deposit with an authorised dealer, who has just to retain its possession until the farmer names the date of its disposal which has to be through an open auction at the market yard. The dealer is authorised to grant advances against the security of such deposited produce only in terms of the Bombay Moneylenders Act, 1946. A restriction has been placed on the dealer that he or his partner can not bid in the open auction for the deposited lot. In other words, this amounts to the grant of a function of a warehouseman-cum-moneylender to the authorised dealer and there is no element whatever of 'Unbhav' sales in the provision. It is difficult to understand as to how it can serve a purpose better than illegalisation of such 'Unbhav' sales.

The existing Act, Rules and Bye-laws, therefore, are not more positive (except in regard to sample sales) to attain greater coverage of the non-market yard deals. Again, a serious lacuna is that the model bye-laws are not binding upon all the Committees as the Act and the Rules are. The deletion of these clauses from the repealed legislations has been a retrograde step which has created extremely anomalous situations in terms of the concurrent continuance of the application of the new Act.
and the Rules with the old bye-laws as the latter have not yet been replaced by the new ones in most of the Committees. Confusion has been worst confounded.

Lastly, as the model bye-laws, as discussed above, prescribe the lawful methods of sale only for transactions taking place in the market yards, the basic problem will continue to be, as in the past, that of controlling the numerous small lot-transactions (apart from the larger ones) taking place between many producers and buyers in a number of scattered villages, particularly, the distant ones, within the peripheries of the respective regulated markets. It does not stand solved only because of the sheer impossibility of bringing all salable lots from everywhere to the one or few market yards on one hand, and the impossibility of providing field staff to supervise all the sale transactions in the numerous villages in the vast market areas. Thus, the traditional methods of sale will continue unabated and the market Committees will continue to be completely (a) ineffective with regard to the selling process, price fixation, weighment, delivery of goods, deduction of allowances and other charges, payment, etc. in forward sales, 'Jalap' sales, 'Hatta' Sales, and 'Unbhav' sales everywhere are concerned and (b) only partially effective in regard to the other methods of sales.

J: Weighment

Malpractices: The earnings of any seller of produce depend upon the price quotation and the quantity measurement. Manipulatory
weighment in favour of the buyer results in a reduction in earnings even when the price quoted is high. The malpractices connected with weight include the use of unauthorised and false weights and scales, varying standards of over-weights and measures conveyed by traditionally market-accepted meanings attached to normal terms of weighment, absence of any standard prescribed as minimum quantity to be weighed at a time, conventional marginal over-weighment, ex-gratia excess weight allowances as per the dictates of the buyer, arbitrary deductions for counter-balances in weighment, free taking away of surplus left unweighed in a lot, absence of impartial independent agency for weighment of uniform weighing charges and of any fixed procedure of supervision over actual weighment. 156

Statutory position: The efforts made for elimination of the dubious practices through provisions in the regulated marketing legislation since the very beginning have more or less on the same lines. 157 The Gujarat Act, 1963, and the Rules thereunder

156. In an official survey made prior to the introduction of the metric system of weights and measures in India in October, 1961, it was discovered that in 1100 villages scattered over the country 143 systems of weights were in vogue. There were more than 100 maunds equivalent to from 280 tolas to 8300 tolas. The indigenous 'seer' meant weights between 8 tolas to 160 tolas. The terms used for the varying weights and measures would adorn any special section of a dictionary of technical terms.

touched the following major aspects:

(i) Only authorised weights and measures or weighing or measuring instruments have to be used everywhere in the market area. These have to be verified and stamped by the Inspectors appointed under Section 15 of the Bombay Weights and Measures Act, 1958, in consonance with the provisions of the Bombay Weights and Measures (Enforcement) Act, 1958. Additional inspection and testing have to be undertaken by him on receiving a written requisition from the Chairman, the Vice-chairman or the Secretary of any Market Committee. Each Committee must keep at least one set of standard weights and measures and weighing and measuring instruments which should be available to the public for inspection and checking for all reasonable hours. In brief, no other conventional weights and traditional practices of weighment will prevail.

(ii) Only persons holding licences are eligible to operate in the market in the fields specified therein.

(iii) The licensed trader or the general commission agent has to provide all necessary weights or measures and weighing or measuring instruments for the weighment of the produce bought by or through him in the market.

(iv) All weighment of produce sold in a regulated market must be done through a licensed weighman, who must wear a distinguishing badge when plying his trade. His impartiality is sought to be ensured by making it a condition that no one in the 'service' of another person can be eligible for a licence.

(v) Weighment or measurement of the produce bought or sold in a market yard has to be done at such places and in such manner as may be determined by the Committee concerned.

(vi) A discretion has been granted to the Committees to fix the weighing charges.

(vii) The Chairman, the Vice-chairman and the Secretary of a Committee, in addition to any member or officer or servant of the Committee authorised by it, have been empowered to inspect, examine and compare, at any time and without notice, any weight or measure and weighing or measuring instrument used, kept or possessed within the limits of the market area. They have also been authorised to require, by a written requisition, any licensed trader, general commission agent, weighman or measurer to produce immediately all and every scales, weights and measures used, kept or possessed by him or by any person on his behalf or under

159. A breach of this requirement renders him a fine upto Rs. 200/-.
his control, for inspection, examination and comparison of the same. 160

Situational analysis: We shall now study the conditions as prevailed in different Committees in relation to the aspects as referred to above seriatim.

(i) While decimalised weights and measures have been the only officially recognised ones, the old ones and the sub-standard ones are still in use outside the market yards. 161

(ii) Non-licence-holders, though are not debarred from entering a market yard, are not permitted to effect any transactions. But particularly outside the market (proper effective supervision over them is an impossibility in many cases and malpractices in weightment continue to have their sway). 162

(iii) Difficulties regarding the provision of weights, etc. by the buyer or the commission agents were negligibly reported. 163

(iv) and (v) As stated earlier, there were 1623 licensed weighmen in 74 Committees as on 31-8-64, of which 1232 were A class licence holders while 391 were B class ones. 164 The former were allowed to operate only in the market yards, while the latter were to work in the market areas outside the market yards. Their average numbers of 16 and 5 indicate that the numerous scattered

160. Any person who is bound to produce them and does not do so, is liable to a fine upto Rs. 500/-.
161. Personal interviews.
162. Personal interviews.
163. C-1 to C-89.
164. C-1 to C-89.
village sales, in practice, mostly remained outside the purview of the licensed weighmen. Again, the averaging is misleading as is reflected in the frequency distribution of Committees having from 1 to over 35 licensed weighmen as given in Table VII.20.

Table VII.20

<table>
<thead>
<tr>
<th>Number of licensed weighmen</th>
<th>No. of Committees</th>
<th>Number of licensed weighmen</th>
<th>No. of Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 5</td>
<td>19</td>
<td>21 - 25</td>
<td>6</td>
</tr>
<tr>
<td>6 - 10</td>
<td>15</td>
<td>26 - 30</td>
<td>5</td>
</tr>
<tr>
<td>11 - 15</td>
<td>7</td>
<td>31 - 35</td>
<td>7</td>
</tr>
<tr>
<td>16 - 20</td>
<td>5</td>
<td>Over 35</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>74</td>
</tr>
</tbody>
</table>

Thus, 16% of the active Committees had no licensed weighman and the entire field was monopolized by the traders, general commission agents or their employees, 38.7% had less than 10 each so that, in practice, other functionaries had a big hold on the weighing operations there and only 26% each had weighmen numbering over 25 where the conditions were broadly satisfactory.

Again, out of 88 active Committees as on 31-8-64, (a) 10

165. C-1, C-3 to C-10, C-12, C-13, C-15, to C-21, C-23, to C-28, C-31 to C-35, C-35 to C-46, C-48 to C-55, C-55, C-56, C-59 to C-55, C-67 to C-78, C-81, C-83 to C-89.
had no yards of their own; (b) in 37, weighment was done wholly outside the market yard; (c) in 26, it was done wholly in the market yards only, and (d) in the remaining 15, it was done partly in the market yard and partly outside.\textsuperscript{166} In (a), (b) and (d), where weighment was done outside, the weighment places were the godowns/shops of the traders/the commission agents or the premises of the processing factories. In (c) all weighment was done only through the licensed weighmen. In (d), the weighment inside the market yards was the exclusive privilege of the licensed weighmen while that outside the yards was done either by them or by the traders/general commission agents themselves. Out of 37 Committees (Vide: (b)), in 12 weighment was done by the traders, their agents or employees. A fairly good number of these 37 Committees were located in the districts of Sabarkantha, Kaira, Panch Mahals, Baroda, Bulsar and Surat. Wherever, weighment was done outside the market yards, chances of the evasion of law and the continuance of malpractices were high.

Two practices of weighment were prevalent in the 26 Committees where produce were weighed in the market yards by the licensed weighmen, in one followed by 12 Committees different commodities were weighed simultaneously at different spots in the yards immediately the auction sales were completed; in the other 14 Committees, weighment was undertaken lot by lot irrespective of the commodities by the same weighmen. The system

\textsuperscript{166} C-1 to C-89.
adopted depended mainly upon the availability of sufficient number of weighmen or otherwise. The number of licensed weighmen, in turn, was determined by the size of the market, the frequency and scale of commodity arrivals and the possibility of earning sufficient daily or monthly income by way of charges collected. Of course, the number of licensed weighmen was small and the process was time-consuming.

A few of the Committees which have regulated cotton have recently developed a practice of employing their own weighmen at the ginning factories to weigh the cotton brought for sale by the cotton growers. The APMCs at Bodoli, Dabhoi and Karjan-Sinor (Baroda) and that at Kapadvanj (Kaira) have been the striking examples. The practice is worth emulate where the produce is not brought to the yards. It offers the advantage of impartial weighment which can not be expected of employee-weighmen of the processing units having the vested interest of buyers. The safe-guard that may be provided, in addition to the normal supervision work of the inspectorial staff of the Committees, may consist of interfactory transfers at reasonable intervals during the season to avoid the possibility of corrupt practices. (vi) A diversity existed among different Committees in regard to (a) both the bases and the rates of

167. C-5 to C-6, C-7, C-9, C-12, C-16, C-19, C-23 to C-27, C-30 to C-31, C-42, to C-44, C-47, C-48, C-52, C-55, C-69, C-72 and C-81.
168. C-50, C-60 to C-62.
weighing charges prescribed by them and (b) the party who was supposed to bear them, as would be discussed in the next section. It is unfortunate that the Director who has granted approval to the bye-laws resulting in such a jungle of charges should not have thought of simplifying their structure and allowing for any variations only on the basis of cost differentials.

(vii) As regards the surprised inspection, it has, so to speak, proved a paper provision with most of the Committees as the honorary members of the Committees were too busy to pay such visits and the inspectorial staff was grossly inadequate.

Corrective measures: The foregoing discussion goes to show that weighment through impartial licensees is not possible in a vast sector of sales outside the market yards and that exploitation of the farmer-seller through a number of malpractices continues unabated. A streamlining of weighment system is suggested on the following lines, treating the present concept of regulating marketing as the basis:--

(i) Weighment of all agricultural produce sold in a market yard should be done by the seasonal or perennial weighmen who are employed -- and not licensed -- by the Committees according to its requirements unlike the licensees whose number has to depend upon the sweet-will of applicants.

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169. C-1 to C-89. 170. C-1 to C-89.
(ii) Weighment in processing factories, if at all to be allowed, should be done by the same agency as suggested in (i) above but on a rotation system to avoid collusionary malpractices.

(iii) The director should lay down, for all Committees, uniform standard bases for weighing charges and name the same party who should bear them. Amendments to the relevant bye-laws in all the cases should be initiated.

(iv) Where separate licences are granted for weighment and 'hamali' charges for weighment and those for loading and unloading should be fixed separately.

(v) The weights and measures and the weighing and measuring instruments as may be necessary for use in the market yards should be owned by the Committees in substitution of the present arrangement.

(vi) The weighing work among the employee-weighmen should be arranged on a rotation basis so as to minimise the chances of the development of any group-affiliations.

(vii) The weighment work by the employee-weighmen should be supervised more frequently and surprisingly by the inspectorial staff, the secretary and at least occasionally by the members of the Committees themselves.
1. Introduction

Market charges and some trade allowances reduce the net receipts of the agriculturist-seller who is supposed to bear them as deductions from the price agreed to by him. Looked at from another angle, they inflate the cost of marketing of the produce sold. Market charges comprise of a series of margins extracted by/allowed to various market functionaries who serve as intermediaries in a sale transaction.

Trade allowances are a variety of compulsory deductions traditionally inflicted by the traders upon the agriculturist-sellers (i) in the name of religion and charities like 'Chabutara' fund, temple fund, and 'Mahajan' fund, education and 'Mehta Sukhadi' (i.e. bonus to employees) and (ii) on arbitrary pretexts like admixture of foreign matter with the produce, inferior quality, d rage, moisture, weigh difference in packing materials, allowance for refraction, 'Kadada' and counter-balance allowances, non-acceptance of the delivery of produce on flimsy grounds and other cooked excuses intended to seek reductions in the prices already agreed upon. Free samples, extra weight in weighment, taking away of residual quantities of produce left after the last weighment and deduction of a discount for cash payment were also other techniques adopted to secure additional fringe benefits. These manifested themselves
in a variety of ways in different parts of Gujarat, as elsewhere, for decades.

Market fee is a levy that a seller has to pay to the Committee for every sale transaction on the bases prescribed as discussed at length in Chapter VI earlier. It is an overall compensation paid by him as a share in the cost of management of the affairs of the latter.

Historical review: Early in 1918 the "inquiries made by the Indian Central Cotton Committee showed that greater use of the markets was not made by the cultivators because of the disputes which arise after weighment has commenced in regard to the rate and because of arbitrary deduction from the weight." While pointing out the arbitrariness in recovering such charges, the Baroda Banking Inquiry Committee stated, in 1930, that "there was no uniformity in the customary charges. They ranged from 4 annas to Rs. 2-8-0" according to the number of items which included the following:

- "Brokerage ... 8 annas to 1 rupee per 'Bhar'
- Dharmada or charity ... 2 to 5 annas per 'Bhar'
- Discount ... 6 annas per cent
- Insurance ... 4 to 8 annas per 'Bhar'
- Mehta Shukhadi ... 4 to 8 annas per cart
- Samples or 'uthi ... 1 to 3 labs per 'Bhar'."

It is further quoted by way of illustration that "in the

Amrell Prant, the deductions are allowed per cart and some
time per maund for brokerage and maintenance of charitable
institutions and they amount to Rs. 2 to Rs. 2-8-0 for every
transaction worth Rs. 50 to Rs. 75.\textsuperscript{174}

The charges and deductions in the unregulated market of
Bodeli (Baroda) until 1939, were highly exploitive. Convention-
ally, the prospective buyers used to get samples in unrestricted
quantities on the weighbridge, the brokers charged a minimum
amount of Rs. 6/- per cart and the agriculturist-sellers had
to pay cash discounts at very exorbitant rates for getting
rupee-coins in place of currency notes.\textsuperscript{175} Prior to the esta-
blishment of the APMC at Bavla (Ahmedabad), in 1943, the follow-
ing were the usual deductions and charges in force in the mar-
ket:-

\begin{tabular}{|l|c|c|}
\hline
Commission of Dalal & 0-1-0 & per Kachcha maund \\
Charity & 0-4-0 & per cart \\
Water charges & 0-1-0 & per cart \\
Weighment & 0-2-0 & per cart \\
Hamali & 0-2-0 & per cart \\
Watchman's charges & 0-1-0 & per cart \\
Cash discount & 1-0-0 & per hundred rupees \\
Extra weight & one 'seer' & per kachcha maund. \textsuperscript{176} \\
\hline
\end{tabular}

The secretary of the APMC, Dhari (Amreli), has pointed out
that, when it was established, the traders used to obtain 'gratis'

\textsuperscript{174} 0-6: p. 167.
\textsuperscript{175} I-8: p.3.
\textsuperscript{176} C-19.
the first two weighments (viz., 'Labha' and 'Shubh') as auspicious omens per transaction. 177

Impact: The consequence was that the farmer preferred to accept a straight price -- even if lower -- from his trusted local village trader with whom he had, as it were, developed family relations rather than undertake the trouble of transporting his produce to the open markets and get exploited by the unknown buyers.

Principles: In the regulation of marketing to safe-guard the interests of the grower-sellers rationally, three principles need to be taken into account:

(i) Unnecessary links in the marketing chain must be eliminated.

(ii) The charges to be allowed to the different intermediaries must be co-related to the services rendered by them and the elements of traditionalism and arbitrariness must be eradicated. Both of these will rationalise the price spreads.

(iii) The concept that the agriculturist-sellers alone must bear the brunt of numerous allowances unrelated to trading transactions developed over decades by the social intelligentsia was itself discriminatory from the beginning. It is all-the-more outdated than ever before as the Central and the State Governments and the Local Bodies are levying a variety of direct and indirect charges.
indirect taxes, rates, duties, etc. for a multi-directional community growth.

2. Market Charges

Legal position: The Bombay Rules, 1941, (a) authorised the Committees to prescribe charges for brokerage, weighing, measuring and surveying and (b) prohibited every licensed general commission agent or his servant, broker, weighman, measurer and surveyor from soliciting or receiving them other than those prescribed in the bye-laws and prescribed prohibitive penalties for breach thereof. The model bye-laws framed in consonance of these Rules had laid down that the Market Committees shall prescribe and modify with the previous sanction of the Director the maximum rates of charges for different market functionaries. The Saurashtra Legislation had also similar provisions. The Gujarat Act, 1963, and the Rules thereunder have been silent on this point but the model bye-law No. 31 maintains the status quo with regards to the powers of the Committees.

Types: Commission, brokerage, weighing charge, hamali, screening charge, grading charge, storage charge, stitching charge, marking charge etc. are the usual market charges prescribed by the Committees in their respective bye-laws.

182. C-1 to C-89.
1 Commission: It is the charge payable to a general commission agent whenever he is employed.

(A) Bases: Value, quantity, number of vehicles and a combination thereof served as the bases for charging the commission. My field-work showed that out of the 88 active Committees on 31-8-64, 57 had adopted the value basis, 3 the quantity basis, 14 the value basis in some commodities and the quantity basis in others, 1 the cart basis in two commodities and the quantity basis in the case of other commodities and information was not available from 18 Committees. 183

There was no standard unit prescribed for charging commission where the quantity basis was used. In the case of 4 Committees, it was 20 Kgs., in the case of 7, it was 100 Kgs. and in the case of other 7 cases, it differed from Committee to Committee. 184

A uniform basis needs to be adopted by all Committees and the levy of charges ad valorem seems to be preferable as the price variations automatically get reflected in the commissions payable. Again, prevalence of two bases in the same multi-commodity market does not stand the test of sound reason.

(B) Rates: (a) Table VII.21 gives a break-up of the rates of commission prevailing on 31-8-64 in 71 responding Committees which had accepted the value-basis partially or fully.

183. C-1 to C-89.
184. C-1 to C-89.
Table VII.21

<table>
<thead>
<tr>
<th>Rates of Commission per Rs.100</th>
<th>No. of Committees</th>
<th>Rates of Commission per Rs.100</th>
<th>No. of Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 paise</td>
<td>1</td>
<td>110 paise</td>
<td>1</td>
</tr>
<tr>
<td>25 paise</td>
<td>2</td>
<td>125 paise</td>
<td>1</td>
</tr>
<tr>
<td>37 paise</td>
<td>2</td>
<td>150 paise</td>
<td>5</td>
</tr>
<tr>
<td>40 paise</td>
<td>2</td>
<td>300 paise</td>
<td>4</td>
</tr>
<tr>
<td>50 paise</td>
<td>8</td>
<td>312 paise</td>
<td>1</td>
</tr>
<tr>
<td>62 paise</td>
<td>1</td>
<td>450 paise</td>
<td>1</td>
</tr>
<tr>
<td>75 paise</td>
<td>25</td>
<td>500 paise</td>
<td>2</td>
</tr>
<tr>
<td>100 paise</td>
<td>15</td>
<td>Total</td>
<td>71</td>
</tr>
</tbody>
</table>

Thus, (i) the range-ratio of the lowest to the highest came to 1:42, (ii) over 56% of the Committees charges 1 or 1%, (iii) above 10% had rates lower than 1/2% and (iv) only a little over 11% were allowing 3% to 5% — 3% was the rate prescribed by all the tobacco trade Committees and the multi-commodity market at Padra, the maximum rate of 5% was allowed by the two pure vegetables Committees at Ahmedabad and Surat. A distinctive feature was that different rates of commission were prescribed for different commodities simultaneously in the same market.

(b) Table VII.22 presents the details of the rates prescribed on quantity of three Committees as ruling on 31-8-64.

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185. C-1 to C-13, C-16 to C-21, C-23 to C-46, C-50 to C-56, C-59 to C-64, C-67 to C-79, C-81, C-83, C-86, C-88 and C-89.
Table VII.22

<table>
<thead>
<tr>
<th>Committee</th>
<th>Cotton (Kgs.)</th>
<th>Rate (Paise)</th>
<th>Groundnut (shelled) (Kgs.)</th>
<th>Rate (Paise)</th>
<th>All other commodities (Kgs.)</th>
<th>Rate (Paise)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dehgam</td>
<td>100</td>
<td>20</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>62</td>
</tr>
<tr>
<td>Idar</td>
<td>100</td>
<td>22</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>50</td>
</tr>
<tr>
<td>Talod</td>
<td>100</td>
<td>6</td>
<td>100</td>
<td>8</td>
<td>100</td>
<td>5</td>
</tr>
</tbody>
</table>

The lack of uniformity pictured here was repeated in other Committees that prescribed the rates for a few commodities on quantity basis. Until the ad valorem basis is adopted by all Committees, uniformity of the quantity-based rates must be immediately attained.

(C) Parties bearing the burden: In the case of 65 Committees out of 88, the commission had to be paid by the seller, in 9, the cost had to be borne by the party that engaged the services of a commission agent and in 1 Committee, the buyer was supposed to bear it.187 Thinking rationally, the liability in all cases should be that of the party employing a commission agent.

(2) Brokerage: The charge payable to the broker for the services rendered by him is termed brokerage.

(A) Bases: A review of the information supplied by 56 Committees

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186. C-18, C-34 and C-38.
187. C-1 to C-13, C-16 to C-21, C-23 to C-45, C-50 to C-56, C-60 to C-64, C-67 to C-78, C-81, C-83, C-86, C-88 and C-89.
has shown that 24 prescribed brokerage on the basis of quantity, 7 on the basis of value and 1 each on the basis of vehicle, quantity/value/bale, value/vehicle/bale/bag, quantity/bale, and value/bale.\textsuperscript{188} The vehicle-cum-bale basis is popular in the cotton trade. In the cattle trade, per cattle-head brokerage prevailed in 1 regulated market as against the ad valorem by all others.

(B) Rates: In 25 Committees, brokerage rates were prescribed in a standard weight of 100 Kgs., in 7, it was on standard unit of value of Rs. 100. Table VII.25 presents the details as on 31-8-64.

<table>
<thead>
<tr>
<th>Brokerage per 100 Kgs. (Paise)</th>
<th>Number of Committees</th>
<th>Brokerage per Rs. 100 (Paise)</th>
<th>Number of Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>1</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>25</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>12</td>
<td>30</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>50</td>
<td>-</td>
</tr>
<tr>
<td>8</td>
<td>2</td>
<td>75</td>
<td>1</td>
</tr>
<tr>
<td>10</td>
<td>3</td>
<td>500</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25</strong></td>
<td><strong>Total</strong></td>
<td><strong>7</strong></td>
</tr>
</tbody>
</table>

It may be added that the highest rate of 5% was allowed

\textsuperscript{188} C-2, C-5, C-9, C-10 to C-12, C-15, C-17, C-25, C-27, C-54 to C-56, C-41, C-48, C-50 to C-54, C-56, C-61 to C-62, C-67 to C-69, C-72 to C-79.

\textsuperscript{189} C-2, C-5, C-9, C-10, C-11, C-12, C-15, C-17, C-25, C-27, C-54 to C-56, C-41, C-48, C-50 to C-54, C-56, C-60 to C-62, C-67 to C-69 and C-71 to C-79.
by the APUC at Ahmedabad, regulating the perishable commodity of vegetables where earliest selling was a must.

In the case of the cart-basis adopted by 3 Committees, the rates were 12, 50 and 75 paise per cart.\textsuperscript{190} Similarly, the cotton bale rate was 25 paise in two Committees. 2 paise per bag was the common rate for groundnut trade.\textsuperscript{191} In the cattle trade, the per-head and/or the per-Rs. 100 rates were prescribed by the concerned Committees.\textsuperscript{192}

During my field-work, I came across a Committee which prescribed brokerage per 'Deshi maund' though the metric system rates were introduced since 1-4-60.\textsuperscript{193}

The wide-variations in brokerage rates meant a repetition of the same story.

\textbf{(C) Parties bearing the burden:} Though it seems equitable that the party engaging the services of a broker must bear the cost, the principle was followed only by 12 Committees out of 36 reporting ones as on 31-8-64.\textsuperscript{194} In the case of another 16 Committees, brokerage had to be paid by the sellers, in 2 by the buyers, in 5 by the buyers and the sellers equally and in the remaining 1 by the buyer alone.\textsuperscript{195}

\begin{itemize}
  \item \textsuperscript{190} C-2, C-5, and C-48.
  \item \textsuperscript{191} C-9 and C-48.
  \item \textsuperscript{192} C-9, C-25, C-26, C-33, C-69, C-72 and C-74.\textsuperscript{193} C-2.
  \item \textsuperscript{194} C-25, C-48, C-50, C-56, C-60, C-69, C-75, C-76, C-78 to C-79, C-61.
  \item \textsuperscript{195} C-2, C-5, C-9, C-10, C-11, C-16, C-17, C-27, C-34, C-35, C-56, C-41, C-51 to C-54, C-61, C-62, C-67, C-71, C-72, C-74.
\end{itemize}
The suggestions made in the case of a commission for the unification of the bases and the rates and for the bearing of the cost-burden by the party using service of this agency equally apply here.

(3) **Weighment charges**: They are the remuneration to be paid to licensed weighmen for the trouble they take in weighing impartially, through standard weights, the lots of produce sold in or outside the market yards.

(A) **Bases**: Quantity, vehicle -- e.g. cart, motor truck, tractor -- bag, bale and value served as the bases for the fixation of weighment charges. The analysis of the data of 72 reporting Committees as on 31-8-64 has shown that: (i) Quantity was the basis in 56, quantity, bale and cart in 7, quantity and cart in 5, motor truck, bale and quantity in 2, and motor truck, bale and value, and value only in 1 each. (ii) Where quantity basis was adopted, for commodities like foodgrains, oilseeds and grocers in 42 Committees accepted standard of weight was 100 Kgs., 2 Committees continued the old 'Deshi' maund and 4, the old 'Bengali' maund bases, 16 had 20 Kgs. and 2 each had 40 Kgs., 450 Kgs. and 500 Kgs. (iii) The prevalent unit for vegetables was of 20 Kgs. (iv) Cart-load and a bale were usually used as bases for the weighment charges for unginned cotton and lint respectively.

196. C-1 to C-6, C-8 to C-13, C-16 to C-21, C-23 to C-32, C-34 to C-57, C-60 to C-64, C-67 to C-69 and C-71 to C-89.
(B) Rates: Table VII.84 presents the figures regarding 50 Committees which had prescribed rates of weighing charges excluding 'hamali'.

Table VII.84

<table>
<thead>
<tr>
<th>Rate (paise per 100 Kgs. equivalent)</th>
<th>Number of Committees</th>
<th>Rate (paise per 100 Kgs. equivalent)</th>
<th>Number of Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>1</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>4</td>
<td>2</td>
<td>12</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>7</td>
<td>15</td>
<td>3</td>
</tr>
<tr>
<td>6</td>
<td>2</td>
<td>16</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>2</td>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
</tr>
</tbody>
</table>

Another 28 Committees prescribed single inclusive charges for weighment and 'hamali' implying that all these tasks were to be performed by the same licensees. Table VII.25 exhibits the relevant particulars.

The Tables are self-explanatory. The characteristic feature that catches the eyes is the one of extremity of the ranges, which was explained by variations in local conditions and conventions.

Where cart-load served as a basis, the available figures

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197. C-1, C-3, C-4, C-6, C-8, C-9, C-11, C-16, C-24, C-26, C-28, C-29, C-47, C-51 to C-55, C-60, C-62, C-65, C-71, C-73 to C-79, C-81, C-83, C-84, C-88 and C-89.
Table VII.26

<table>
<thead>
<tr>
<th>Rate (paise per 100 Kgs. equivalent)</th>
<th>Rate (paise per 100 Kgs. equivalent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Committees</td>
<td>No. of Committees</td>
</tr>
<tr>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>8</td>
<td>18</td>
</tr>
<tr>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
</tr>
</tbody>
</table>

for 7 Committees showed that 25 paise per cart were charged in 3 and 19, 20, 40 and 62 paise in 1 each.

Where bale is the basis, the figures for 10 Committees showed that 6 paise per cart were charged in 3, 15 in 2, 17 in 2, 18 in 1 and 20 in 1. Insofar as the motor truck-basis was concerned, a uniform rate of Rs. 2 per truck and Rs. 1 per tractor was charged by 3 and 1 Committees respectively. The APMC, Jhagadhia that had the value basis only charged 1 paise for cotton, 19 paise for lint and 3 paise for other commodities valuing Rs. 100.

Another feature of the rate structure was that, while 46 Committees prescribed uniform rate of weighing charges for all the commodities regulated by them, 26 followed the pattern of

198. C-2, C-5, C-10, C-12, C-15, C-18, C-23, C-27, C-30, C-32, to C-39, C-41 to C-46, C-48, C-49, C-60, C-64, C-67 to C-69 and C-72.
commodity-wise rate-variation. The break-up is presented in Table VII.26.

Table VII.26

<table>
<thead>
<tr>
<th>Uniform rates of weighment except for commodities</th>
<th>Number of Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton</td>
<td>15</td>
</tr>
<tr>
<td>Cotton and groundnut</td>
<td>7</td>
</tr>
<tr>
<td>Groundnut</td>
<td>2</td>
</tr>
<tr>
<td>Chillies</td>
<td>1</td>
</tr>
<tr>
<td>Chillies and groundnut</td>
<td>1</td>
</tr>
<tr>
<td>Cumin</td>
<td>1</td>
</tr>
<tr>
<td>Cotton, Cumin and 'Variali'</td>
<td>1</td>
</tr>
</tbody>
</table>

The discriminatory rate-prescription is not explainable except on such grounds as what the traffic can bear and/or the peculiar type of commodity and packing.

Three other exceptional features were these:

i) In some Committees, where mechanically operated weighbridges were installed, separate rates were prescribed for mechanical weighing and hand-weighing; those for the latter being higher.

ii) The APMC at Viramgam had prescribed separate rates of weighing charges for Viramgam proper and for the market area other than Viramgam proper.

iii) The APMC at Palitana was found continuing the rates prescribed in pies despite the decimalisation of coinage since 1-4-1987.

199. C-2, C-5, C-10 to C-72., C-73 to C-79.
(C) Parties bearing the burden: Out of the 72 reporting Committees, in 40 the charges were to be borne by the sellers, in 15 by the buyers, in 9 by the buyers and the sellers equally, in 1 by the seller and the general commission agent equally, in 1 by the buyer and the seller in the ratio of 2:1, and in the remaining 8 had a 'mixed' structure -- Bavla, Broach, Devgadh-Baria, Godhra, Halol, Harij, Savarkundla and Thasra had prescribed that weighing charges in respect of one or two commodities like cotton and groundnut should be borne entirely by either the buyer or the seller and for other commodities by both in equal or specified proportions.200 These particulars are evidence of the retrograde shift that has taken place since the advent of regulated marketing as, in the past, the burden of weighing charge used to be borne by the sellers only.

A simplification of the weighing charges structure is essential. A quantity basis will be most satisfactory in practice. (To compensate the weighing against inflationary price rises periodical revisions may be undertaken.) The standard units of weighment must be only two:

(1) 20 Kgs. for hand-weighing and (ii) 500 Kgs. for mechanical weighing.

(4) 'Hamali': It is a charge payable to a labourer who engages

200. C-1 to C-6, C-8 to C-15, C-16 to C-21, C-25 to C-32, C-54 to C-57, C-60 to C-64, C-67 to C-69 and C-71 to C-89.
himself in the performance of manual labour of loading, unloading and changing of agricultural produce or carrying it from or to the market yard. The licensing of 'hamals' is a new gift of the regulated marketing legislation to protect the sellers from arbitrary recoveries on this count by the traders as in the past. Now, maximum charges have been fixed in the byelaws of each Committee providing for the issue of such licences and genuine self-employed persons alone are entitled to hold them.\textsuperscript{201} As on 31-8-64, 50 Committees had issued 1032 licences to the 'hamals' entitled to function as such anywhere in the respective territories of the regulated markets.\textsuperscript{202}

\textbf{(A) Bases:} A study of the information available from 19 Committees\textsuperscript{203} prescribing separate hamali rates has shown that:

(i) all of them had adopted the quantity basis, (ii) the APMCs at Bavla and Dhandhuka had, in addition, prescribed the cart as the basis in respect of cotton, (iii) 3 Committees still continued the 'Deshi' and 'Bangali' maunds as the units for the quantitative basis, (iv) 15 had either 20 Kgs. or 100 Kgs. as the unit basis and (v) the 'standard bag' was the unit basis in the remaining one.

\textbf{(B) Rates:} (i) Out of 15 Committees\textsuperscript{204} that prescribed hamali

\textsuperscript{201} Rule 57 of the Gujarat Rules, 1966; Vide: J-15: p.403.

\textsuperscript{202} C-5, C-7 to C-10, C-12, C-15, C-16, C-20, C-23 to C-25, C-27, C-30 to C-46, C-49, C-52, C-56, C-59, C-61, C-62, C-64, C-65, C-67, C-69, C-70, C-72, C-74 to C-76, C-81, C-85, C-86 and C-87.

\textsuperscript{203} C-2, C-3, C-11, C-16, C-19, C-20, C-28, C-29, C-46, C-47, C-52, C-55, C-56, C-61, C-81, C-85, C-86, C-88 and C-89.

\textsuperscript{204} C-11, C-16, C-20, C-28, C-29, C-52, C-55, C-56, C-81 C-85 and C-86 to C-89.
on 20/100 Kg-unit-bases, the rate equivalent per 100 Kgs. was of 10 paise in respect of 7 Committees, the minimum of 5 paise in the APMC, Banasa, the maximum of 50 paise for groundnut in the APMC, Dhandhuka, 6 and 8 paise in 1 Committee each, and 14 and 15 paise in 2 Committees each. (ii) Two separate rates had been prescribed for weights upto 50 Kgs. and above 50 Kgs. by the APMCs at Borsad and Cambay so that bulk weighing could be relatively cheaper. (iii) Rates distinction in respect of cotton, chillies and vegetables vis-a-vis other commodities prevailed in Dhandhuka, Bavla and Nadiad, the former carrying a higher burden.

(C) Party bearing the burden: The charges had to be borne as follows: In 8 by the sellers, in 5 by the buyers, in 2 by the party engaging the hamals and in 4 equally by the buyer and the seller.205

The bases, the rates and the question who should bear the cost of hamali need to be rationalised. Again, as the bye-laws do not lay down the exact nature of the work to be performed, exploitation of the licensed hamal takes place by the traders paying only a single charge for two or more types of functions performed by a hamal consecutively.

(6) Screening charges: They constitute the payment made to the labourers for cleaning the produce brought in the market yards.

205. C-2, C-3, C-11, C-16, C-19, C-20, C-28, C-29, C-46, C-47, C-52, C-55, C-55, C-56, C-81, C-85, C-86, C-88 and C-89.
Screening adds form utility to it by removing all foreign matter like dust, sand, mud and stone granules, immatured grains, etc..

12 Committees\textsuperscript{206} situated in Mehsana and Banaskantha Districts only had prescribed screening charges payable to licensed hamals on the basis of quantity only. 8 had made 20 or 100 Kgs. as the standard unit, 3 a bag and 1 a bag as well as 100 Kgs..

A uniform rate of six paise per bag was prescribed in all the 4 Committee's adopting per bag unit. Where fixed weight-units were used, rate differences prevailed as shown in Table VII.\textsuperscript{27}.

\begin{table}[h]
\centering
\begin{tabular}{|c|c|}
\hline
Rate (paise per 100 Kgs. equivalent) & Number of Committees \\
\hline
3 & 1 \\
5 & 2 \\
6 & 2 \\
8 & 4 \\
\hline
\end{tabular}
\caption{Table VII.\textsuperscript{27}}
\end{table}

Out of these 9 Committees, 1 at Vijapur had prescribed the screening rate that was inclusive of weighing charges and that at Bhabhar-Deodhar had fixed it inclusive of 'hamali'. In 7

\textsuperscript{206} C-23 to C-25, C-27, C-28, C-30, C-32 and C-42 to C-46.
\textsuperscript{207} C-24, C-25, C-27, C-28, C-30, C-32 and C-42 to C-44.
out of the 9 Committees, the same rate was applicable to all commodities regulated by each Committee; in Vishnagar and Harij higher rates were prescribed for one or two commodities.

In 11 Committees, the seller had to bear the cost of screening. The APMC at Radhanpur was an exception as it provided that it was to be borne by the party engaging the screener.

Certainly, the agriculturists must be trained to bring unadulterated — naturally or artificially — agricultural produce to the market so that the intermediaries resorting to such malpractices at a later stage may not be able to hoodwink the consumers by laying the blame at the growers' doors.

(6) Grading Charges: The system of commercial grading of the produce received in the yards has been recently introduced by a few Committees on an experimental basis. As the necessary equipment and the services of trained graders have been made available free of cost by the Government, no charges are recovered from the growers to propagate the idea amongst the users of market. (The list of the grading centres along with the particulars regarding the commodities graded therein has been given earlier.) The benefit of price difference owing to grade variation accrued to the agriculturist-sellers.

(7) Storage Charges: They represent the rental related to the keeping of the produce in the godowns of the general commission agents/licensed traders over a period of time. Only 1 Committee
viz. the APMC at Una (Junagadh) had prescribed a rate of 19 paisa per 20 'Deshi' maunds per month. As the Central and the State Warehousing Corporations have been establishing the chain of their warehouses, Committees may not have bothered about this function.

(8) Stitching Charges: They are the remuneration paid to hamals for stitching bags to protect the contents from coming out during handling and transport. As it is the first stage in the packing process after the delivery of the material purchased is taken by the trader, he bears the cost. The usual rate was 3 paisa per bag stitched. Only 2 Committees at Dhanera and Radhanpur had prescribed these charges.

(9) Marking Charges: When marks are to be painted on the bags, the hamal has to be paid separately for the work. The Committee at Broach only had prescribed these charges per bag marked.

Observations: In all cases where any market charge has to be borne by the farmer-seller, his net realisation dwindles to that extent; where the middleman-buyer has to bear it, while the possibility of his cutting down the purchase price cannot be completely ruled out, chances are that he would shift the burden to the consumers. Ultimately, it may seem to be a perennial war of the producers' and the consumers' interests. In practice, it
has been found that the middlemen recover them from both the producers and the consumers. Recovery from only one of the two parties alone must be provided for.

3. Trade allowances

Past practices: As stated earlier, a variety of trade allowances used to be traditionally deducted in the unregulated markets. Table VII.28 presents the picture of 7 markets (situated in 6 districts) prior to their regulation in this regard.

Impact: The consequence was a considerable decrease in the real worth of the produce sold by the mostly illiterate and tradition-bound farmers. The eliminations of these deductions without any consideration were one of the most essential objectives of regulated marketing.

Review of statutory position: The Berar Law, 1897, had not recognised any trade allowance and had not permitted any deductions other than those on account of (a) deviation from sample when the purchase was made by sample, (b) deviation from standard when purchase was made by reference to a known standard, (c) difference between the actual weight of the sacking and the standard weight and (d) the admixture of foreign matter. It had further provided that no civil court should, in any suit arising out of a transaction entered into a regulated market, have regard to any usage or trade custom. 211 Rule 76 of the Berar Rules, 1918, Sec. 6 of the Berar Law, 1897; Vide: J-I: pp.237-38.
<table>
<thead>
<tr>
<th>Market</th>
<th>District</th>
<th>Free Samples</th>
<th>Excess weight per maund</th>
<th>Country balance</th>
<th>Kadada</th>
<th>Extra weight after the last weighing.</th>
<th>Mehta Sukhadi</th>
<th>Charity</th>
<th>Cash discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amreli</td>
<td>Amreli</td>
<td>Arbitrary</td>
<td>One Seer</td>
<td>Arbitrary</td>
<td>Arbitrary</td>
<td>Arbitrary</td>
<td>Arbitrary</td>
<td>1 percent</td>
<td></td>
</tr>
<tr>
<td>Bavla</td>
<td>Ahmedabad</td>
<td>do</td>
<td>do</td>
<td>do</td>
<td>do</td>
<td>Arbitrary</td>
<td>4 percent</td>
<td>1 percent</td>
<td></td>
</tr>
<tr>
<td>Derol</td>
<td>Panch Mahal</td>
<td>5 seers</td>
<td>2 Seers</td>
<td>2% Seers</td>
<td>do</td>
<td></td>
<td>One anna</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Dhari</td>
<td>Amreli</td>
<td>Arbitrary</td>
<td>2 Seers</td>
<td>do</td>
<td>do</td>
<td></td>
<td>¾ percent</td>
<td>1 percent</td>
<td></td>
</tr>
<tr>
<td>Karjan</td>
<td>Baroda</td>
<td>do</td>
<td>1 maund</td>
<td>do</td>
<td>do</td>
<td>25 paisa</td>
<td>Whatever</td>
<td>-</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>was given</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Savarkundla</td>
<td>Bhavnagar</td>
<td>do</td>
<td>Arbitrary</td>
<td>do</td>
<td>do</td>
<td></td>
<td>1 paisa</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Thaera</td>
<td>Kaira</td>
<td>Arbitrary</td>
<td>2 Seers</td>
<td>do</td>
<td>do</td>
<td>½ percent</td>
<td>5 or 10</td>
<td>¼ percent</td>
<td></td>
</tr>
</tbody>
</table>

212. C-8, C-9, C-12, C-19, C-53, C-62 and C-69.
prohibited any intermediary from demanding, taking or detaining a trade allowance or unpaid sample in regard to any cotton transaction entered into any regulated market and prescribed a heavy penalty. The Bombay Cotton Act, 1927, and the Rules thereunder, the Baroda Act, 1934, and the Rules thereunder, the Bombay Act, 1939, and the Rules thereunder, the Saurashtra Act, 1955 and its Rules of 1956 had made similar provisions with regard to trade allowances, deductions and penalties. Also, they had granted discretion to the Market Committees to prescribe any trade allowance in their bye-laws.


Analysis of data: The analysis of data supplied by the 88 active Committees on 31-8-64 has shown that the Bye-laws of none of them provided for any such trade allowance deductions. It was only the 3 Tobacco Committees that permitted the allowance of cash discounts by the sellers for prompt payments of the sale proceeds by the buyers on sliding scales for an initial period of six years from the dates of their establishments.

Despite the clear statutory provisions, the deep-rooted malpractices have not given way to these paper provisions except to some extent in the market yards sales. The Tobacco trade in

216. C-1 to C-89.
the State has been notorious for delayed payments, over-weighing, kadada and other evils which continued, as in the past. Instances were reported to me during the field-work that many tobacco growers have not received their dues for over two years!

Again, in the sales outside the market yards, particularly in the mofussil, the situation is certainly no better than in the past. Unless agrarian class gains substantial economic independence and grows intellectually to understand where its interests lie and is ready to protect them, and unless stricter supervision over the market functionaries and the punitive measures are enforced more strictly, improvement may prove elusive.

**Li Payment**

**Malpractices:** A vast majority of the agriculturist-sellers are poor and have no waiting capacity to stock the harvested produce in anticipation of price rises. When they, therefore, bring it for sale in a market, their immediate goal is to obtain cash as soon as the sale transaction is effected. The market intermediaries have, in the past, tried to take advantage of this helplessness by postponing the payment of dues under one pretext or the other even when deals were entered into on cash-on-delivery basis and by making various types of unjustified deductions. The malpractices other than those referred to earlier were:

1. Instead of prompt payment of the total value of the produce purchased, payment by instalments was forced upon the seller after the delivery of the entire lot was taken.
(ii) The traders/general commission agents who were also money-lenders made direct adjustments in the accounts of the sellers who had earlier borrowed funds from them.

(iii) Discounts were deducted at exorbitant rates for prompt payment as if the market deals were on a credit basis.

(iv) Manipulations were made by the buyer in the rendering of statements of calculations of quantity, rates and amounts to be paid to the seller.

**Principles:** The scheme of regulated marketing must envisage the elimination of all such ill-doings and ensure immediate payment in cash of the entire amount without any unlawful deductions before the lots purchased are removed from the market yard. To avoid the possibility of indefinite retention of the produce in the market yard, heavy penalties must be imposed.

**Statutory position:** As against this expectation, neither the Bombay Act, 1950, and the Bombay Rules, 1941, nor the Gujarat Act, 1963, and the Gujarat Rules, 1965, made any specific provision in this regard. One of the model bye-laws under the former legislation made it "incumbent on the buyer and the general commission agent, if one is employed in the transaction, to settle the accounts and to make arrangements for the prompt payment of sale proceeds in the case of agriculturist-sellers immediately after the transaction is completed." 218 Similar

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provision is also found in the model bye-laws framed under the latter legislation. The only deductions which are permissible are the ones that are statutorily authorised and include the advances already made by the buyer to the seller concerned.

Data-analysis: While all Market Committees except the 3 Tobacco Committees have adopted this bye-law, the survey of the conditions of 83 remaining active Committees on 31-8-64 has shown that, in 70 Committees payments were made on the same day, in 3 in the first week, in 5 in the second week, in 1 in the third or the fourth week and in 3 according to the convenience of the buyers within unspecified time-limits. (3 did not send in any reply to this point.) However, that 70 Committees followed the word of the law as reported by them does not appear to be quite reliable. To quote the Expert Committee: "We, however, found that most of the payments are not made in cash but are adjusted against the accounts of the sellers which are stated to be running accounts. In other words, the bye-law is circumvented in good many markets by making book entries showing cash payments on the debit side and deposit receipts on the credit side. In not a few markets interest is charged if cash payments are made. In the majority of the markets, the sale proceeds are adjusted against the loans taken by the producer from the merchants." The chairman of the APMC at Khedbrahma(Sabarkantha)

220. C-1 to C-89.
221. G-12: p.20.
had stated that the bills prepared in all the Market Committees of the district showed that payments were made to the agriculturists on the spot, but in actual practice, they were to be realised later.\footnote{222}{In reply to a pointed question from me the APMC at Matar(Kaira) stated in writing that adjustments and other malpractices continued secretly and traders were used to realising discounts without showing them in the bills when making payments of sale proceeds to the producer sellers.} The APMCs at Lunawada and Dohad(Panch Mahals) stated that the traders used to charge discount for prompt payment of sale proceeds to the agriculturist-sellers.\footnote{223}{And, the existence of such malpractices was accepted orally by workers and farmer-sellers in many other Committees during my field-work interviews.}\footnote{224}{It would do well for the Committees not to conceal and connive at the prevalence of malpractices. Rather, they must try to be more vigorous, if only progressively, to surmount the opposition of vested interests. Also, if the exploitation tactics can be carried on under the very nose of the Committee whose job is to safeguard the interest of the farmer-sellers through supervision and control of the behaviours of the licensees, the conditions prevalent in the villages can better be imagined.}

Insofar as the 3 Tobacco Market Committees are concerned,
the system has been entirely different: (1) All sales were to be treated as credit sales during the first six years of the establishment of the Committee. (ii) The period of credit officially allowed was six months in the first years, five months in the second year and so on so that at the end of the sixth year, all transactions would be cash-transactions. (iii) For payments made earlier within the respective maximum credit periods allowed, graded scales of discount progressively diminishing were prescribed, the burden on account of this being borne by the seller. This special concession was given probably because of the deep-rooted practices of long-term credit sales and also because the amounts involved in single transactions were often very large owing to the large individual surpluses marketed. But, this has not brought about any improvement in the situation which is replete with transactions in which payments are made even for two years. The circumvention of the statutory obligation to make immediate payment for the produce bought and taken delivery of in the market took place through the accounting device of a contra entry debiting the commodity purchase account and crediting the non-interest bearing 'anamat' (deposit) or suspense account on the date of the completion of the deal, though the seller received the payment belatedly in small bits at the sweet-will of the buyer.

Corrective measures: Leaving aside the vast problem of regulating the deals outside the market yards, all Committees must be

compelled at least to see that the agriculturist-sellers selling their produce through the market yards receive the payment immediately it is delivered to the buyers. The malpractices can be completely eradicated if all the payments are routed through the Committees. The buyers should prepare the bills and submit them immediately to the Committee concerned which should make net payment to the sellers on the spot. For this purpose, every licence-holding trader must be made to put a revolving advance deposit with the Committee and his purchases should be limited to the amount standing to his credit in the beginning of each day. Of course, a marginal relief to the tune of a prescribed figure may be made available to each one from out of the Committee funds taking into account the credit-worthiness and the degree of regularity of market participation of particular trader. In addition, interaccount transfer of funds of different traders may be permitted by specific written requisitions. The final check that no produce would be removable from the yards unless when accounts are settled will have a good tightening effect. The pre requisites for the introduction of such a system will be (i) existence of developed market yards, (ii) efficient personnel on the rolls of the Committees, (iii) banking facilities with convenient timings and (iv) alternative agency for the disposal of the agricultural produce not purchased or removed by the private traders on any day.

The indirect gains would be those of curbing trading beyond one's means, speculative trading and the racket of chain money-lending by the buyers. Also, the Committees will be able to
collect market fees straight way directly from the sellers.

**Mi: Disputes and their Settlement**

The mechanism of the marketing of agricultural produce in conditions of the imperfect competition is such as involves possibilities of disputes at one or more stages. They may relate to quality, adultration, weighment, trade allowance, market charges, delivery of goods sold, terms of payment, actual payment, etc. Since many of the farmer-sellers come from long-distances and are in a hurry to return to their villages as soon as possible after effecting the sale transactions, they are not much inclined to enter into any litigation unless when they feel that they are being exploited beyond their 'tolerance limits'. However, they may come forward to disclose their grievances if they know that a machinery for the quick and impartial settlement of the disputes exists. The creation of such a machinery in the market yards has been regarded as an essential requisite of markets regulation.

**Concept development:** In the Berar Law, 1897, there was no specific provision for the settlement of disputes arising between the seller and the buyer. "The point would seem to have been intentionally omitted." While emphasizing the necessity of an independent machinery, the Royal Commission on Agriculture suggested that it should take the form of a Panchayat or a Board of Arbitrators consisting of three members of which one should be nominated by the buyer, one by the seller and one, 

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226. G-4; p. 394.
who would be chairman, jointly by both the parties from amongst
the members of the Committee. 227

Under Rule 21 of the Bombay Cotton Rules, 1929, it was
made obligatory on a Committee to appoint a Disputes sub-Com-
mittee, consisting of 3 members of which one was to be the re-
presentatives of the cotton growers on the Committee, one that
of the representatives of the local bodies on the Committee, to
settle any disputes referred to it either by the Committee or
by the buyers or the sellers or both. It was further provided
that the dispute must as far as be decided on the spot and on
the same day. The complainant was to pay a fee of four annas to
the Committee. 228 The Disputes Sub-Committee, thus, was to be
a permanent organisation available on the market yard althrough-
out during the trading hours. In practice, this seemed to be
an impossibility.

Rule 28 of the Baroda Rules, 1939, provided that the Com-
mittee or its sub-Committee should decide disputes arising bet-
ween a seller and a buyer or his brokers and its decision should
be final. 229 The Bye-laws of the APWC at Bodeli, framed under
the Baroda Act required the appointment of such a sub-committee
consisting of any three of its members. 230 Further, the bye-law
No. 36(2)(c) authorised the secretary(Chief Officer) to under-
take a preliminary inquiry in case of each dispute referred to

him, and try to effect a compromise; in case of a failure, he was required to refer the dispute to the Disputes sub-Committee.231

The Bombay Rules, 1941, left it to the discretion of a Committee to appoint a Disputes sub-Committee consisting of 4 members from among themselves -- its chairman from amongst the nominated members, and one each from amongst the representatives of the agriculturists, the traders and the local authorities.232

The Chairman of the Market Committee was prohibited from being a member of the Disputes sub-Committee. In addition, such a sub-Committee had to appoint a Panel of 12 to 24 persons for each market yard, if so required by the Collector or any person authorised by him in this behalf; an agriculturist living in or near the market area or a trader doing business in the area was eligible for inclusion in the Panel, subject to the limitation that at least 50% of the Panel had to be agriculturists.233

Position on 51-8-64: Out of 88 active Committees, 67 had Disputes sub-Committees in operation and only 2 Committees, viz., at Bodeli(Baroda) and Dohad(the Panch Mahals) had Panels of Arbitrators.234

Procedure: The disputing party had to report to the Secretary who was to make the first attempt to settle the dispute. If it

232. If no such member was there, any other member.
234. C-1 to C-89.
failed, each party had to select one arbitrator from the Panel. If the arbitrators failed to agree, they were entitled to appoint an umpire from the remaining members of the Panel. If they did not do so, the Chairman of the Disputes sub-Committee had to appoint an umpire. The decision of the arbitrators or the umpire was appealable to the Disputes sub-Committee whose decision was to be final. As far as possible, all disputes had to be settled on the spot and on the same day. It was obligatory on the part of the Secretary to maintain full records of all disputes referred to a Disputes sub-Committee.

Defects: There were four defects of the procedure: (1) As 86 out of the 88 active Committees had no Panel of Arbitrators, when the secretary could not settle a dispute, in practice, it had to be dealt with directly by the Disputes sub-Committee which had, by implication, to fill up the lacuna. (ii) Where no Disputes sub-Committee also existed, it was the Market Committee which had to deal with all disputes. (iii) The provision that the disputes should be settled on the spot and on the same day presupposed the presence of the secretary, the members of the Panel of Arbitrators and the Disputes sub-Committee throughout the trading hours in the market yard on each working day. This expectation led to a practical absurdity. (iv) It was not obligatory on the part of the parties to the dispute to refer it to whatever machinery that existed.

Analysis of data: An analysis of the working of the machinery for the settlement of disputes has brought out the following results:

(i) Out of 88 active Committees, no disputes were recorded in 65 (i.e. 62.5%) ever since their inception.236

(ii) During 1963-64, a total of only 278 disputes was recorded in only 11 Committees, viz., the Kaira and Baroda District Tobacco Committees and the APMCs at Bulsar, Dehgam, Derol, Dhansura, Dohad, Halol, Karjan, Unza and Talod.237 84% of them occurred in the two Tobacco Committees and the average number of disputes during the whole year came to a little over 5 in the case the remaining 9 Committees. Out of 274 cases referred to the secretaries, 267 had been settled by them and 7 were pending at the end of the year in only 1 Committee. Only 4 disputes were referred to and disposed of by the Disputes sub-Committee, showing that their existence, in practice, was ornamental. Also, the link of the Arbitrators was eliminated in these cases.

(iii) 77 Committees did not face a single dispute during the entire year238 and in the Committees except the Tobacco Committees their incidence was negligible.

236. C-2 to C-8, C-10, C-12, C-21, C-24 to C-33, C-35 to C-37, C-40, C-43 to C-56, C-59, C-67, C-70, C-74, C-77 to C-86, C-88 and C-89.

237. C-18, C-23, C-38, C-39, C-58, C-62, C-66, C-68, C-69, C-72, C-87.

238. C-1 to C-89.
(iv) Fees for the settlement of disputes were fixed by 9 Committees only. Even they were not uniform, 3 having fixed them on the basis of the quantity of produce in the disputed deals and the remaining 6 having fixed it at Re. 1 to Rs. 5 per dispute.

Overall appraisal: The foregoing paragraphs create an impression that the working of the market yards was smooth and harmonious relations prevailed between the agriculturist-sellers and the market functionaries. However, the picture was not as bright as it appears to be at the first sight as a large number of Committees did not maintain the records of the disputes settled by the chairman, the vice-chairman, the secretaries and the inspectors, the data touched only a fringe of the disputes that had arisen. Again, over 50% of the market yards were virtually stagnant. Ignorance of the sellers regarding the existence of the machinery for the settlement of the disputes and the traditional conservatism curtailed its use. Also, they overlooked minor disputes to avoid delays and returning to their villages after selling their produce. Nor were they willing to strain their relations with the trading community for smaller units. It must, however, be said that the existence of the disputes settlement machinery does have a salutory effect on the psychology of all the parties involved in the trading in the market yards.

239. C-3, C-12, C-18, C-20, C-42, C-59, C-69, C-70, C-73.
Position under the Gujarat Rules, 1966: Rule 40 provides that (1) a Market Committee may appoint, for the settlement of any disputes between a buyer and a seller of agricultural produce or their agents, including disputes regarding the quality, weight of the article, allowances for wrappings, containers, dirt and other impurities, or for any other cause, a Dispute Committee consisting of 5 members of which one must be a representative of agriculturists on the Market Committee, one that of the traders on the Market Committee, two being one each of the parties who are in dispute, and the secretary of the Market Committee, who shall be its chairman, (ii) the disputes shall, as far as possible, be decided on the spot and on the same day, and (iii) the decision shall be binding upon the parties. 240

A few features may be noted here: (i) The appointment of a Dispute Committee is discretionary. (ii) Unlike that under the previous legislation, the Dispute Committee now is a specially designed one in terms of its composition. As stated elsewhere, a secretary has been granted a superior position as a chairman vis-a-vis the two other members from the Market Committee which employ him. (iii) Out of 5 members, the disputing parties constitute the two variables. (iv) As no provision exist empowering the secretary to settle the dispute, all of them have to be referred to the Disputes Committee resulting

in delayed action; for, a continuous presence of two Market Committee members throughout the trading hours on the market may be a practical impossibility and in the absence of a prescribed quorum, all the 5 members must remain present at meetings for the settlement of disputes. (vi) No provision of the settlement of disputes is made in the case of Market Committees which do not appoint Dispute Committee. By implication, the Market Committee has to perform the function. (vii) The old provision for the charging of fees has been omitted.

Suggestions: The following may prove to be useful in increasing the efficiency of the machinery for the settlement of the disputes:

(1) The secretary should be empowered to settle all disputes referred to the Committee by holding joint discussion with the disputing parties. If the parties at a dispute so desire, there should be a provision for the Board of Arbitrators consisting of three members -- one each to be nominated by the disputing parties -- under the chairmanship of the secretary as its permanent member. The decision of the secretary or the Board of Arbitrators should be binding upon them.

(2) An appellate sub-committee consisting of 5 members of the Market Committee including its chairman should be formed on a permanent basis for disposing the cases of dissatisfaction arising out of either the decision of the secretary or the Board of Arbitration.
(3) The disputes-settlement service should be rendered free and disputing parties should be encouraged to settle their all disputes only through this procedure.

(4) A record of the main elements of every dispute must be maintained in the form of a register.

N: Storage in Godowns and Warehouses

1. Storage

The requirements of storage -- an essential function in agricultural marketing -- differ from commodity to commodity depending mainly upon the degree of perishability. The function has to be performed at various levels wherever a time-lag is involved between production/purchase and sale/resale, viz., the primary, the secondary and the terminal markets. The methods depend upon the prevailing traditions, the value and keeping capacity of the commodities to be stored, the availability of the facilities for storage and the waiting capacity of the producer-sellers.²⁴¹ For long, our country has suffered from acute shortage of satisfactory storage facilities and the system of storage has also been unscientific. Consequently, "India is

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²⁴¹ Thus, the agriculturists generally store their produce in home matting prepared from straw, bamboo strips or other suitable material available, in bulk or in bags in kachcha pitam godowns and in underground circular pits. The merchants in the assembly and distributing markets stock their produce in all types of godowns including shops and dwelling hours. Neither the producers nor the traders have improved storage free from attacks of rodents, insects, pests and damp.
losing 5 to 10% by weight of her agricultural production by defective storage, destruction by insects, mites, rats and moisture. Besides this quantitative loss, the qualitative loss in equally appreciable due to sprouting, moulding, loss in viability, gluten deterioration, development of acidity and other biochemical changes adversely affecting the nutritive content of edible products, loss in tensile strength of fibres and loss in industrial quality of other commodities." It has been estimated that the annual loss in terms of weight during storage of foodgrains comes to about four million tonnes. Reduction in these wastages has been aimed at in the scheme of regulated marketing.

Review of statutory requirements: Rule 71 of the Gujarat Rules, 1965, requires that all agricultural produce brought into a market should be stored at the places specified by the Market Committee. In the absence of such facilities, the lots remaining unsold may be stored in the compounds, godowns and warehouses owned or hired by the licensed general commission agents or brokers for that purpose on payment of such storage fees as may be prescribed by the Committee. Such goods should be weighed in the presence of the seller or his representative at the time of delivery for storing and a receipt indicating the kind and weight of goods should be given by the licensed general commission agents or broker to the seller. Similar provisions were

made under Rule 88 of the Bombay Rules, 1941. The Model Bye-
laws of a Market Committee requires that agricultural produce
should be stored in the godowns, building shed, open yard or
any other place used for the purpose of storage registered as
such with the Committee which has been authorised to issue ne-
cessary directions for regulating the storage of agricultural
produce in the market.

Data analysis: My survey of the storage facilities available
at the market yards during 1963-64 has provided the following
data:—

(i) 19 out of 88 active Committees had 153 godowns
with the aggregate storage capacity of 1,23,800
standard bags on the market yards.

(ii) 81 co-operative societies had 181 godowns with storage
capacity of 1,71,600 standard bags.

(iii) 10 Committees had the advantage of godowns owned both
by them and by the co-operatives.

(iv) The APMCs at Vijapur and Cambay provided 10 and 62
rooms respectively for storage to the tune of 4100
bags.

(v) The APMC at Bulsar had constructed 14 godowns for
the storage of fruits and perishable goods.

(vi) 2993 traders, general commission agents, etc. had
registered their 4416 godowns with a capacity of

247. C-1 to C-89.
19, 14, 155 standard bags with 35 Committees.

(vii) One trader dealing in vegetables in the regulated market of Surat had his own cold storage.

(viii) 17 Committees reported that no storage accommodation by any agency was available in the markets.

(ix) 24 Committees reported that they have not adopted the system of requiring the traders, general commission agents, etc. to register their godowns for the purpose with them.

In addition, a large number of godowns were constructed by co-operative societies in rural areas through the finances obtained in the forms (a) of loans at concessional rates of interest and (b) subsidies from the State Government under a scheme included in the Second Five Year Plan and continued thereafter. 248 By 31-8-1964, the government had sanctioned a total financial assistance of Rs. 16.4 millions for the construction of 68 large-size, 212 medium-size and 941 small-size godowns by various co-operatives in the State. Out of these

<table>
<thead>
<tr>
<th>Type of godown</th>
<th>Storage capacity (in tons)</th>
<th>Scale of financial loan Rs.</th>
<th>Government assistance subsidy(Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large-size (100'x40'x15')</td>
<td>300</td>
<td>30,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Medium-size (50'x40'x15')</td>
<td>200</td>
<td>15,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Small-size (40'x20'x15')</td>
<td>100</td>
<td>7,500</td>
<td>2,500</td>
</tr>
</tbody>
</table>
1221 godowns, the construction work of 724 was completed, while 497 were under construction. Further, 105 godowns under the "Crash Programme Scheme" were proposed to be constructed during 1965-66 in the intensive cultivation area of 14 districts of the State, in addition to a programme for construction of 200(new) godowns during the same period under the normal scheme at an estimated cost of Rs. 15 lakhs. The foregoing facts indicate that storage facilities both in the market yards and in the interior villages have been rapidly extended during the last few years through the agency of co-operative societies. My discussion with the authorities of a few Market Committees, co-operatives and government officials at different levels, unfortunately create an impression that the agriculturists hardly take the benefit of the storage accommodation thus made available to them both at the village as well as the market levels. The matter requires detailed investigation immediately as they amount to the creation of a huge dead block investment when our country suffers from acute shortages of physical and financial resources. Again, the former presumption that it was the lack of storage facilities that resulted in the exploitation of the agriculturist-sellers also stands challenged and the reason for the malaise seems to-be

249. The Registrar of Co-operative Societies, Gujarat State, Ahmedabad.
250. Ibid.
seems to be lying somewhere else. It has to be discovered.

2. Warehousing

Warehousing is an integrated storage function wherein standardisation, grading, insurance and credit are intertwined. A major handicap from which the farmers suffer is that of financial stringency that compels them to dispose of their produce immediately it is harvested when the prices are relatively low because of the plentiful seasonal supplies. If scientifically developed warehousing facilities are made available to them marketing finance can be obtained by them on the security of the stock against warehouse receipts as in the case of manufactured merchandise. This will also have an impact on the supply-demand situation in the particular market and level out the violent variations in the season and the off-season prices to the benefit of both the producers and consumers. The licensed warehouses also offer other distinctive benefits: (1) The warehouse receipt being transferable, the ownership of the goods can be transferred without actual movement of the produce. (ii) The scientific storage eliminates the loss resulting from the damage to and deterioration of the stuff owing to the action of insects, pests and moisture. (iii) They provide safety through insurance against fire, flood and theft. (iv) They help the grading and standardisation of various commodities.

Historical review and data analysis: The idea of warehousing was first mooted by the Royal Commission on Agriculture as early as in 1928, but nothing was done until November, 1944, when the Reserve Bank of India drafted a Warehouse Bill and circulated it to all Provincial Governments for adoption. It was the Government of Bombay that took a pioneering step and passed the Bombay Warehouses Act in 1947 to fulfil the two long-felt needs of the farmers, viz., those of scientific storage and financial accommodation on the strength of warehouse receipts. The APMC at Bavla (Ahmedabad) and the APMC at Talod (Sabarkantha) were the first to secure licences under the Act on 7-2-1953 and 7-5-1953 respectively in the Gujarat area. The year 1954-55 was an eventful one. The APMC, Talod, discontinued renewal of its licence. The APMC, Dhansura, and the four cooperative marketing societies secured new licences under the Act. Moreover, the Government granted a loan totalling Rs. 1,04,000 to six Market Committees and a loan of Rs. 40,000 to the Ahmedabad District Purchase and Sale Union Ltd., Ahmedabad for the construction of warehouses under a special scheme.

During the same year, the Committee of Direction of All-India Rural Credit Survey, which was set up by the Reserve Bank in 1951, recommended the establishment of warehouses with active State participation (i) by the proposed All-India Warehousing Corporation at important consuming centres especially

252. E-4: p.50.
at terminal markets, and (ii) by the proposed State Warehousing Corporations up to the district or sub-divisional levels. In pursuance of these recommendations, the Agricultural Produce (Development and Warehousing) Corporations Act was passed by the Parliament in 1956. It provided for the establishment of the National Co-operative Development and Warehousing Board, the Central Warehousing Corporation and a State Warehousing Corporation in each State (excepting the State of Jammu and Kashmir). This Act was subsequently replaced by the National Co-operative Development Corporation Act, 1962, and the "Warehousing Corporations Act," 1962, which allowed the Central Government to take the place of the National Co-operative Development and Warehousing Board as a shareholder of the Central Warehousing Corporation and enlarged the scope and functions of the warehousing corporations by the inclusion of "notified commodities" such as cement, steel, textiles and leather.

During the year 1955-56, three co-operative societies did not get their licences renewed. In 1956-57, the APMC at Derol took out a new licence. During 1957-58, the APMCs at Derol, Dhansura and Bavla did not continue as warehouse licence-holders, while the Central Warehousing Corporation which was formally established on March 2, 1957, was licensed under the Act to start its warehouses in this region. A slight improvement in the warehousing activities was noticed during 1958-59

254. 6-11; p. 344.
255. F-1; p. 1.
as the APMCs at Dhansura and Broach secured new licences and the Bombay State Warehousing Corporation entered the field with the establishment by it of two warehouses at Unsa and Derol so that at the end of the year, there were warehouses at five centres -- Talod managed by a co-operative, Broach and Modasa operated by the APMCs Broach and Dhansura respectively and Unsa and Derol managed by the Bombay State Warehousing Corporation.257

Consequent upon the bifurcation of the enlarged bilingual Bombay State in May, 1960, the Gujarat State Warehousing Corporation, Ahmedabad, was established in December, 1960, with an authorised share capital of Rs. 2 crores. It started functioning in February, 1961.

By 31-8-1964, the Central Warehousing Corporation had established warehouses having a total storage capacity of 72,490 standard bags at 7 centres in Gujarat. Of these, 5 with a capacity of 29,690 standard bags were located in the market yards of the three Market Committees, viz., Baroda, Kapadvanj and Nadiad.258 Similarly, the Gujarat State Warehousing Corporation had established, by 31-3-1964, warehouses having an aggregate storage capacity of 2,04,950 standard bags at 27 centres. Of these, 19 had been at the places where the principal market yards of the Committees were located and 2 at the places of sub-market yards. The total storage capacity of warehouses opened at the centres of market yards was of 1,14,450

standard bags out of 204950 standard bags. Numerically, about 28% of the active Market Committees could secure licensed warehouses in their market yards. 259

However, it is a disquieting feature that the agriculturists and the co-operatives take very little advantage of the licensed warehouses:

(i) The average space-occupancy as on 31-3-1964 in warehouses of the Central Warehousing Corporation by producers, co-operatives and traders amounted to 13%, 10% and 77% respectively. 260

(ii) Out of 2723 depositors who had availed of the warehousing facilities made available by the Gujarat Warehousing Corporation during 1961-62 to 1963-64, 2560 were traders, 19 were co-operatives and 144 were individual producers, 261 which worked out to 94.1%, 0.7% and 5.2% respectively.

(iii) Table VII.29 shows that the traders topped the list in securing maximum occupancy percentage during the last three years with regard to agricultural produce deposited by the different categories in the licensed warehouses of the Gujarat State Warehousing Corporation. It is relieving that the upward march had begun in the case of producers in the last year.

261. F-7: p.10.
Table VII.262

<table>
<thead>
<tr>
<th>Year</th>
<th>Occupancy percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Trades</td>
</tr>
<tr>
<td>1961-62</td>
<td>98.4</td>
</tr>
<tr>
<td>1962-63</td>
<td>98.2</td>
</tr>
<tr>
<td>1963-64</td>
<td>88.8</td>
</tr>
</tbody>
</table>

(iv) The Market Committees of Baroda, Bodeli, Bulsar, Deesa, Gondal and Unsa in their printed annual reports for the year 1963-64 stated that the agriculturists and the co-operatives showed very little interest in depositing their produce in the licensed warehouses though the traders did take full benefit of the facilities available. 263

A major hurdle: My inquiry shows that the depositors of agricultural produce did not get adequate financial accommodation from the banks on the pledge of warehouse receipts and, as a result, they were not interested in depositing their produce with the warehouses. To quote from the Reports of two front-rank Committees, viz., Deesa and Unsa respectively: "The

262. F-7: p.11.
traders did not deposit their goods in the warehouse owing to non-availability of adequate financial accommodation from banks during 1965-64"; "the agriculturists do not get finance expeditiously on warehouse receipts from banks due to procedural defects of such banks, and, therefore, the agriculturists refrain from taking benefits of the warehousing facilities." The grievance ventilated by them had been oft-repeated by many Committee executives during my field-work.

It has been an entirely mistaken notion of the grant of credit on warehouse receipt followed by the die-hard conservatism of the State Bank of India that has played a havoc. While a genuine 'Warehouse Receipt', which is a negotiable instrument, ought to make the holder thereof eligible for a straight grant of financial accommodation, the procedure followed by the State Bank consists of these steps: 265 (i) The applicant has to submit a true copy from the Records of Rights and Other Property Registers to prove his credit-worthiness. (ii) The Head Cashier of the State Bank Branch concerned goes to the village for personal verification as shown by the applicant. (iii) The Agent of the Branch has to recommend it to the Head Office. (iv) Credit is made available only when orders from the Head Office are received by the Branch concerned. This expensive, complicated and time-consuming procedure is inhibitive for the farmers. It is only the traders who take advantage of the scheme for profiteering which is actually is sought to be eliminated. It is

265. A-34.
fantastic that even the State Bank does not take cognisance of the warehouse receipts for the grant of loans on their pledge. It means the very basis of the gigantic warehousing expansion programme as envisaged by the Rural Credit Survey has been sabotaged by the State-created State Bank Corporation. To quote only on illustration of the lack of co-ordination, gross negligence in proper implementation of programmes and impeachable lethargy, the APMC at Unsa which had made representation in this regard to the Registrar of Co-operative Societies, Gujarat State, Ahmedabad, as early as in May, 1964,\textsuperscript{266} has still not received any clarification from any authorities though 2½ years have elapsed. And, lakhs of rupees continued to be spent on the expansion of warehousing programme when the warehouse receipts are no more than mere pieces of useless paper for the purpose of securing agricultural credit. It is a flagrant violation of law and a gravely anti-national conduct on the part of a Bank to whom has been entrusted the task of rural banking expansion under the Plans. Unless immediate change in the basic policy is initiated, all talk of serving the credit needs through the expansion of warehousing facilities is mere chatter.

O: Credit Facilities

Though co-operative credit has been increasingly spreading its fold in the agricultural sector, it is still far way off the target of occupying a predominant position therein.

\textsuperscript{266} A-35.
Such credit is mostly channelled through primary credit, multi-purpose, service and marketing co-operative societies. According to the Rural Credit Survey, its share was of only 3.1% as against that of 69.7% in the case of private money-lenders, etc.. 267 Consequent to the recommendation of the Rural Credit Survey, co-operative credit has been increasingly linked up with marketing and the agriculturists seeking financial accommodation from the co-operatives are, under their bye-laws, required to sell at least a specified portion of their produce through the marketing, multipurpose, or service co-operatives to ensure punctual repayment of advances. The progress made in subsequent years has resulted in an extended coverage in rural area to the tune of a share of 15.5% at the end of 1961-62. 268 The rest of the agriculturists have still to obtain financial accommodation from other sources including professional money-lenders, traders and commission agents, both for agricultural and consumption purposes. The ease with which private finance can be secured and the flexibility in their repayments make it attractive despite the many malpractices involved. However, the unrestricted activities of traders and general commission agents in the field of money-lending, who operate in the market yards, curtail the freedom of agriculturist-sellers to dispose of their produce profitably in the market yards.

Until 1941, there was no provision in the marketing legislation for regulating the credit operations of the licensed

268. L-10; p.1309, and L-21; p.5.
traders and commission agents. For the first time, the Bombay agent Rules, 1941, had provided that a licensed general commission/broker could give advances either in cash or in kind to agriculturists on the condition that (i) if an agreement was entered into between the lender and the borrower, the lender should supply a copy of the agreement to the borrower, and (ii) the lender should keep an account book recording all advances made by him to an agriculturist and repayments effected, in the manner specified by the Committee in its bye-laws and should supply a copy of such an account book, under his signature, to the borrower, entering therein every loan-transaction and its recovery. 269 Under bye-law No. 60, he was required to maintain a separate account book in the form prescribed by the Committee. 270 Rule 72 of the Gujarat Rules, 1966, retained these provisions verbatim. 271 There has been no machinery that ascertains as to whether the general commission agents and brokers observe even the restricted provision of these Rules and the Bye-laws. The traders do not come under even such a restricted regulatory provision of the marketing legislation. In other words, the Committees have practically no control on the credit activities of the general commission agents and brokers.

It needs to be mentioned here that the Bombay Money-lenders' Act was passed in 1947 to regulate, control and supervise the activities of the money-lenders. There must be established a

complete co-ordination between the working of Market Committees and the administration of the Money-lenders' Act. The Chairmen and the secretaries of the Committees should be vested with powers under Section 13-A of the Bombay Money-lenders' Act. Also, the Committee should make suitable bye-laws to regulate advances made to the agriculturists by the traders, etc.

In addition, the traders should be included under the operation of Rules 72 of the Gujarat Rules, 1965. Each trader, commission agent and broker should be required to send to the Committee a copy each of each transaction and the agreement entered into between him and the agriculturist-borrower. The payment of agricultural produce sold to the money-lender-buyer in the market yards should be channelled through the Committees as suggested earlier.

P: Market Intelligence

The mass of cultivator-sellers have always to depend upon oral general reports about market conditions -- market arrivals, demand conditions, ruling prices, market trends, etc. -- that reach them through the village banias, itinerant merchants or their neighbours. In many cases, the information is incomplete, inaccurate, unreliable and obsolete, that weakens their power of bargaining with the buyers who are usually conversant with up-to-date market conditions.

Any scheme for remedying the situation must be one of integrated market news services and must provide for (i) the compilation and maintenance of correct, up-to-date and authentic
market information and (ii) its dissemination amongst the cul-
tivators expeditiously in the interior parts of the country as
well as its display in the market yards so as to enable the
sellers to decide where, when and how to market the farm surplus
produce.

**Plans perspective:** Realising that the lack of accurate and up-
to-date market information placed both the farmer and the ad-
ministration in a disadvantageous position vis-a-vis the traders
and that the failure in its prompt dissemination accounted for
their variations for the same commodity in different neighbour-
ing markets, the Government of India, in collaboration with the
States, provided for the setting up under the Second Five Year
Plan, of an all-India market news service mainly for the benefit
of the farmers.\(^2\) Accordingly, the Integrated Scheme for the
Improvement of Market Intelligence was launched in December,
1957, in Bombay State with the prime object of giving up-to-
date information to the producers in regard to the wholesale
prices of agricultural commodities ruling in various markets.
The scheme covered two aspects, viz., (i) collection and com-
modation and (ii) dissemination of information.\(^3\) The former
related to the collection of data about the monthly wholesale
prices and the arrivals in the regulated markets and the issue
of daily price bulletins, weekly reviews of price trends based
on data from selected centres and price reports from the

\(^{272}\) K-17: p. 279.
\(^{273}\) E-10: p. 61.
regulated markets. The latter included (i) daily broadcasting or relaying from six broadcasting stations of (a) prices of all important agricultural commodities collected from selected regulated markets situated in the listening range of each of the broadcasting stations, and (b) weekly review of the price trends, (ii) publishing weekly and monthly bulletins giving the price trends, arrivals, etc. of agricultural produce, and (iii) the display of the daily prices on the notice-boards in the market yards by the Committees.

The Third Five Year Plan mentioned that the market intelligence service had already covered about 600 markets and it was proposed to extend further the number of reporting centres so as to provide adequate coverage for all areas in the country and strengthen the dissemination of market news. The Scheme for integrated Market News Service incorporated in the Third Five Year Plan of Gujarat envisaged the following activities:

(i) Selection of a few key assembling markets within the listening range of 3 Regional Radio Stations, viz., Ahmedabad, Baroda, and Rajkot.

(ii) Collection of information by the State Government at the places where radio stations have been located for daily market news service and sending daily bulletins

to the Regional Radio Station concerned for broadcast.

(iii) Issuing periodical news bulletins — weekly and monthly — in the regional language to village Panchayats and Development Centres for publicity among the growers.

(iv) Display of information on notice-boards in the markets.

(v) Collection and compilation of prices and other information from regulated markets of State as well as all-India importance.

(vi) Collection and compilation of detailed prices.

(vii) Compilation of the index number of wholesale prices.

These activities are to continue in the Fourth Five Year Plan period in Gujarat. At present, (i) the APMCs or the Deputy Registrar of Co-operative Societies — as the case may be — in 7 selected centres, viz., Ahmedabad, Bulsar, Dhandhuka, Dohad, Patan, Rajkot and Surat are submitting daily quotations in respect of selected commodities to the Economic and Statistical Advisor, Government of India, New Delhi, (ii) Friday quotations are being reported in respect of selected commodities to the Agricultural Prices Inquiry Committee by the Deputy Registrar or the APMC concerned from 28 centres scattered over 16 districts in the entire State, and (iii) data on arrivals, sales, stocks and prices of paddy, jowar, rice, bajri, maize, ragi, wheat,
barely, gram, potatoes, tobacco, cotton and oilseeds are being collected from 101 centres situated in all the districts of the State and furnished to the Directorate of Economics and Statistics, Government of India, New Delhi, by the Directorate of Agricultural Marketing, Ahmedabad. 276

Insofar as the dissemination of market information within the market yards is concerned, Rule 55 of the Gujarat Rules, 1965, requires that a Market Committee should, so far as practicable, place at the disposal of those using the market, information on matters such as the prices of the commercial crops ruling at the principal marketing centres of the tract and at the ports serving them and the stocks held by the mills, and that it should be published in such a manner as would make it readily available to all users of the market. 277 Moreover, Rule 75 makes it obligatory on a Committee to maintain daily lists of prices of different types and grades of regulated commodities. 278 (Similar provisions were made under the Bombay Rules, 1941, and the Saurashtra Rules, 1956.) 279

Position as on 31-8-64: (1) Out of 88 Committees as on 31-8-64, 58 used to notify on the notice-boards the ruling prices of regulated commodities in their market yards, 16 used to publish the prices of such commodities ruling both in their market yards

276. The Directorate of Agricultural Marketing, Ahmedabad.
and in the important marketing centres in the tract and 14 could not arrange for any such publication of prices. (ii) The APMC, Dhandhuka, notified information regarding daily arrivals, maximum and minimum prices realised in case of each commodity in the open auctions and average prices on the special notice board kept in the public library of the town, in addition to two such boards kept in the market yards. The APMC, Deesa, announced on the mike daily in the morning just before open auction started the prices of all regulated commodities as broadcast on the A.I.R. every previous evening to serve as guidelines to the producer-sellers. (iii) Only 6 APMCs, viz., those at Baroda, Bayad, Dohad, Talod, Harij and Deesa each maintained radio receiving sets and amplifiers for facilitating the supply of latest, accurate and prompt market information in the market yards. (iv) 11 Committees sent daily price reports regarding selected regulated commodities for broadcasting on the Regional Radio Stations and for publication in the issues of leading newspapers, 7 Committees sent such reports for broadcasting only and 16 Committees only for publication in the dailies of their region. Thus, in all only 39% of the Committees had arrangements in this respect.

280. C-1 to C-89.
281. C-20.
282. C-42.
283. C-24, C-37, C-38, C-59 & C-72.
284. C-2, C-4, C-9, C-17, C-19, C-20, C-21, C-25, C-24, C-26, C-28, C-29, C-33, C-35, C-42, C-43, C-49, C-51, C-55, C-69, C-60, C-64, C-61, C-71 to C-75, C-86, C-87, C-88 and C-89.
Suggested action: The foregoing narration goes to show that considerable advance has taken place in the system of dissemination of information both in the market yards and in the remote villages situated in the market area. However, as the present scheme is still general in nature, there is ample scope for bringing about further improvement so as to make it more understandable, useful, prompt, accurate and detailed. A few steps for further action are suggested below:

(i) The Director should arrange with the regional leading newspapers having circulation in the main tracts for publication of the ruling prices of major regulated commodities communicated to them by selected Committees. Such arrangements could be made with 'Jai Hind', 'Ful Chhab', and 'Vootan Saurashtra', in the Saurashtra region, with 'Gujarat Samachar', 'Sandesh', 'Jan Satta' and 'Prabhat' in the North Gujarat and Northern Central Gujarat regions, with 'Lok Satta', 'Nav Bharat' and 'Swatantra Sarjan' in the Central Gujarat region and with 'Gujarat Mitra' and 'Pratap' in South Gujarat region.

(ii) The selected Committees should be required to send daily price list of selected commodities in the prescribed form to the newspapers as instructed by the Director so as to enable them to publish it in the next immediate issues.

(iii) All the Committees should be required to subscribe
to the dailies which publish the price reports of selected Committees of their tract, and notify therefrom the prices of commodities of such Committees along with the prices that prevailed in their yards so that farmer-sellers may get a clear idea of the price-trends of particular commodities.

(iv) The Committees should also announce daily on the mike the prices of commodities so notified on the boards before actual open auctions start.

(v) The daily ruling prices of regulated commodities in the market yards should be displayed in one or more public places in the respective village/town on special 'Price Board's of the Committees.

(vi) The daily ruling prices of major regulated commodities should be cyclostyled and sent to the Village Panchayats of a few selected villages in the market area of the Committee concerned and the latter should be required to notify them on 'Special Board's located at the prominent sites. The range of villages should be progressively increased so that all the villages may be covered within a period of, say, five years. An important side benefit will be that the system will start and strengthen close links between the Committees and the villages within their peripheries.

(vii) The Committees should publish weekly reviews, during
busy seasons, in respect of arrivals, minimum and maximum prices realised in open auctions, stock held, market trends in general and trends of prices, and should circulate them among the Village Panchayats, well-managed marketing, multipurpose and service cooperatives, sister Committees in the area and the selected daily newspapers for the benefit of all interested parties.

Q: Annual Reports - A Critical Review

Under the present law, every Committee has to prepare an annual report after the close of the market year and submit it to the Director before the end of each calendar year. However, the form and the contents are left to the discretion, by both the statute and the Director, of Committees. Consequently, as the analytical study of the printed annual reports for 1963-64 available from 58 Committees revealed, they varied from Committee to Committee in regard to their get-up, time-limit for publication, contents, authorisation and circulation.

As regulated markets are a socio-economic institution, in addition to the Government Administration Department, many sections of society including licensed traders, agriculturists,

sister Committees, other development departments like Panchayats and Community Development, representatives of the people in the Legislatures, banking institutions functioning in the area, and other organisations may be interested in their working and may look to the annual report for various types of information and data. On the other hand, a scientifically designed annual report of a Committee may serve as an instrument for projecting the right image of its corporate personality, strengthen its status, present its financial structure effectively, and reflect its efficiency in the implementation of the Act, the Rules and Bye-laws. It is high time the Director takes steps to bring about standardisation of the annual reports of the Committees to make them action-oriented and useful to the community. Action may be taken on the following lines:

(A) Contents: An annual report must contain information and data including:

(i) Income and Expenditure Account for the market year under report, giving corresponding figures of the last year against each head.

(ii) Balance Sheet as at the end of the market year, giving corresponding figures of the last year against each head.

(Note: Where separate accounts are maintained for the sub-market yards, a consolidated Balance Sheet and the Income & Expenditure Account should be presented.)
(iii) Auditors' Report.

(iv) Chairman's Report reviewing the working of the Committee, incorporating the following items in particular, and describing future plans and policies:

(a) Market area.

(b) Market proper: area and villages covered.

(c) Principal market yard and sub-market yards.

(d) Changes in the market area, market proper and market yards.

(e) Commodities regulated, additions and/or deductions therein.

(f) Crop conditions, rainfall, weather, areas of cultivation of the commodities regulated and expected marketable surpluses.

(g) Commodity arrivals in the market yards both in quantum and value. (Separate figures for principal yard and sub-yards may be given.)

(h) Movement of prices of regulated commodities traded in the yards.

(i) Amenities provided on principal and sub-market yards.

(j) Financial results: total income, expenditure, surplus, and permanent fund.

(k) Relations with market functionaries: prosecutions launched and results.

(l) Important changes in the Bye-laws, the Rules and the Act affecting the working of the Committee.
(m) Role of co-operatives in handling regulated commodities on the market yards: their attitude.
(n) Processing factories working in the market area: their attitude.
(o) Relations with agriculturist-sellers: their attitude and behaviour.
(p) Relations with Committee-personnel: their behaviour.
(q) Any important activity undertaken: major achievement.
(r) Difficulties experienced in the implementation of the scheme for regulation.
(v) List of the members of the Committee, their qualifications and position held.
(vi) List of the members of the sub-Committees appointed along with the details of work assigned to them.
(vii) List of the co-operative societies holding licences -- category-wise: the volume of actual business done by them in the market yards.
(viii) Category-wise statement of number of licences and rates and amounts of licence fees received.
(ix) Statement giving details of market charges prescribed for different market functionaries and of the parties who are to bear them.
(x) Statement showing rates of market fees charged on the different regulated agricultural commodities.
(xi) Comparative statement showing the financial position of the Committee for the past five years.
(xii) Comparative statement showing commodity arrivals for the past five years.
(Note: The matter should synthesise the narration of the diverse activities of the Committee into a cohesive story reflecting the unity of concept and continuity of thought. The preparation of the report should not be treated just as a routine job.)

(B) Get-up: The get-up of an annual report should be simple but attractive, calling for economy in expenditure. The matter should be easily understandable, even when presented in the form of tables, charts, maps, etc. It should be treated as a business document and no ornamental photographs or advertisements may be included.

(C) Authorisation: Like the Companies Act, the Gujarat Act, 1965, should contain provisions regarding the signing of the financial and non-financial statements, and of the annual report. In the absence of such a provision, the Committee should delegate the authority to one or more members and the secretary. No other employee should be eligible for such authorisation.

(D) Publication: The deadline of 31st December must be strictly adhered to for the preparation and submission of the Annual Report by a Committee. Penal provision for non-compliance or late compliance of this requirement should be made in the Act in order to ensure promptness and punctuality on the part of the
Committees. No report should be submitted and published unless it is so approved by the Committee in its meeting. Every Committee must be made to publish its annual report in a printed form.

(E) Circulation: As the law stands to-day, a Committee is required to submit its annual report only to the Director. Though a few Committees do, at their discretion, send the printed copies of their annual reports to various bodies, officials and individuals, they are not so duty-bound. In order to establish a uniformity of approach and to ensure their better utilisation as a means of propaganda and educating public opinion, it is essential that it is circulated widely and among the right people. In particular, (a) the Departmental Officers of the area, viz., the Deputy Registrar, the District Registrar and the Auditors, (b) the officers of all development departments of the area, (c) all the members of the Committee, (d) all the A class traders and general commission agents, (e) all the co-operative societies dispensing credit in the market area, (f) all the members of the legislatures of the market area, (g) all the banking institutions in the area, (h) the State Warehousing Corporation, (i) the Gujarat Niyansrit Bazar Sangh and (j) all the sister Committees in the district, if not in the State, should find a place on the free mailing list. Moreover, the Committees should be obligated to supply, on receipt of a written demand, a copy of its current annual report to any person.
interested in its working. The enlargement of the area of circulation will spread the message of regulated marketing far and wide and assist the movement.