CHAPTER IX

MARKETING OF AGRICULTURE PRODUCE IN U.P.
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Organised marketing is as necessary for the farmers as efficient production. In order to do justice to them and to ensure to them a fair price of their produced the importance of organised markets can not be over emphasized. Ancient Indian Villages were self sufficient units. All that was produced was consumed in the village or in the neighbourhood and the problem of marketing did not attach much importance. Quite changed conditions are prevailing now. Surplus agricultural produce of the village is being sold in distant places.

The marketing of agricultural produce has a fundamental differences with the marketing of manufactured goods. In case of manufactured goods the marketing process is only one the distribution of goods from large scale manufactured to the final consumer. In case of agricultural produce, it involves two distinct processes. The first process, consist of accumulation of the produce and second its distribution. The agricultural produce has first of all to be collected and centrally pooled into big markets millions of farms

contd.......2
scattered over the distant parts of the country. Once
when this process has been collected, it has to be dis-
tributed through various intermediaries up to the final
consumer. Naturally, the process entails the series
of a long chain of intermediaries and the middle man
which becomes the special feature of the marketing of
agricultural produce.

Agricultural marketing has some more
significance also from national point of view, particu-
larly in the case of India. The price that is paid
for agricultural produce is bread winter for millions
of poverty-striken farmers of the country. It is the
basis of our national economy in the sense that agri-
cultural produce either consists of food grains or
industrial raw materials, both of which are co-related
for the economic growth of the country. A greatest
care and continuous cautions efforts are therefore
required in organising the marketing functions
of the agricultural produce.

In India, the marketing of agricultural
produce, suffers from a number of chronic evils, which
have been responsible for untold exploitation of
the uneducated and ignorance of the peasants. On a
modest estimate it has been said that the farmers get only 50N-aya paisa in every Rupee which is paid by the final consumer, the remaining 50 Naya paisa going to the pockets of various middle men. The poverty, indebtedness, lack of regulated markets, storage facilities, variety of weights and measures and above all inelasticity of credit facilities during the harvesting season have all played their part in deprising the cultivator of the due share of produce, which has been the fruit of the hard labour during night and day in the sun and rain with his family. Such conditions can not be allowed to remain after independence and in a country that is pledged to socialist pattern of the society and has adopted "welfare state" as its ultimate goal.

U.P. is one of the biggest states of Indian Republic and surrounded by Tibet on the North, by Bihar on the East and South-East by Nepal on the Noth-East, by Madhya Pradesh in the South and by the Union of Rajasthan and Madhya Bharat and State of Delhi and Punjab in the West. Its total area covers 1,13,409 square miles which includes
the area of the three farmer Indian States of Rampur, Tehri Garwal and Varanasi.

The total population according to the 1951 was 6,32,15,742 and according to the 1961 census was.

The present population of the State is more than 11,08,62,013. It is thus the largest state of India from the point of view of population and has a heavy density of population the same being 605 persons per square mile. The most important area of state is the Gangetic plain which possesses soil of extreme fertility and which is agriculturally the most important part of the state. The greater part of the state consists of level plain, teeming with highly cultivated fields and watered by three rivers, The Ganga, Jamuna and Goghara, (Indian and Pakistan Year Book of 1952-52).

The main industry of the state is agriculture, which is the principal source of livelihood of its people. The soil of the state
is generally, yielding excellent crops of rice, wheat sugarcane, millet, maize, linseed, mustard, cotton, barley, gram and pulses etc. The annual rain fall varies from one part of the state to other part of the state from 50 to 70 inches in the hills, 40-50 inches in Varanasi and Gorkhpur district and 25 to 30 inches in the Agra Division. U.P. Government Information Department (Diary).

Certain parts of the state, however, are subjected to drought also and steps in the past been taken to increase irrigational facilities. The total area irrigated in 1955-56 was more than 13.8 Million area out of the total little more than 40 Million area of not shown in year. Under the Five Year Plans, further progress has been made in the field of irrigation and the major projects already completed includes the Sapran, Latilpur, Rangawan and Nagwa dams, the Kabari scheme and the expansion of the Sarda Canal. Besides the Chandra Prabha Dam, The Argun Dam, The Motatila Dam, The Ngpur Dam, Itarsi Dam, The Tons Canal project and several other works are fast nearing completion. Work on the Rihand Dam
will be one of the cheapest, source of power in India, has also been completed its 2 stages.

As result of this expanded irrigation programme it is estimated that the area under irrigation would go up by 70% over figures of 1946 by the end of the plan period. Agricultural production has consequently also recorded increase, as is evident from the table of the next stage.

The total production of the cereals which stood at 192.48 Lakh Tons in 1953-54 approximated 109 Lakh Tons in 1956-57 and 1961-62. The index of agricultural production has gone up from the level of 96 in 1956-57 to 158 in 1964-65, an increase of 65% in 14 years. This is likely to rise up to 297.8 by the end of the Fourth Plan. Food production has also gone up from 55 Million Tons to 90 Million Tons (in terms of potential Created) 30 Million Tons more food grains will be available by the end of the Fourth Plan. The food grains production of 1964-65 has remained 9 Crore Tons only.

Table showing increase in production of some important crops in Uttar Pradesh:-
### Crops

<table>
<thead>
<tr>
<th>Crops</th>
<th>1953-54</th>
<th>1956-57</th>
<th>1960-61</th>
<th>1964-65</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>2948</td>
<td>3103</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rice</td>
<td>2053</td>
<td>2681</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gram</td>
<td>1739</td>
<td>1964</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Barley</td>
<td>1692</td>
<td>1647</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

4.38 to 6.46 maunds in the case of rice, 6.04 to 7.18 maunds in respect of gram and 8.17 to 9.92 maunds in the case of barley.

The above figure clearly indicate the agricultural importance of the region with increasing emphasis on food production front in the First Five Year Plan. The importance of area from agricultural point of view has increased all the more. In the fact the region is not very important from the industrial point of view and the only industries of some importance are sugar, shoe-making, oil, cotton etc. The region is also not rich in mineral resources. The following figures for net area shown in 1949-50 in the different states of the country will clearly demonstrate the important position of the state of U.P. in the agricultural economy of the country.
Table showing net area shown in the States:

<table>
<thead>
<tr>
<th>States</th>
<th>In Thousands in acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Assam</td>
<td>5,570</td>
</tr>
<tr>
<td>2. Bihar</td>
<td>55,848</td>
</tr>
<tr>
<td>3. Maharashtra</td>
<td>41,082</td>
</tr>
<tr>
<td>4. Madhya Pradesh</td>
<td>28,456</td>
</tr>
<tr>
<td>5. Tamil Nadu</td>
<td>31,308</td>
</tr>
<tr>
<td>6. Orissa</td>
<td>6,359</td>
</tr>
<tr>
<td>7. Punjab</td>
<td>11,948</td>
</tr>
<tr>
<td>8. Uttar Pradesh</td>
<td>39,769</td>
</tr>
<tr>
<td>9. West Bengal</td>
<td>11,720</td>
</tr>
<tr>
<td>10. Hyderabad</td>
<td>24,064</td>
</tr>
<tr>
<td>11. Jammu &amp; Kashmir</td>
<td>1,556</td>
</tr>
<tr>
<td>12. Karnataka</td>
<td>6,456</td>
</tr>
<tr>
<td>13. Delhi</td>
<td>225</td>
</tr>
<tr>
<td>14. Himachal Pradesh</td>
<td>562</td>
</tr>
</tbody>
</table>

Uttar Pradesh thus had about 15% of the total shown area of the country in the year 1949-50. Subsequent figures show that total shown area in the state increases to 42,532,280 acres of land under food crop and 46,68,132 under cash crops and the total corps consists of wheat, barley, gram...
rice, Jowar, bajara and Maize and the main cash crops inclusive sugarcane; linseed rapseed, mustard, ground-nut, till and cotton.

**AREA UNDER INDUSTRIAL CASH CROPS WAS AS FOLLOWS:**

<table>
<thead>
<tr>
<th>Crop</th>
<th>Area (in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Linseed</td>
<td>112,645</td>
</tr>
<tr>
<td>Rapseed</td>
<td></td>
</tr>
<tr>
<td>Mustard</td>
<td></td>
</tr>
<tr>
<td>Ground-nut</td>
<td>401,987</td>
</tr>
<tr>
<td>Till</td>
<td>280,689</td>
</tr>
<tr>
<td>Other soil</td>
<td>252,674</td>
</tr>
<tr>
<td>Sugarcane</td>
<td>52,966</td>
</tr>
<tr>
<td>Cotton</td>
<td>296,402</td>
</tr>
<tr>
<td>Hemp</td>
<td>193,328</td>
</tr>
<tr>
<td>Opium</td>
<td>328,469</td>
</tr>
<tr>
<td>Indigo</td>
<td>80,000</td>
</tr>
<tr>
<td>Tobacco</td>
<td>1,568</td>
</tr>
<tr>
<td>Opium</td>
<td>32,392</td>
</tr>
</tbody>
</table>

Uttar Pradesh is thus the premier agricultural state of the country. In several commodities it is a surplus area and exports take place. No doubt in the war period on account of food shortage there were restrictions on the movement of the some commodities which was later on removed. Due to remarkable rise in price of certain food grains restriction in the movement of food grain has again imposed.

Considering the importance of agricultural production in the economy of the state,
need of the good and well regulated system of marketing in the state hardly needs any emphasis and yet it is pity that conditions in this respect are from satisfactory, agricultural marketing here still suffers from defects, which discourage the cultivator in bringing his produce to the market and prevent him from realized in the state so far for it. No regulated markets have been so far not enacted. The regulation of markets enables the primary producer to sell his produce in the market with absolute confidence for it assures him a fair deal in the market through standardization of marketing practices and prevention of abuses. While such markets have been established in Punjab, Tamilnadu, Maharashtra, Karnataka, Hyderabad and certain districts of Madhya Pradesh and Bihar in U.P. as well.

Being an important agricultural area U.P. however has number of important organised, thorough statutorily unregulated markets. Some of these mandies as they are popularly known, like Napur, Ghazibad, Kanpur and Khurja etc., can compare favourably with the leading agricultural markets in other states of the country as well as in foreign countries.
They serve both as assembling and distributing centres for the cultivators of neighbouring areas. They have facilities for the cultivators of the storage, banking and are well served by road and railways. The process is handled there in large quantities and specialised operating as weighmen, brokers and commission agents have developed, therefore the performance of various marketing services. They have their own well established market practices, which are fairly well versed but nevertheless are above comment.

KINDS OF MARKET

At present our Rural Markets are organised in the form of:

1. **HATS**: As in U.P. or Shandle in Southern India. At these markets, retail sales of fruits, vegetables, food-grains, Cloth, Earthnewares, bangles, trinklets is being done. They are held weekly or biweekly. The days on which these markets are held are usually fixed so as to enable dealers to visit them in succession in a particular area. Such markets were organised by zamindars, but now
by local bodies and every shop-keeper has to pay some rent for the space he occupies. Here the higgling is a common feature. The village Bania in return for a small commission acts as middleman. There are over 23,000 Hats in India. Hats dealings both in agricultural produce and livestock are mainly found in Maharashtra, Karnataka and Andra Pradesh. These are also known as primary markets and cater to the needs of 5 to 6 miles radius even a bigger area, the amount of produce passing through a hat varies from 1,000 to 40,000 maunds.

2. MANDIES OR SECONDARY MARKETS: Wholesale markets held in fixed places where business is transacted daily. Produce is handled in these mandies, in large quantities and specialised operations. Such as of weighmen, Brokers, Commission agents become necessary for the performance of different services. These mandies are usually owned by private persons or local bodies, e.g. Districts Boards, Municipal Boards and Chamber of commerce. They have ample facilities of storage
and banking and insurance companies are well served by roads and railways. Such markets draw their supplies from an area of 10 to 40 miles. The area served by part market is generally very extensive and regulated market assemble produce from a wider area than unregulated ones.

They may be decentralised markets scattered over the different parts of a town or decentralised where the Arhatiyas shop are centered in a particular places as in Bindki and Auriya in state these are best farms of organised markets for sale of agricultural produce, fruits and vegetables. Some of these mandies are particularly in U.P. such as Meerut, Hapur, Hathras, Ghaziabad Khurja and Agra favour with produce exchange of foreign countries.

3. RETAIL MARKETS

They are found scattered all over the town or a city or concentrated in particular localities. They are arranged by retailers subject
to municipal control. They usually deal in all
types of produce and serve the need of the surrounding
village.

4. **FAIRS OR MELAS**: These have become a common feature in India for centuries. Generally melas are held on religious festivals such as Maghmela of Allahabad, Kartikissan at festivals Garhamukteshwer etc. But other fairs own their origin to economic considerations. There are over 17,000 live-stock and produce fairs in India. Of these 50% deal in livestock only, 10% deal both in livestock produce and 40% deal in agricultural produce only produce fairs are all found in Bihar & Orissa only, while livestock fairs are held in U.P. These fairs are held annually specially between the month of October and May and the duration of live-stock fairs varies from one day to 3 months. Camels, Horses, Bulls, Cows, Sheep and Goats are usually sold in the fairs. These fairs are organised by Districts officers, local Boards or other private agencies.

5. **TERMINAL MARKET**

These market are the produce exchange with the trade associations conducting exports and internal distribution of the commodities. Proper facilities for storage and commodities godown are necessary adjuncts of such markets.
METHODS OF SALES IN THE MARKET:

Sales of agricultural produce are usually affected by the following methods

1.  BY AUCTION

   Under this system, the Arhtiya or the brokers invite bids for the produce and the highest bidder is sold the produce. This system prevails in Western Districts of the State.

2.  UNDER COVER

   Under this system, the buyer indicates the price he is prepared to pay by clashing the hand of the Arhtiya of Seller’s agent under cover of cloth and preming or manipulating the figures. The name and offer of the highest bidder are then publicity announced. This system exists in big centres like Hapur, Chandausi and Kanpur in U.P. This system offers opportunities of cheating the cultivator since he is unable to follow the course of bids nor he is taken into confidence the final bid is declared.

3.  BY PRIVATE AGREEMENT

   Under this system the undivided buyers may come any time convenient to them and make their offers.
The offer may or may not be acceptable to the seller and decision conveyed by him the close of the working day. This system is prevalent in Agra, Kanpur, Faizabad, Lucknow, Varanasi and Muzaffarnagar in the state of U.P.

MARKETING SYSTEM

Agricultural being an industry of slow turnover, the farmers require financial assistance to bridge over the gap between the sowing and harvesting of crops. Again the produce of his land does not always suffer the whole year and he is compelled to seek the assistance for substantive as well as commencing his agricultural operations in the following season. Borrowing made by the cultivators are taken before the commencement of cultivation operations from meddlesome businessmen (Beopari) factory owner with under taking that the produce after the harvest will be sold to him or through him. The real evil is tendency of these of intermediaries who exploit the ignorance and helplessness of these peasants to increase there profit by manipulating the rates of the produce.
With whatever limitations or natural calamities the farmer who rises a good crop bring to the Arhatiya or commission agent to market his produce as soon as possible after harvesting the crop. The Arhtiya selected is generally with one with whom the grower had already had financial or business relations. Although there is no compulsion on the seller to take his produce to the Commission Agent from whom he has previously secured advances or loans in kind or cash, nevertheless, the fear that the financial accommodation may be withdrawn in the future induces the cultivator to trade through his creditor. If the seller decides not to dispose of his produce of that day, he leaves it with the Arhtiya who stores it for him untill sold.

The produce left with the Arhtiya is either stipulated to be sold at the latter's direction or a price limit is given by the owner, below which sales are not to be made, there are in every market un-written codes of conventions which govern the business. The Arhtiya is supposed to be responsible for guarding his interest and to see that the sales are made in conformity with the recognised market usage. In no market, there is any authority over the Arhtiya to see
that the seller is fairly treated that no authorised deductions are made, or that the Arhatiya does not in any way subordinate the interest of the seller to his profit, there is no one whom a seller can report if he thinks that he has been defeated and can decide matter in dispute. Nor there is any market regulation to keep a general eye on the interest of the sellers to see that none of the market practices are prejudicial to the interest of peasant.

The rural Credit Survey Committee reported that about 35% of the total production is sold by the cultivator, a large part of it (about 24% of the total) to trader and Commission Agent, 15% utilised as seed. The following figures depicts the percentage of produce retained in the village and marketable surplus:

<table>
<thead>
<tr>
<th>NAME OF COMMODITY</th>
<th>PERCENTAGE OF PRODUCE</th>
<th>RETAINED IN VILLAGE</th>
<th>MARKETED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>45.0</td>
<td></td>
<td>55.0</td>
</tr>
<tr>
<td>Rice</td>
<td>59.5</td>
<td></td>
<td>50.5</td>
</tr>
<tr>
<td>Jowar</td>
<td>78.2</td>
<td></td>
<td>23.8</td>
</tr>
<tr>
<td>Bajara</td>
<td>73.5</td>
<td></td>
<td>26.6</td>
</tr>
<tr>
<td>Maize</td>
<td>75.5</td>
<td></td>
<td>24.5</td>
</tr>
<tr>
<td>Barley</td>
<td>74.0</td>
<td></td>
<td>26.0</td>
</tr>
<tr>
<td></td>
<td>A</td>
<td>B</td>
<td>C</td>
</tr>
<tr>
<td>------------</td>
<td>-------</td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td>Gram</td>
<td>55.7</td>
<td></td>
<td>44.3</td>
</tr>
<tr>
<td>Gun</td>
<td>20.0</td>
<td></td>
<td>80.0</td>
</tr>
<tr>
<td>Fish</td>
<td>7.5</td>
<td></td>
<td>92.5</td>
</tr>
<tr>
<td>Potato</td>
<td>27.0</td>
<td></td>
<td>73.0</td>
</tr>
<tr>
<td>Ground-nut</td>
<td>16.0</td>
<td></td>
<td>84.0</td>
</tr>
<tr>
<td>Sesamum</td>
<td>44.0</td>
<td></td>
<td>56.0</td>
</tr>
<tr>
<td>Rape &amp; Mustard</td>
<td>14.0</td>
<td></td>
<td>86.0</td>
</tr>
<tr>
<td>Linseed</td>
<td>20.0</td>
<td></td>
<td>80.0</td>
</tr>
<tr>
<td>Castor Seed</td>
<td>6.0</td>
<td></td>
<td>94.0</td>
</tr>
<tr>
<td>Cotton Seed</td>
<td>5.0</td>
<td></td>
<td>95.0</td>
</tr>
<tr>
<td>Miger Seed</td>
<td>44.0</td>
<td></td>
<td>56.0</td>
</tr>
<tr>
<td>Cotton</td>
<td>8.0</td>
<td></td>
<td>92.0</td>
</tr>
<tr>
<td>Jute</td>
<td>3.0</td>
<td></td>
<td>97.0</td>
</tr>
<tr>
<td>Arecauuts</td>
<td>5.0</td>
<td></td>
<td>95.0</td>
</tr>
<tr>
<td>Cashewnuts</td>
<td>3.0</td>
<td></td>
<td>97.0</td>
</tr>
<tr>
<td>Tobacco</td>
<td>7.5</td>
<td></td>
<td>92.5</td>
</tr>
<tr>
<td>Suger-cane</td>
<td>52.6</td>
<td></td>
<td>47.4</td>
</tr>
<tr>
<td>Milk</td>
<td>17.0</td>
<td></td>
<td>83.0</td>
</tr>
</tbody>
</table>

**SOME DEFECTS IN THE WAY OF AGRICULTURE MARKETING**

There are various difficulties in the way of agricultural marketing due to the following reasons:
1. **FORCED SALE:**

The power of the agriculturists to hold on their stock is not much due to indebtedness, they are compelled soon after their crops are harvested to sell their produce. The compulsion of the circumstances under which the agriculturists sell away their produce enable the middlemen traders to purchase it and to make a stock of it. The stock is sold by the middlemen when price rules at a higher level. The share of the price that consumers ultimately is appropriated by the middlemen traders. There are no perfect warehousing facilities. Royal Commission on agriculture also gave the following report (338):

"It has, we think been established that where the cultivator is in position to dispose of his produce in a market however limited it's scope and badly organised its character be, he obtains a much better price for it even when he dispose of it in his own village."

2. **ELIMINATION OF MIDDLEMEN:**

There is a long link chain of middlemen between the tiller of the soil and the final consumer. Most of the price which consumers pays for the
produce is eaten away by these persons and a very small function reaches to the actual produces.

3. INDEBTEDNESS OF FARMERS:

The peasants are usually indebted to the village Bania or Money lender of Mahajan to whom produce is sold off. Generally debt is given at the expressed agreement that the farmers have to sell their entire crop to the Bania or Mahajan, very often standing crops are Mortgaged in advance. The Bania exploits the poverty and ignorance of the rural farmers.

4. HEAVY BURDEN OF LAND REVENUE:

Land revenue is generally collected at the time of harvesting. The poor farmers are in the needs of money and have to perforce to sell their production at the cheap rate. The farmers sell their produce in glutted market. The heavy burden of the Land Revenue rigidity of its collection also contribute to defective agricultural marketing.
5. **LACK TRANSPORTATION FACILITIES:**

Defective means of transport and communication are also responsible for a bad marketing system. Railways do not penetrate into the countryside. There is also lack of good roads even. In the absence of good roads in the village it becomes rather impossible for the cultivators to establish contact with favourable and distant markets. It is not possible for all agriculturists to maintain transport vehicles for carrying agricultural produce from the producing centre to the selling centre. The only vehicle is bullock cart which is most slow, expensive and provide no protection against rains on the way to the goal.

6. **DIVERSITY OF WEIGHTS & MEASURES:**

Weights and measure in India are standardised. They differ from place to place. The traders make their purchases, on the basis of one weight and they sell on the basis of a different one. No proper comparison of prices is possible at different places in the absence of common measurement.
7. **FRAUDULANT PRACTICES:**

A number of mal-practices are in prevalent in the market. Excessive deductions are made either on the one pretext or the other. Such as Palladari, Gaushala, Dharmada, Royal Commission on agriculture received many complaints regarding these mal-practices in Indian markets. The middlemen charges, very high rate of interest and so result is this that the farmer gets much low price of their produce.

8. **LACK OF STAYING FACILITY:**

The mandies provide no proper facilities to the farmers for staying when they come to sell their produce. So they sell it as early as possible at the low price and its effect is bad bargain.

9. **LACK OF REST HOUSES:**

There is lack of houses in the town. Mostly there are warehouses where farmer can deposit their produce and get a receipt. The receipt is a negotiable and the farmers can get loan against it from the bank at the cheap rate of interest.
10. LACK OF UNITY AMONG FARMERS:

There is a quite a lack of organisation amongst the farmers.

11. LACK OF GRADING & STANDRIZATION:

Lack of grading and standardization are also great defects which are generally responsible for inadequate marketing facilities in the state of India.

12. LACK OF PRICE INFORMATIONS:

Lack of market intelligence and informations of price different markets. His main handicaps are that he was to sell his produce at unfavourable place, at an unfavourable time and unfavourable terms.

Due to all these above set backs the farmers do not get a fair price of this produce in Indian market, successful agriculture requires not only efficient production but also efficient marketing.
PROCESSING OF AGRICULTURAL CROPS

The process of "Processing" need after harvest and before crop reaches to the market for sale. The crop is subjected to one or more forms of processing which differ from different crops and for different uses and preferences on the part of the consumer, such as crushing of sugar-cane for converting it into Jaggary or sugar, husking of paddy, decoration of ground-nuts, crushing of oilseeds, canning of peas, ginning and pressing of cotton disintegrating curing and washing of jute etc. Thus a single form of processing may consist of more than one process, carried on by different parties and at different stages. To take an example, the paddy may be threshed and winnowed by the cultivator but husked by consumer miller or trader or even by the consumer. In major crops, there is uniformity of process all over the country except some development. In few places rice is made of paddy by hand of pounding as in advanced area it is done by mills.

PROCESSING SOCIETIES

There has been no start in this direction before this decade. In Maharashtra and Karnataka, few attempts were made in the direction of the processing of cotton.
It is only in the Second Five Year Plan that due to the importance of this activity has been given and targets of co-operatives processing societies have been fixed up for the plan period as in case of credit and marketing societies. Action is being taken to implement this programme in different states. Small sugar factories, cotton ginning and processing factories, oil and rice mills etc., are being organised on co-operative basis. In few places, this works being undertaken by marketing societies as part there of, while in some places they are started as separate units. The cultivator in this scheme are advanced crop loans and technical assistance are given to them to produce such variety of produce which is more suitable for processing. In an agreement between society and members the members are bound to sell their produce by getting processed through the processing society.

The planning & Research & Action Institute, U.P. in close collaboration with the co-operative department took up the work of co-operative process if societies in November and December 1956. The target
in respect of processing societies for 1956/57 fixed at 11 processing societies and 2 sugar factories subsequently, the setting up of sugar factories was estimated to an ad hoc committee. A survey was conducted in districts for the suitability of schemes like oil crushing, paddy husking small sugar plant, cotton ginning, milling of pulses etc.

CO-OPERATIVE MARKETING

Co-operation has a vital role in the marketing agricultural produce. It is the hope of the spot of sunshine for poor farmer to save himself from the clutches of crafty middlemen who take away major share of the fruits of their sweat and toll. The fundamental basis of co-operation is self help through mutual help. By means of co-operative societies, the small farmers organise themselves into a strong body to meet the challenge and exploitation of the dealers. In a Co-operative Society, every member has power of voting irrespective of the number of shares that are purchased by him. The Co-operative System is, therefore, who are not economically poor but also free from financial basis and is more suited to the farmers, who are not economically poor but also ignorant and dis-organised and thus easy victim to any type of capitalistic organisation. More and more emphasis
has been given during recent years. On introduction of Co-operative System of marketing in Agricultural produce to protect the farmers from undue exploitation and eliminator at least reduce the long chain of middlemen that from the part of present agricultural marketing system.

BENEFITS OF CO-OPERATIVE MARKETING OF AGRICULTURAL PRODUCE

The Co-operative Societies form an important link between the Govt. and the cultivator. They donot help only to the members in drawing loans but also provide them better seeds, fertilizers, agricultural tools, manures, and implements, some times even other necessaries, some of the societies may also work as training centres for the grading of produce. They help in raising their standard of living and there by increase their own efficiency in every work of life. in sphere of activity and hold a universal position in the field of agricultural marketing specially in the case of countries like India.

Co-operation is a weapon to being about the correction of the many abuses of the private marketing system and in this sense the benefits of Co-operation are given to all the farmers whether or not they become member of co-operatives. Some other benefits are given below
a. Marketing services are rendered at very lower costs.

b. A large portion of the final price paid by the consumer is secured by the producers.

c. An economy in the cost of marketing is effected.

d. As the cultivator are paid according to the quality of produce raised a clear incentive is held out to the producers to improve the quality.

e. In order to enable the farmers to hold their produce for a good market, storage facilities are provided and the farmers are enabled to get cheaper marketing finance.

f. This marketing teaches the farmers business methods and gives them business education and trends.

As already stated in a previous para there are several advantages if co-operatives marketing is on a large scale. The greater quality of produce handled the lower is the cost of handling of each unit of produce. It would become easier to make a good bargain on a larger deal than on a smaller one and there is a less danger also that the rivals would under out prices or upset grades.
PROGRESS OF CO-OPERATIVE MARKETING IN INDIA

U.P. has got a bright future of co-operative marketing of agricultural crops and first place in sugarcane, Ghee and wheat under Co-operative basis. Co-operative sale of sugarcane is on the top. The sugar industry is centralised in U.P. and sugar mills get sugarcane 95% of their need through these sale and development federations. The result is that cultivators get more money and produce of improved quality of sugarcane. It has one sugarcane federation. These societies are under the Cane Commissioner of U.P. There were 115 sugar-cane sale federations in U.P. in 1955/56, and members were 15.6 lacs of cane produces. These federations earned 94 lacs that year. These units provide all facilities to their members, i.e., manures, fertilizers, digging of new wells, road emlding etc., these units also provide educational institutions and other welfare services.

U.P. cane federation is an apex institution of all the cane producing units of U.P. Day by day these federations are doing very good work.

Co-operative sale of ghee is also an important thinking in U.P. It has also got a good place. Any person having milk giving animals may become member
of these unions or leagues. There were 11 central and 569 primary co-operative marketing co-operative societies in 1953/54 in U.P. of which 881 and 18,829 farmers were members respectively. These are central ghee federations also which control the work of the ghee assemble societies. Now a days 11 federations are controlling this work. If a member adulterates ghee he will be punished by fine of Rs.100/- or termination of membership of both.

**U.P. CO-OPERATIVE FEDERATION**

There is a provincial Co-operative Federation for the Co-operative sale of Agricultural Food-grains. It does control all the food grains business which are on district level. It is an apex marketing society of U.P. The Society was registered in June, 1943 and its membership at that time was to the Co-operative marketing unions and district and central co-operative Bank of the State. The Federation was organised mainly to help the co-operative unions and to promote the co-operatove marketing of agricultural produce in the State. The marketing of foodgrains could not be taken up earlier mainly on account of control's and rationing. The federation in the beginning confined its activities mainly on account on controls in 1958.
cloth and certain other business was started by the federation.

The business of supply of improved seed to the members of co-operative was also taken up in the same year.

In 1953 the federation took up the business of distribution of chemical fertilizers and coal dust for co-operatives.

The work of regarding of agricultural produce was taken up in the year 1956/57 after introduction of integrated scheme of credit and marketing in the Second Five Year Plan.

OBJECTS OF FEDERATION

The following are the objects of the federation:

1. Distribution of goods which cultivators need as produce fertilizers, agricultural implements etc.

2. Distribution of basic standardised requirements which the cultivation needs as consumer i.e. clothes, building material, sugar, salt and kerosene oil.

3. Development of functions such as construction of godowns and warehouses.

4. Marketing and processing of agricultural produce.

5. To act as an agent of members for fulfilment of the above subjects.

6. To co-ordinate, guide and supervise the working of it's member societies.
7. To recruit, train and appoint such salaries staff for its members and of organisations affiliated to it as may be needed by them.

The Federation is the biggest marketing society in India. In 1960 its owned capital was Rs. 10,728 lacs and its working capital as about Rs. 2.5 crores. The State Govt. have also substantially contributed to the sahre capital of the federation.

MANAGEMENT OF FEDERATION

The Board of Directors of the Federation consists of 19 members, scare nominated by official members of the board. The registration of Co-operative Societies is the Ex-officio president of the federation who is the Chief Executive Officer is nominated by the Registrar Co-operative Societies.

There are some main objects of the federations as follows:

1. Marketing of agricultural produce,
2. Supply of coal dust,
3. Ghee grading stations,
4. Distribution of seeds and fertilizers.
MARKET INTELLIGENCE

This section deals with allied subject, the information services about the markets, so essential to the present day commercial organisation. It is the specialised nature of the market intelligence. Services that has necessitated of trial of his subject in a separate section, but the fact is that its significance to the farmer, who is in search of income stability is inestimable. It is in this light the wise farmer is able to adopt his system of farming to changing needs of the market. The information sought is of two kinds, the one is about new process of farming, storing and preservation and that about price and production trends in the countries abroad. With growing state of markets, there is a urgent need for the society and the state to have the complete and full information order to be able to formulate correct policies in this regard. A modification of the existing marketing institutions may be brought about in the light of the facts informed by the planning and administrative authorities. The state may have to formulate certain policies in the non-agricultural section and these policies may have impact on agriculture, this may involve the availability of the complete facts about the agricultural trends in general and the market trends in particular. For instance in
the imposition of the tariff, the States have to be apprised of the trends in general and in agricultural prices, so that the height may be finalised. And finally such information may prove a boon to the farmers in the marketing them aware of their weak points, which therefore, they may make efforts to remedy and eliminate it too.

**FACTS & PEASANTS**

Peasant may have need for efficient discharge of their duties as peasants, that would greatly simply the problem of farm management. And then the knowledge of market trends would enable them to so manage their production in advance that they may be able to stable prices. An accurate estimate of consuming standard of the public should be pre known for that would greatly help in assessing the quantity and quality of production to commercial demand even before it is marketed. The farming operations must be adopted to the trend of production and prices carefully studied about marketing processes, middle men's services and the cost thereof would go for far to pave the way for the introduction of co-operative marketing in the community. The problem of marketing, in so far it is one of the securing satisfactory prices for the peasants could be solved to great extent by the adjustment
of supply to the anticipated demand. The adjustment is to be both with respect to quantity and quality. The present amount most farmers cultivate their fields without knowing the market trends, this means that they are only adding to the complexity of the problem of adjusting the supply to the demand only making the demand and supply adjustment irregular with a view to enabling him to do his little bit in adjusting demand and supply, the peasant should be equipped with knowledge of competitions of the supply and probabilities of demand. Not only the quantity of the produce, but also the qualities of the same should be known and the prices at which they are sold and also the cost of production of the various farms products, so that his competitive strength could be increased. He should also be able to interpret changes which are taking place, in production and consumption in order to be able to adopt his farming to the changing needs of the day, especially those which effect the course of prices and profits introduction. This concerns him very much.

**ACTIVITIES**

The Directorate of Marketing and Inspection, since its very inception, has been responsible for bringing about an integrated development of marketing of agricultural produce with a view to safeguarding the economic interests of the producer-sellers as well as the consumers. Its main functions are:
PROMOTION OF GRADING AND QUALITY CONTROL:

Promotion of grading and standardization and exercising quality control on agricultural commodities and livestock products has been one of the principal functions of the Dept. of Marketing and Inspection since its inception in 1935. Grading of agricultural commodities has three main purposes. Firstly, it protects the producer from exploitation by knowing the quality and grade of his produce, he is in a better bargaining position against the trader. Secondly, it serves as a means of describing the quality of commodities to be purchased or sold by the buyers and sellers all over the country and abroad. This establishes a common trade language and avoids the need for physical checking and handling at many points. Thirdly, it protects the consumer by ensuring the quality of products he purchases. Trading on the sole basis of accepted quality standards makes pricing more precise and equitable thereby making the price reporting mechanism more meaningful.

FRAMING OF GRADE SPECIFICATIONS:

The Agricultural Produce (Grading and Marking) Act, 1937 gives statutory powers to the Central Govt. to enact rules for prescribing grade standards for agricultural and livestock products, defining quality, prescribing methods
of marking packing, sealing and laying down conditions for issue of "certificate of authorisation" for carrying out the grading. Under the provisions of the Act, grade standards for as many as 142 agricultural, horticultural forest and livestock products, covered under 100 Grading and Marking Rules, have been formulated. These specifications are popularly as "AGMARK" standards. The work "AGMARK" which signifies agricultural marketing and stands for a statutory seal ensuring quality and purity, is now familiar to all quality conscious consumers in India and abroad.

The grade specifications formulated need periodical revision due to qualitative changes brought about in production as a result of introduction of new varieties and also on account of consumer preference. In view of this and in pursuance of the conclusions arrived at the Conference on Agricultural Marketing held at Ludhiana in July, 1978. "Consultative Committees" have been formed for suggesting revision in the grade specifications of certain selected commodities.

A Standards Division is being established in the Directorate with the objective of revising the existing standards in the light of the latest trends and also of formulating specifications for new commodities.
Grading of Agricultural commodities for internal trade is voluntary and is carried out at the request of sellers under the Agricultural Produce (Grading and Marking) Act, 1937. The commodities graded under "AGMARK" for internal trade are classified into two groups viz., centralised commodities and decentralised commodities.

**CENTRALISED COMMODITIES:**

Grading of centralised commodities which include ghee, butter, vegetable, oils, oilcakes, powders, powdered spices, honey etc. requires more elaborate testing arrangements and hence is directly handled by the Directorate of Marketing and Inspection.

**DECENTRALISED COMMODITIES:**

Decentralised commodities include wheat atta, rice, pulses etc., the grading of which is relatively simple. This is being looked after by the Marketing Departments of the concerned State Govts. under the overall supervision and guidance of the Dte. of Marketing and Inspection.

The value of commodities graded for internal consumptions during 1983-84 was Rs. 380.25 crores.
AT PRODUCER’S LEVEL:

Grading under Agmark at trader's level is mainly a consumer-oriented measure and hence has a limited utility to the farmers. Therefore, for securing adequate return to the producer-seller, a programme of grading at the level of farmers was introduced in 1963-64 through State Marketing Departments. The idea is to subject the produce, before it is offered for sale, to simple tests of quality which influence its market value. This should help the producer to get price commensurate with the quality of his produce.

Till March, 1984, 808 grading units had been established in the regulated markets or in the Co-operative Societies/warehouses by different States and Union Territories for the benefit of the producers. More than 60 agricultural commodities are graded before sale in these grading units.

QUALITY CONTROL FOR EXPORT:

Compulsory quality control and preshipment inspection of agricultural commodities for export was introduced in 1942 when the export of Sun-hemp fibre was prohibited unless it was graded and marked in accordance with the specifications prescribed under the Agricultural Produce (Grading and Marking) Act 1937. As this Act is
voluntary in nature, compulsory quality control was enforced under the Indian Sea Customs Act, 1878.

The planning Commission recommended in the First Plan the introduction of compulsory quality control under AGMARK in respect of important commodities. The Export (Quality Control and Inspection) Act was enacted in 1963 and the Export Inspection Council was set up to enforce compulsory quality control on commodities meant for export. The Directorate of Marketing and Inspection is presently acting as an export inspection agency on behalf of Export Inspection Council.

More and more commodities gradually came to be included under the purview of the quality control under Agmark before export. At present, 41 agricultural commodities are being graded compulsorily before export.

AGMARK LABORATORIES:

To ensure the purity and quality of produce graded under "AGMARK" a number of laboratory tests are essential, particularly in the case of commodities like ghee, vegetable oil, butter, honey, essential oils, ground spices etc. For the purpose, the Directorate has set up Agmark Laboratories. Twentyone "Agmark Laboratories"
functioning at Bombay, Calcutta, Madra, Cochin, Guntur, Virudhunagar, Alleppey, Mangalore, Gauhati, Bhopal, Jaipur, Amritsar, Kanpur, Rajkot, Ghaziabad (to be shifted to Okhla, New Delhi), Patna, Bangalore, Jammagar, Tuticorin, Bhubaneswar and Calicut, with the Central Agmark Laboratory at Nagpur as the apex laboratory, provide necessary testing facilities and assist in the enforcement of quality.

In addition, the Directorate of Marketing and Inspection has established two wool testing houses, three spices grading units, six cotton classing centres and a tobacco testing laboratory. Kangra Kangra laboratory at Amritsar has been raised to the status of a regional laboratory.

The Central Agmark Laboratory at Nagpur is an apex institution and provides technical guidance in testing methods and in the methodology of drawing samples. It is also conducting research in problems connected with the analytical testing of various commodities. To undertake the trace metal and microbiological analysis of meat and meat food products, the Directorate has set up Veterinary Biological Control Laboratories at Madras, Bombay, Calcutta and Ghaziabad (to be shifted to Okhla, New Delhi). All the laboratories except the one at Ghaziabad, have since started analysis of samples. The list of the laboratories of the directorate to placed on next page.
The Primary responsibility to maintain and test the quality of the product is that of the manufacturer/packer. Theoretically, therefore, every manufacturer/packer must maintain his own laboratory so that the quality of his products can be consistently checked. However, small manufacturers/packers cannot afford to have their own laboratories. To help them, some State Governments and Co-operatives have set up laboratories. The individual packers are attached to one of these laboratories which arranges to inspect the production and processing and to collect samples for analysis. The manufacturer/packer can thus get his produce analysed and graded at a small cost.

ADMINISTRATION OF COLD STORAGE ORDER 1980:

The Cold Storage Order, 1980 (which has replaced the earlier Cold Storage Order, 1964), promulgated under the Essential Commodities Act, 1955 has the objective of ensuring hygienic and proper refrigeration conditions in a cold store, regulating the growth of cold storage industry in a planned manner, rendering technical guidance for a scientific preservation of foodstuffs in a store and prevent exploitation of farmers by cold store owners.

Agricultural Marketing Adviser to the Government of India is the licensing officer under this Order.
According to the provisions of the Order, it is obligatory on the part of every cold store owner to obtain a licence from the licensing officer for storage of food stuffs like fruit, vegetables, meat, fish, dairy and poultry products etc. This Order's is applicable all over the state U.P.

The U.P. number of cold stores licensed under the Order in the U.P. as on 30-9-84 is 555 with an installed capacity of 1.16 million cu.mts.

REGULATION OF MARKETS:

Agricultural producers in India, though forming a major portion of the population, remained economically weak and un-organised for centuries, which made them amenable to exploitation by the numerically smaller but economically stronger and well organised middlemen.

In order to avoid the heterogeneity in the existing market legislation in various States and to the guide them, the Directorate has also prepared a Model Act. By the end of March, 1984, 320 markets in the U.P. have been brought under regulation, out of which 38 are principal markets and 282 are sub-market yards.
MARKETING EXTENSION:

A small extension cell was established in the Directorate of Marketing and Inspection in 1962. Mass information media like documentaries, cinema slides, printed literature, exhibitions, seminars, etc., have been used to popularise "AGMARK" products and develop orderly marketing of agricultural produce in the country.

The extension wing also publishes a number of feature articles on agricultural marketing received from various experts through its quarterly journal "Agricultural Marketing". Agmark Grading Statistics are published annually.

The Directorate also organises/participates in exhibitions/workshops. The workshops provide opportunity to experts in the field to exchange experience and discuss recent developments in the relevant areas. During 1983-84 and 1984-85, the Dte. of Marketing & Inspection organised/participated in the following exhibitions/workshops:


2. Participated in India International Trade Fair held in New Delhi from 14th November to 27th November, 1984.

3. Second National Workshop on "Regulations and Management of Agricultural produce Market's held at Jaipur from


Agricultural Marketing in India is becoming more and more complex and will demand quantitative improvements in the facilities and services made available. The directorate of marketing & Inspection, through its own efforts and through joint action with the State Boards/Departments, will held in the vanguard in bringing about the needed improvements.**

MARKET NEWS SERVICES

The Market News Services which may be worked out along the lines befitting the conditions of commodities in question and also of the farming process should be with in the grasp of present, for whom they are primarily meant.

** DIRECTORATE OF MARKETING AND INSPECTION
This would be useful to the farmers. Information about prevailing conditions of the national farm produce and potential trends about the same would be pertinent in this regard. And the news about the weather-forecasts which may be scientifically prepared in a farm intelligible to the farmers, and of use to him specially in countries where greater dependence is on weather and nature, would prove immensely useful to the farmers for they could at least plan their day to day operations, in the light of the forecasts and this eliminate a lot of waste in time and operational costs in respect of the wasted operations, due to the non-cooperation of weather. Information about stock positions and respective market is also useful to the peasantry. News services should be either specific in regard to certain commodities of general produce. Markets and the reports about them may also figure in the news board-casts for the rural people. Reports may be compiled from rural areas and the factories in order to let the farmer visualise the value of his contribution and enthuse him to put in more and more weak, in the light of this information the produces farmer could decide upon the lines of production. It's quality and quantity. Before the sowing season export could report on the trends in the market and give information about production and distribution in the local and the National worked economy. Particularly in respect of the export crops and let this information be known to the peasant so that he could adjust crop production accordingly. The needs of the large consuming centres and factories could be charted
and some conclusions arrived at the light of this analysis, so that peasant could be guided properly in this work. The dissemination of such select news in advised as the form of bulletins to be issued by the authorities concerned in the local magazines and in the local language. Marketing information officers if appointed on this specialised job, could supply such information to the peasants as may be of use to them. Each news and information placed in the hands of those in need of it and also be able to make use of the same, while others could be taught its use.

**FORE-CASTING & ESTIMATING**

The information to be given to the farmers should be based on the forecasts and estimates made about crops and livestock, fruits, vegetables, by experts on the basis of cultivation and yield. There is also private estimating and forecastings, in fact all peasants do a certain amount of reckoning and on the basis of their own anticipations they cultivate their farms. By thus they are able to do some better, weak and incidentally equate their supplies to demand. But this is on the assumption that their forecasting is correct. The farmers are how-so-ever wise, intelligent and they may be educated also as they are not expert in the line and may commit mistakes in their forecasts; hence it would be more better if the forecasts were made by experts. In this context it may be captioned out that the current forecasts would not only help, but also planner in estimating the consumption and planning accordingly.
therefore, estimating is based on full and
correct information, the peasants could not have all the
requisite information about the conditions of live stock,
even if they made an effort in this light. Generally
production and marketing follow the dissemination of correct
information about trends in production and this is turn
depends orderly forecasting and estimating by the proper
agency. From the purely marketing practices also conducive
to the elimination of the waste incidental upon defective
marketing that is quite common in the backward on the embryonic
economics. It is therefore, in the fitness of the things
that these functions were taken up by specialised agencies
in order that m marketing could promote national economic
interests. Still this could not be under taken by ignorant
and unqualified farmers, who may be anxious to do something
in the matter in their own personal interests.

FORECASTING OF AGRICULTURE

In order to complete the survey this section is
devoted to the importance but neglected subject of
agricultural forecasting, crop estimating has already been
elevated to the status of science and a great deal is being
expanded both in the from of effort and money to perfect
their services in the west. Special head is given to
acreage of soil conditions conditions, the quantity of grain
produced and the number of crops cultivated, and their
purposes. Immediate attempts were confined to making, estimating of one serial only. But later on these efforts were extended to other serials with the result that farm forecast forecasts, being more correct, are useful to the farmers and the plan chalker alike crop reports are viewed in the historical perspective to find out, what is commonly known as "Secular" trend. Crop estimates are also made available to foreingers: these benefit is that production of exportable commodities adjusts the foreign supplies. Crop estimates are now recognised to be of such importance that the newspaper feature the daily reports about them, and these receive the attention of special expert correspondents, posted with the latest information.

SUGGESTIONS FOR SPEEDING UP FOR CO-OPERATIVE MARKETING

Our Govt. has taken the following steps to remove the difficulties coming in the way of co-operative marketing some of them are as follows:

a. Organised opposition by local traders,
b. Discouraging out right purchases,
c. Supplies of commodities of agricultural produce through marketing societies.
d. Establishment of "Pacci Arhat" such as Coopera Ganj in Kanpur.
e. Part played by "Prade Shik" co-operative federation ltd.
f. Seeds purchased by agricultural development through
PRESENT OBSTACLES OF SOCIETIES

After achieving this progress still there is no empty place without problems and shortcomings which our societies are facing and could not yet be nipped as stated:

(A) Unsuitability of co-operative;
(B) Lack of arrivals in Mandi;
(C) Bringing the farmers to the Mandi;
(D) Absence of grading facilities;
(E) Marketing of specialised crops like cotton, potato, jute, tobacco and sunhemp;
(F) Co-ordination between the warehouse of all India; and
(G) State warehousing corporation and marketing societies.

The afore-said discussion leaves no shadow of doubt about the fact that the co-operative marketing in the country is taking giant strides for the success of co-operative marketing. It is not only on the official papers and files of our Govt. that co-operative marketing is talked of about for pleasure but actually the co-operative marketing marched some steps forward in the realisation of itself need in future.

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