CHAPTER V
CHAPTER V

MARKETING OF JUTE

IMPORTANCE OF MARKETING:

With the commercialisation of agriculture efficient marketing is as necessary as scientific agricultural operations. The income of the farmer today depends, to a large extent, on the ability with which he is able to market his produce for a fair price. Even if the production side is strengthened and cultivation improved, the cultivator would not gain much, if there is no proper arrangement for the marketing of his produce, as the benefits of better farming would probably be reaped by middlemen intervening between them and the ultimate consumer.

The marketing of jute production is specially of great importance because jute growing areas of Lakhimpur-Kheri are far away from the factories where jute manufacturing is done. Lakhimpur-Kheri itself is not situated on the junction of roads and rails. It is, therefore, necessary that good marketing facilities be provided.

PREPARATION OF JUTE FOR MARKETING:

Jute plants when cut are tied into small units called 'Anti' and left for two to four days for the shedding of the leaves. Then the fibre has to be separated from the stem through the process of retting.

* Principles and practice of Marketing in India by C.B. Mamoria & R.L. Joshi, Page 641
The colour of the fibre depends to a large extent on the quality of water in which the plants are kept. Clean water will render the fibre of good white colour, but dirty water makes the fibre darker, red or brown. Immediately after setting is complete the fibre is separated from the plant. Each labourer strips about 20 Kg. of fibre per day. The fibre is then left in the sun for drying for about two days. Five Kg. of fibre make one lot called dharas which are sold in primary markets. Twisted dharas are called muttas which are tied together to form bigger bundles of different weights.

**METHODS OF SALE:**

About 90% of the jute is marketed within three months of the harvesting time. There are causes of such tendency on the part of the growers. They may be discussed under the following heads:

(1) **Time of harvesting**

Generally all varieties of jute are harvested in September - October. Capsularies, being sown earlier, matures earlier than Clitorias. Their sales are effected as soon as possible, that is to say within four or five weeks of harvesting.

(2) **Financial position of the grower**

The financial position of the growers plays an important part in causing early sale of jute in India. The growers have to take loans for jute cultivation and this is provided by the peripatetic dealers, moving from one village to another assembling the jute crop or by the village money lenders, on the condition that the crops are mortgaged with the creditor, so that interest charges are easily recovered as also the principal. They insist on an early
sale to realise their dues. Some times they purchase the fibre as they deal in this commodity.

(iii) Transport conditions:

It is the transport facilities available to the cultivators that play a dominating part in the early marketing of jute. In Lakhimpur - Kheri, the sale of jute mostly starts from October due to the bad condition of roads during the monsoon months. Nearly cent percent jute is transported by roads.

The enquiry conducted by the Marketing staff of the Indian Central Jute Committee reveals that nearly 35% of the growers took loans for cultivation of jute. I also found during my study that nearly cent percent jute growers of Takia village under Singahi jute Development Centre took loans from Sadhan Sakhari Samiti for meeting various operations connected with jute production. While at other centres the cultivators did not take any loans for jute production. An interesting fact which has been revealed by the Assistant Jute Development Inspectors of various jute centres, is that some cultivators take loans or other facilities on the name of jute crop and spend it on other crops. The figures are only approximate as the growers are found to be very reluctant to answer question regarding their financial condition. It is to meet his various monetary obligations, viz., interest on borrowings, repayment of capital, rent to landlord and money for domestic purposes and for Rabi crop that the cultivator, poor as he is, is pressed hard to realise his crops as soon as possible.

(iv) Storage Accommodation:

The storage accommodation available to the cultivator in villages is also important. Average houses consist of 2 or 3 rooms which are hardly sufficient to provide shelter...
against the elements. But sufficient accommodation for
storage of jute and other Kharif crops too is required
when they are harvested in October and November. Having
no storage facilities, the cultivators are hard pressed
to transfer their produce to the buyers with all possible
speed to avoid loss due to exposure to the sun and rain.
Moreover, the fibre takes a lot of space and is also
risky to keep, as it catches fire easily.

MARKETING PROCEDURES:

Jute is a cash crop and about 95% of which may be
regarded as marketable surplus. The remaining 5% is
retained by the farmer for seed and domestic consumption.
The movement of jute from the producer to the consumer
takes place in three stages:

1. From village to primary assembling markets.

2. From primary markets to baling centres. Only a
small proportion of growers bring their produce
to these markets. These markets represent the
final limits within the reach of the growers and
small dealers.

3. From baling centres to loose jute markets of
Calcutta, press houses of pucca balers and mills.

The producer figures prominently in the first stage
and to a lesser extent in the second stage and to beyond
it he hardly comes in the picture as far as the sale of
fibre is concerned.

VILLAGE SALES:

An important feature in the marketing of jute in
India is that the growers sell about 75% of the jute in
India is that the growers sell about 75% of the jute in the villages to peripatetic or itinerant dealers. This large sale in the villages is due to the circumstances prevailing in the jute growing areas given as under:

(i) The means of transport are very unsatisfactory and the individual growers generally hesitate to undertake the risks which are very great due to the uncertainty of weather conditions and the smallness of their marketable quantity of jute, as an average grower grows a small quantity of fibre.

(ii) All the jute is not ready at a time and so the cultivator has got only small quantities at hand to sell and sometimes it does not make even a full cartload. Hence it is not worthwhile to undertake long journeys to and from the markets for such small quantities.

(iii) The cultivator is generally indebted. Hence he has to sell his produce to the creditor who is generally a peripatetic dealer in jute.

(iv) There is a very great divergence between the weights of different villages and the illiterate growers are reluctant to take the risk of being cheated by cunning buyers who generally purchase according to one measure of weight and pay according to other.

(v) They prefer to sell at their own doors as they much grudge the arbitrary charges extracted from them by the intermediaries and the buyers in the primary or secondary markets.

(vi) Absence of storage facilities for the growers in the primary or secondary markets also prevents them from carrying their produce to jute markets. The growers do
not want to put themselves at the mercy of the buyers over there in case the prices are unfavourable. The Kutch balers in the secondary markets take advantage of their position. As the sellers are unwilling to take back their produce, they bid lower prices.

**MARKET FUNCTIONARIES:**

In jute trade various types of functionaries operate between grower and jute mills.

'Faries', 'Palkers' and Vyaparis, who form the first link between the growers and the jute markets rank first. They generally operate with their own capital. Many of them are of cultivator class, going from village to village and door to door, purchasing small lots of jute from growers. The rest being brought to the primary markets by (i) Other Vyaparis who either operate with money advanced to them by various buyers and are employed by large adhtias (commission agents) and balers on a commission basis, or (ii) by salaried men of buyers. They perform the functions of transporting the jute purchased from growers to primary markets and hats.

In the secondary markets there are dealers or brokers who bring the buyers and sellers together in exchange for commission. They are more interested in the buyers and often neglect the interests of the sellers. Their commission is generally deducted by the buyer from the sale proceeds of the seller.

Adhtias form the most important agency between the sellers and peripatetic dealers on the one hand and the balers, etc., on the other. They finance the growers and the peripatetic dealers and undertake storage in primary markets for the balers. They are divided into four classes:
1. Merchants, predominating in most growing areas. They deal on their own account and own warehouses to store the produce.

2. Agents of outside buyers who are unable to establish their own offices in the producing areas. They pay commission and storage charges.

3. The agents of local buyers who generally purchase through dalals or adhtias or both, to meet the difficulty of purchasing in small lots and to avoid direct dealings with the Vyaparis, etc., who demand advances to finance themselves.

4. Agents of sellers having long relations with vyaparis, farias, etc., who are financed by them. These agents provide the small dealers with storage facilities in case prices are unfavourable, the sellers in return pay commission inclusive of storage.

The link between the upcountry dealers and the terminal markets is that of the Kutch balers who undertake the functions of sorting, clearing, and transportation to terminal markets for final disposal. They press jute in bales of uniform sizes for sale in the loose jute market at Calcutta and other towns where mills are situated.

**TRANSPORTATION**

Transportation plays an important role in all the operations of jute movement. In jute producing areas permanent and easily accessible means of communication are scarce. The surface conditions are such that only primitive modes of transport can be used.

In rural areas the growers generally own carts. They
can draw 5 to 8 quintals at a time and are used only for short distances. Sometimes carts are also available on hire. The charges depend upon distance, weather conditions and the supply of carts.

Pack animals and head loads are also used, but only to a restricted extent. Sometimes bicycle too is used as a mode of transporting jute in small quantities. But the carts are the only means which can be used in the existing conditions. Now the tractors can also be seen transporting jute fibre from the villages to secondary market at Lakhimpur-Kheri.

From secondary markets to terminal markets, there are regular means of conveyance in the form of railways and roads. Lakhimpur-Kheri is linked with Calcutta and other jute mills of U.P. by railway and metalled roads.

MARKETING CHARGES *

Following are the various charges prevailing in the Lakhimpur jute mandi.

(1) Dhalta : It is deducted in order to compensate the buyer for loss in weight arising during the course of assorting, baling and transportation. The allowance is levied at a fixed rate irrespective of the actual moisture content of the jute. Previously it was charged 2 seers a mandi. After that the practice was to charge one Kg. per quintal. After the regulation of the Lakhimpur Mandi, dhalta has been declared illegal, but still it is charged at the rate of ½ Kg. per quintal.

* Based on the information supplied by M/S. Jwala Rd. Sheo Prasad, Pucca Adhatia. Lakhimpur
(ii) **Palledari**: It is of two kinds. The one that is charged by Katcha Adhatia from the sellers for unloading and weighing the jute. The present rate is 75 paisa per quintal. The other palledari expenses are borne by the Pacca Adhatia for putting the fibre in the godowns. The rate is 20 paisa per quintal.

(iii) **Adhadari**: The Katcha Adhati charges Adhadari at the rate of Rs.1.25 per cent from the sellers in the secondary market.

(iv) **Dharmada**: The rate of deduction for dharmada was 25 paisa percent upto 1976-77. From 1977-78 season the rate is 10 paisa percent. It is charged from the seller.

(v) **Gothala**: This is charged from the consumers (Mills) of the jute fibre at the rate of 25 paisa per hundred bale. This burden is not on the grower or the seller at the secondary market.

(vi) **Tulai**: It is included in the commission of Katcha Adhatia, which he charges from the seller.

(vii) **Brokerage**: There are no brokers in the Lakhimipur jute market. If the sales are made by one pacca Adhatia to another pacca Adhatia, it is chargeable otherwise it is not in practice.

(viii) **Anti or Guchhi**: It is a deduction in kind. If there are two palledar, one Anti of about one Kg. of weight is given to each palledar. Now this is not in practice.

(ix) **Phulai (Cartage)**: The seller has to unload the fibre and the godowns of Pacca Adhatia. Otherwise a charge of 20 paisa per gadda (bundle) is made from the seller.

(x) **Taxen**: Taxes are levied on the jute sold in some secondary markets and paid by the buyers and are recovered by them from the sellers. Now the taxes are the sole liability of the pacca Adhatia. The pacca Adhatia pays 3% purchase tax and 1% mandi tax. Thus the total taxes are 4%.
GRADING AND STANDARDISATION OF JUTE:

Jute is a fibrous crop, and the quality of the fibre matters a great deal in fixing the price of a particular lot. In view of the importance of grading, standards for loose jute were fixed in 1935-36 by a joint committee on the Indian Jute Mills Association. These standards were mainly based on warp yarn guarantee. In 1937-38 the system was changed and decided to introduce a guarantee of fibre with specified percentages of cutting. In August 1938 three grades, viz., top, middle and bottom were fixed which proved satisfactory. After two years another grade called X Bottom, a grade lower than Bottom was introduced.

The following criteria were fixed for placing jute into different specifications:

WHITE JUTE:

TOP: Sound fibre, good colour of the district, cuttings not to exceed 25%.

MIDDLE: Sound fibre, average medium colour of the district, cuttings not to exceed 35%.

BOTTOM: Straight morahed fibre, warranted not to contain more than 70% sacking weft.

X BOTTOM: Tangled or ravelled jute of whatever description.

TOSSA JUTE:

TOP: Sound fibre, good colour of the district, cutting not to exceed 15%.

MIDDLE: Sound fibre, average medium colour of the district, cutting not to exceed 25%.

BOTTOM: Straight morahed fibre, warranted not to contain more than 70% sacking weft.
X BOTTOM: Tangled or ravelled jute of whatever description.

But the specifications for the respective grades did not indicate clearly the various factors which affect the spinning quality of jute. The term 'good fibre' and good colour of the district were open to different interpretations and had led to arbitrary assessment of quality. Moreover, the percentage of cutting had served only to indicate the proportion of the fibre fit for yarns other than sacking weft and not as an index to any of the quality factor. In spite of the various defects in these specifications they have been followed in the trade for about 65 years.

GRADING SPECIFICATIONS SINCE JULY, 1976:

For eliminating the defects of the present grading system, on the request of the Ministry of Agriculture, Govt. of India and Agricultural Price Commission, the Indian Standards Institution with the help of the industry trade and growers as well as research and development institutions, has evolved an eight grade system for each of white Tosca/Dainee variety of jute.

What is more significant is that the existing practice of linking commercial classification with the place of origin of the fibre has been eliminated; there will be no longer any area wise grading, the fibre being judged entirely on the basis of their physical properties.

The new grade system has been implemented in the trade from 15th of July 1976.

* Jute Grading: Farm Information Unit
  Directorate of Extension, Ministry of Agriculture and Irrigation, New Delhi.
GRADE SPECIFICATIONS:

The specifications are based on six quality characters - strength, colour, fineness, density (or heaviness), root contents and defects for each grade of white (capsularis) and Tossa/Daisee (olitorius) jute.

METHOD OF ASSESSMENT:

For quick assessment of the quality characters, a grader may base his observation on the so-called 'hand-and-eye' method till suitable instrumental methods are available. While 'hand' may, feel hardness, heaviness and sense strength, 'eye' will judge colour, roots and defects by a close look at the fibre.

THE EIGHT GRADES:

SCORING SYSTEM:

For guidance of the graders, a scoring system has been provided in the ISI specification. Based on its importance each class of a quality characteristic has been allotted certain marks. Strength has been given the maximum importance. There are six classes of strength viz., very good, good, fairly good, fair average. Average and weak mixed which score 26, 22, 18, 14, 10 and 3 marks respectively. Similarly, very good, Good, Fairly good, Fair average and average colour score 12, 9, 7, 4 and 3 marks respectively. There are only two classes of each of the character "Density" (Heavy bodied and Medium - bodied) and "Fineness" (Very Fine and Fine) which score 2 and 1, and 5 and 2 marks respectively. Clean 'fibre, i.e.' Free from any defect 'carries 22 marks. The other classes score 18, 14, 10 and 4 marks respectively.
MAL - PRACTICES IN JUTE MARKETING:

The common mal-practices in this trade are:

(i) The watering of jute is all the more common as there is no suitable method to detect excess moisture in the fibre. It has been asserted by the Indian Central Jute Committee that the growers are generally not responsible for this mischief. If it is the vyapari, faries and adhatdars, who water it either by spraying water over it or exposing the fibre in the night. The Katcha balers argue that they have no alternative but to purchase wet jute in order to fulfil their contracts on due dates. There are frequent claims by mills for excess moisture. It has been noticed at the experiment that when buyers resolved to buy only dry jute, this will automatically disappear.

It is a matter of great pleasure that this mal-practice in jute marketing has been removed; and from 1977-78 season buyers purchase only dry jute as on allowance in this regard is permissible now.

(ii) The other mal-practice is adulteration which is commonly resorted to by balers, who mix low grade fibre with high grade and make their bales as the latter and pass it on to the mills as such.

(iii) Another mal-practice generally found to be prevailing among the balers of the districts which produce inferior quality of fibre, is to send their fibre to a place known for better qualities and from there to send it to terminal markets, marked as the produce of the better locality. Thus there is going on cheating on a large scale. There is no scientific research till now to exactly establish comparative spinning and manufacturing quality of jute of different classes.
This mal-practice has been stopped now with the enforcement of new grading system w.e.f. 1st July, 1976. The existing practice of linking commercial classification with the place of origin of fibre has been eliminated. There will be no longer any area-wise grading and the fibre will be judged entirely on the basis of its physical properties.

(iv) It is also common that growers high quality jute fibre in placed under low quality. Generally, the growers are ignorant about gradation of jute fibre. The system is so complex in nature that it is very difficult to find difference in different grades. The grower is cheated, his produce being placed in low grade. The main beneficiary under it is the middle man.

(v) Scales and weights are manipulated against the seller. Those scales are generally incorrect in the primary markets and the secondary markets as well. The buyers encourage over weighing by their weighmen. Weighing is, however, generally done by buyers but sometimes sellers insist on weighing out their own fibre; when the quantity offered is large, a bundle is weighed and an average struck out, the bundles are then counted and weight calculated. In secondary markets all jute is invariably weighed.

(vi) There are all kinds of arbitrary deductions for various purposes such as religious and charitable. The burden falls entirely on the seller and he has no effective means to protest against such practice.

Role of Co-operatives in Jute Marketing

The need for co-operative marketing arises from a number of factors, viz.

(i) Various mal-practices prevail in the system of
agricultural marketing, such as arbitrary deductions from the price of the produce, manipulation of weights and scales and collusion between the broker and the buyer. The mal-practices were regarded as "nothing less than theft" by the Royal Commission on Agriculture. Their effect is further aggravated by the circumstance that a large number of cultivators are indebted to the trade money lenders. In such circumstances, co-operative marketing of agriculture produce can largely help to reduce, if not eliminate, the malpractices current in the marketing structure.

(ii) There exist a large number of middlemen, who take part in collection, storage, financing, insuring, grading and transportation of jute. Co-operative marketing, can help the farmer in getting a fair return of his produce by eliminating middlemen.

(iii) Even in normal market conditions, co-operative marketing has been considered necessary. But the need becomes much greater when market conditions deviate from healthy practices and where undesirable forms of speculation are resorted to. In such cases, the profit motive on the part of the middlemen leads to price manipulations and consequent fluctuations of prices.

LAKHIMPUR CO-OPERATIVE JUTE MARKETING SOCIETY:

U.P. Co-Operative jute and sun sangh ltd., with the head quarters at Lakhimpur-Kheri was registered on 15.12.1966 vide registration no. 1031/1525/1/66/73 with the object of protecting the interest of the jute growers. The sangh protects the growers from several mal-practices like unauthorised deduction, incorrect weighing and gradation and thus enables them to obtain better price of their produce.
The sangh makes purchases directly from cultivators in the open market at jute mandi. It has its own godown to the capacity of about 5,000 quintals and one baling machine. It sells the jute to the mills situated in U.P. and outside U.P.

The sangh made the following purchases of raw jute during the past four years:

<table>
<thead>
<tr>
<th>Year</th>
<th>1974-75</th>
<th>1975-76</th>
<th>1976-77</th>
<th>1977-78</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases (Qtls.)</td>
<td>127.49</td>
<td>445.00</td>
<td>1443.18</td>
<td>1552.80</td>
</tr>
</tbody>
</table>

But the jute sangh of Lakhimpur-Kheri has failed to make any impact on the jute marketing. It has failed to protect the interests of the jute growers, in the sense that it has neither been able to eliminate middlemen, nor to provide financing or storage facilities to growers which are very important aspects of marketing.

**MARKETING OF JUTE BY JUTE CORPORATION OF INDIA**

Jute Corporation of India has been set up by the Union Government in the year 1971. The function of the corporation is to undertake price support operation for raw jute and build up a buffer stock. Imports and exports of raw jute is also arranged by the corporation. It will ultimately arrange to buy raw jute direct from the grower, and release the producer from the clutches of middlemen. It is hoped that the corporation will eventually achieve a commanding position in the internal jute market.

The jute traders have been exploiting the jute growers for many years, and the time has come to ensure that the producer got a stable and remunerative price. The corporation has its head office in Calcutta and is managed by a Board of directors including a part-time Chairman and a full-time Managing Director.**

* Figures supplied by the Secretary Co-operative jute Sangh Lakhimpur-Kheri.
In Uttar Pradesh, jute Corporation of India entered the marketing of jute from the year 1976-77 and Uttar Pradesh Co-operative jute and sun Federation Ltd., Lakhimpur-Kheri was appointed the agent of the Corporation. It opened the following jute purchasing centres:

1. Jute Purchasing Centre, Lakhimpur-Kheri
2. Jute Purchasing Centre, Nighasan (Lmp.)
3. Jute Purchasing Centre, Colonelganj (Gonda)

It was agreed between the corporation and the marketing federation that a commission of 1½% on the purchase price, will be payable to the federation on all the jute purchased by it. But later on the prices of the jute fibre increased and the federation took the advantage of the situation and wanted to charge the commission on increased market price. And instead of delivering jute fibre to the corporation, as agreed upon, it began to sell jute fibre in the open market in order to get more profit.

As the federation did not fulfil its promise faithfully, the corporation started direct purchases (departmental from this year (1977-78) and opened a centre at Lakhimpur-Kheri jute mandi. It also plans to open new centres at other places in the near future.

The following purchases were made by the corporation during the year:

<table>
<thead>
<tr>
<th>Months</th>
<th>Qtls.</th>
</tr>
</thead>
<tbody>
<tr>
<td>October</td>
<td>484.50</td>
</tr>
<tr>
<td>November</td>
<td>60.27</td>
</tr>
<tr>
<td>December</td>
<td>NIL</td>
</tr>
<tr>
<td>January</td>
<td>NIL</td>
</tr>
<tr>
<td>February</td>
<td>41.11</td>
</tr>
<tr>
<td>March</td>
<td>99.85</td>
</tr>
<tr>
<td>April</td>
<td>1.85</td>
</tr>
<tr>
<td>May</td>
<td>NIL</td>
</tr>
</tbody>
</table>

* Purchase Officer: Jute Corporation of India, Lakhimpur-Kheri.
STORAGE FACILITIES:

Now coming to the conservation of jute fibre by different parties, it is observed that the growers generally do not play any important part in this aspect, as their individual production is on an extremely small scale. Such a small outturn does not call for storing facilities to be maintained by each grower.

The vayaparis in their turn do not store the fibre for long periods due to lack of storage facilities at their disposal and also because they are financed by the adhatdars of Kutcha balers on the condition that they will sell the jute purchased by them to the creditors at the earliest opportunity.

The adhatdars store jute for better prices. Some of them store it only for their principals who are generally Kutcha balers, but there are some who store it on their own account in godowns owned by them or hired for the season.

The Kutcha balers are the most important storers of jute fibre. They store jute in baled form for better prices, and whenever they want to sell their stock they have ready markets for sale in Calcutta or in U.P. mills at all time.

Following storage facilities are available at Lakhimpur jute mandi:

* Figures supplied by Secretary Mandi Samiti Lakhim-pur-Kheri.
Name of Pucca Adhatia     Storage capacity (in Qtls.)
1. Gatru Mal Devi Charan     4,000     
2. Kanchan Lal Magan Lal     2,000     
3. Bachori Lal Tikam Chand    500     
4. Parma Nandi & Sons       2,000     
5. Jwala Prasad Sheo Prasad  3,000     
6. Sheo & Co.               1,000     
7. Basanti Lal Nanak Chand   6,000     

The above mentioned pucca adhatias have their own godowns for the purpose of jute storage. Besides, Co-operative jute Federation and jute Corporation of India have their godowns for jute storage. The capacity of Co-operative jute Federation is 5,000 Qtls* and that of jute corporation of India is 5,000 Qtls.** The jute corporation of India which has started purchasing jute directly in the market from this year (1977-78) has sented godowns. All these godowns are insured.

There are about 20-25 Kutcha Adhatia operating at Lakhimpur jute mandi. They provide storage facilities to the growers for a short period and advance money to the growers on that stock and on getting the market favourable they sell the stock on the growers behalf. They charge commission from the growers for the services rendered to them.

** PROCESSING AND BALING **:

After purchasing the jute by the pucca adhatia, it is the duty of the seller to unload it in the godowns of pucca adhatias. Here, the jute is graded and weighed for the purpose

* Figures supplied by Sachiva, Co-operative jute federation, Lakhimpur-Kheri.
** Purchase officer, J.C.I. Lakhimpur-Kheri.
of making bales of standard size and quality. In Lakhimpur-Kheri mandi baling machines are hand operated and the bales are made weighing 130Kg. each. There are eight baling machines in the private sector. M/S Kanchan Lal Magan Lal and Basanti Lal Nanak Chand have two machines each and the rest pucca adhatias have one each.

The jute sangh and jute corporation of India have one baling machine each. The baled jute is kept in godowns and then sent to consuming centres.

MAIN MANDIS OF THE DISTRICT:

1. District Level - Lakhimpur-Kheri
2. Regional Level - Palia, Gola, Maigalganj, Nalani, Mahamadi and Tikonia.

Over and above, Singahi, Belrain, Dhaurahara, Khamaria, Gola, Kasta, Bankey Gunj, Bheria are such mandis in which produce of the nearby areas is brought for marketing. In these markets Katcha Adhatias operate.

In Mighason tehsil there are two important mandis—one is at Palia and the other is at Tikonia. The nearby villages are linked with roads. Paddy, wheat, Lahi and jute are brought here for marketing. Formerly, jute was grown here on large area, but since a sugar mill has opened here, the area under cane cultivation has increased. Now, jute is produced here on a very small area. Banking facilities are available here at the mandi centre.

The second mandi is at Tikonia which is connected with rail and road. It is on the border of Nepal and the production of Nepal and adjacent villages is brought here for
marketing. It is a regulated market and sufficient storage and banking facilities are available here.

Dhaurahara, Isanagar, Khamaria and Singehi are the main local mandis of the Nighasan tehsil. The adjacent areas of these mandis are rich in jute production. Katcha Ahatias operate in these mandis and they bring the produce to the Lakhimpur mandi. Transportation is the main problem of these areas. Under crash programme one metalled road has been constructed which connects Hasanpur-Katuli, Isanagar, Dhaurahara and Nighasan.

The main mandi of the district is Lakhimpur-Kheri. It is situated at the district head quarters. The local mandis of this mandi samiti are Kheri, Gol, Bahjain and Phrol Behai etc. Besides food grain, a large quantity of jute, Oil seeds, Mirch, Shakarkandi and Andi is brought here for marketing. About 20,000 tons of jute produced in this district is brought here for marketing. The jute is purchased by jute sangh, jute corporation of India and several agents of the jute Mill owners. Storage and banking facilities are available here.

**PRICE POLICY**

Prices of jute fibre play an important role in determining the area under its cultivation and also directly affect the economic well being of the cultivators. The prices of jute have never been stable and they have been subject to sharp fluctuations. In the event of increase in prices of the fibre it is just possible that the cultivators may not get full advantage and the middlemen is benifitted. Similarly, when the prices go down the cultivators is the worst sufferer in the process. To make its cultivation remunerative the
Government has agreed to the need for an appropriate support policy for raw jute in order to safeguard the interest of the cultivators. For this purpose the government* have been fixing minimum support prices. Since 1972-73 season support prices of jute are being fixed on a statutory basis. From 1974-75 season these prices have been fixed on statutory uniform basis for all the upcountry markets. For 1975-76 season the minimum price was fixed at Rs.135 per Qtl. for Assam/Bottom and comparable varieties and grade of jute. During 1976-77 season, the jute commissioner worked out the statutory minimum support prices of jute in terms of new ISI grades introduced in the trade from 1st July 1976. The statutory minimum support price for W5 grade of raw jute was fixed at Rs.136 per Qtl. in Assam for 1976-77 season.

In order to arrest the upward trend in the prices of raw jute during 1976-77 season, the jute Commissioner fixed the maximum price of all the recognised varieties and grades of jute and mesta for ensuring that prices do not go up unduly during the period of shortage. On the basis of the maximum price of Rs.225 per Qtl. for W5 grade of jute ex-states other than West Bengal, the ceiling prices of jute and mesta of other varieties and grades applicable for delivery at Calcutta were notified on a statutory basis. Under the order no sale and/or purchase could be made at prices above the statutory maxima.**

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* According to sanction 8 of the jute Licensing and control Act 1961 "The jute Commissioner, by notification in the official gazette, fix the maximum or the minimum price, or both, at which any variety of raw jute or jute textiles or any grade of such variety may be purchase or sold and different prices may be fixed for different areas or fix different varieties of raw jute or jute textiles or drages thereof.

** Agricultural Situation in India; August 1977