



# Report

of the

## Enquiry into Regulated Markets in the Bombay State

**BOMBAY**

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**ENQUIRY INTO REGULATED MARKETS  
IN THE BOMBAY STATE**

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I.	Introduction		
II.	Scope and limitation of the present enquiry		2
III.	Scope of Marketing Legislation	.. .. .	4
IV.	Test of Good Marketing	.. .. .	6
V.	Origin and development of Regulated Markets in the Pcn.bay State..		7
VI.	General Observations	.. .. .	8
VII.	The Act in Operation--	.. .. .	10
	(1) Sale Methods	.. .. .	10
	(2) Weighment	.. .. .	13
	(3) Grading	.. .. .	15
	(4) Kadada (Refraction)	.. .. .	16
	(5) Market Charges	.. .. .	18
	(6) Warehousing	.. .. .	18
	(7) Correct weighment; Arrargment for settlement of Disputes, Dissemination of prices and Amenities given by the Market Committees	.. .. .	19
VIII.	Major obstacles in the working of the Legislation	.. .. .	20
IX.	Finances of the Market Committees	.. .. .	22
X.	Octroi	.. .. .	25
XI.	Village Sales	.. .. .	25
XII.	Composition of Market Committees	.. .. .	28
XIII.	Administrative Control	.. .. .	30
XIV.	Status of Market Secretaries	.. .. .	32
XV.	Marketing Research	.. .. .	33
XVI.	Central Organization of Market Committees..	.. .. .	34
XVII.	Alterations in the Act, Rules and Bye-Laws	.. .. .	34
XVIII.	Conclusion	.. .. .	38

## CONTENTS

### APPENDICES

	PAGE
I. Statement showing regulated commodities and approximate value of arrivals in some of the regulated markets in the Bombay State.	39
II. Statement showing the annual cess, licence-fees, income, expenditure, permanent fund, profit and loss of the Market Committees	44
III. Statement showing the total investments of the Market Committees for market development and the Government loans and subsidies.	44
IV. Approximate <i>Ad valorem</i> incidence of Cess in some regulated markets.	45
V. Progress of the Regulated Markets since the application of the Bombay Agricultural Produce Markets Act, 1939.	46
VI. Questionnaire to Market Committees .. .. .	46
VII. Questionnaire to Marketing Officers .. .. .	47

## ENQUIRY INTO REGULATED MARKETS IN THE BOMBAY STATE.

### I. INTRODUCTION.

This Enquiry into the working of the Regulated Markets was undertaken in accordance with the Resolution No. 847, dated the 19th August 1950 of the Development Department, Government of Bombay.

The letter of appointment said :-

“ Government considers it necessary to have a careful review of the working of markets regulated under the Bombay Agricultural Produce Markets Act, 1939, in order to assess the actual results of the measure both for the producer and to the consumer. Government is accordingly pleased to entrust the conduct of the enquiry to the University School of Economics and Sociology, Bombay. The enquiry should be to ascertain to what extent the aims and objects of the Bombay Agricultural Produce Markets Act have been fulfilled and in particular what difficulties have been experienced in the administration of the Act and whether any changes in the Act or the administrative machinery are necessary.”

Being the off-season markets were not working at the time and we could not commence work till the first week of October.

We started with a sample questionnaire which was tested on a leading regulated market. After finalising it, we sent it to the Chairmen of all the Regulated Market Committees in the State of Bombay. Out of the 56 committees to which the questionnaire was issued, 50 committees sent in their considered replies. The questionnaire was a very brief one seeking information on only some selected aspects of regulated markets. For a more intensive study, a dozen markets were selected. While selecting the markets, care was taken to see that they were representative of the different regions of Bombay State and also to see that they covered most of the regulated commodities. We also decided to visit a few unregulated markets situated near to the regulated markets for assessing the comparative advantages of regulated marketing. The following markets were visited in person :—

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|-----------------|-----------------|
| (1) Dhulia.     | (8) Byadgi.     |
| (2) Chalisgaon. | (9) Bailhongal. |
| (3) Jalgaon.    | (10) Savadatti. |
| (4) Amalner.    | (11) Bijapur.   |
| (5) Lasalgaon.  | (12) Hubli.     |
| (6) Pandharpur. | (13) Gadag.     |
| (7) Karad.      | (14) Broach.    |

- |                 |               |
|-----------------|---------------|
| (15) Kapadwanj. | (19) Talod.   |
| (16) Nadiad.    | (20) Surat.*  |
| (17) Ahmedabad. | (21) Sakri.*  |
| (18) Bavla.     | (22) Jamner.* |

\*Not regulated.

An attempt was made to get a complete insight into the actual working of the markets through personal contacts with all interests concerned with the market. Various functionaries in the market were interviewed in all the markets we visited. At the desire of the Government, an interim report, based mostly on theoretical and academic considerations, was submitted to the Government on 2nd February 1951.

A fresh set of questionnaire was issued to all Marketing Inspectors and Assistant Marketing Officers to ascertain the views of the departmental staff on the various questions of organisation and administration.

Professor Dantwala had the benefit of attending a conference of representatives of Market Committees of Gujarat held in Ahmedabad. He also attended two meetings of the newly-formed Central Regulated Markets Advisory Committee for Gujarat region, one at Talod and the other at Bavla.

A fitting finale to our enquiry was provided by an informal meeting of all the marketing staff held in Bombay on the 25th and 26th of May 1951. Nearly 30 members of the staff attended the meeting. The occasion was utilized for pooling and exchanging experience, ventilation of practical difficulties and for testing our tentative conclusions. There was a frank and full discussion, which has enabled us to report with more confidence in the veracity of our observations and practicability of our recommendations.

We wish to take this opportunity to express our gratitude to the Chief Marketing Officer and the entire staff for the very willing co-operation they gave us in conducting the survey. In a way this was a joint endeavour, and the marketing survey staff made a big contribution in making the work of the survey not only easy but pleasant. Our thanks are due also to the Market Committees and their Chairmen and the staff for their courtesy and assistance whenever we visited their markets and whenever we wrote to them for information.

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## II. SCOPE AND LIMITATION OF THE PRESENT ENQUIRY.

The scope of enquiry, we were asked to undertake was, in a way, restricted. The enquiry was primarily to look into the working of the Agricultural Produce Markets Act. This Act has as its main aim the

regulation of market practices within a marketing area, by constituting regulated markets. Processes associated with buying and selling, it may be emphasised, constitute only one link, though a vital one, in the long chain of marketing. It would, therefore, be wrong to expect any radical improvement in the entire field of marketing through the regulation of a single link in the marketing chain.

Our first contention is that a marketing legislation will be effective only to the extent it equalises the bargaining power of the various constituents in the market. Leaving aside a few exceptional circumstances, this amounts in our country, to strengthening the bargaining power of the farmer. Where the buyer and the seller agree—the latter by force of his circumstances—ways and means will be found to by-pass market regulations. For example, instances are known of farmers bringing their produce, already privately sold to a merchant, to the market and going through all formalities, including the determination of the price. The merchant who has already bought the produce offers a fictitious price and takes the delivery through all market formalities. The practice of advances by merchants on standing crops is fairly widespread and this gives them a hold over marketing which no narrowly conceived marketing legislation can control. The reduction in cost, which regulation of market charges may achieve, is likely to be more than offset by an unmerited squeeze in prices. If the object of marketing legislation is to secure better prices for the farmer, it cannot be achieved by mere regulation of market practices. Such a regulation concentrates on securing for the farmer a higher percentage of the trader's price, but leaves the determination of the price itself to the respective bargaining strength of buyers and sellers. Unless, therefore, the marketing legislation seeks to strengthen the bargaining power of the weaker party, it will be penny wise and pound negligent.

It may be pointed out that there are provisions in the Markets Act which influence the bargaining power of the sellers and have, therefore, a significance larger than reduction in market costs. One such provision is the dissmination of market intelligence, the effect of which is visible not through a reduction in costs but in realization of better prices. Such benefits are real but they do not lend themselves to quantitative assessment.

We are not suggesting that the marketing legislation should extend to the field of price fixation, though this is by no means unusual. The marketing boards, constituted under the British Marketing Act (1931-33), did fix contractual prices. Marketing legislation may even extend to production control. But whether these matters are covered by a single piece of legislation or a set of complementary ones, the point that needs to be underlined is that the securing of fair prices—or even a fair percentage of consumers' prices—is subject to influences far wider than those which could be controlled by regulation of market practices. These observations are relevant from the point of enquiry in hand because if the Agricultural Produce Markets Act has not yielded the best

results expected of it, the fault is not entirely of the legislation. Later we have suggested improvements necessary to make it more effective. What we wish to stress here is that a more comprehensive attack, through allied measures such as Co-operative Marketing, licensed ware-housing and adequate credit and finance, will be necessary if the objectives of good marketing are to be realised.

The scope of our present assignment does not enable us to make well thought-out recommendations on all these aspects. For example, we do not have from this enquiry reliable data even on expenses of marketing and much less on actual marketing spreads. The Regulated Markets, as pointed out at the very outset, are only one stage in marketing. The closest enquiry into this stage will not reveal this Spread, which apart from provision of margins (positive or negative) for risk and expectations, must take into consideration the prices in the terminal market, transport and other marketing charges including those for processing, where necessary, from the regulated to the terminal market. We wish to stress the point that this is not an enquiry into marketing but only into the working of Regulated Markets.

### III. SCOPE OF MARKETING LEGISLATION.

We may begin with a brief discussion on the scope of marketing legislation. A question may be raised as to what is legitimate sphere of marketing legislation. The answer will depend on what we consider the legitimate functions of marketing. Should they be confined to just the smoothening of the flow of goods from the producer to the consumer or would it be legitimate to assign to it the task of influencing, and even determining, the quantum and the nature of production, on the one hand, and of the demand on the other?

It is not quite necessary to give an answer to this question. But it is very important to be aware of the various possibilities and while framing the legislation take care to see that there is a relation between the objectives the legislation has in view and the authority invested in it for its implementation. It is necessary to tune one with the other to avoid disappointment (and failure) which is inevitable if the objectives are too ambitious and authority too limited.

The Agricultural Produce Markets Act is the case in point. Its object is stated as "securing adequate prices for the cultivator"\*, but its provisions hardly go beyond the regulation of buying and selling, or in other words, market practices. Now when we talk of adequate prices, it is necessary to bear in mind the distinction between the level of prices and the percentage of the same received by the farmer—the prices and the farmer's share in the price. What is it that

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\*L. C. Bill No. VI of 1939, dated 15th September 1939.



we are trying to influence—the size of marketing margins or the level of prices? For, it is possible that the margins may be reasonable but the prices may not be so. It is often held that marketing is concerned only with the former, i.e. securing to the farmer an adequate share of the prevailing prices. Whether the prevailing prices are fair or unfair, remunerative or otherwise is not the concern of marketing, for the simple reason that factors which determine the level of prices are very much outside the sphere of marketing.

The last statement is only partially correct. True, prices are influenced by what we may broadly call fiscal-monetary factors. A trade cycle may, for example, depress the prices. Marketing here is not responsible for low price, though, as already pointed out, marketing can do something to buttress them. Marketing devices have been used in other countries to influence even the general level of prices and counteract cyclical fluctuation through marketing agreements, guaranteed prices for a particular quantum of supply, export subsidies etc. But even if marketing legislation does not intend to take upon itself such an ambitious task, it must pay full attention to strictly marketing factors which affect prices and not mere share in prices. There are situations in which faulty marketing or its weak organisation may be responsible for relatively low prices and it is the duty of marketing administration to attend to this.

The best that a marketing legislation can do under normal circumstances and without trespassing on the sphere of production and the fiscal-monetary factors affecting demand, is to equalise the bargaining power and create conditions conducive to more perfect competition. This would necessitate strengthening the organisation for market intelligence, storage, grading, pooling and adequate credit and finance to mention a few important items. The co-operative movement can take care of many of these. The Bombay State has legislation for some of these but progress under it is uneven. Best results will not be achieved unless measures affecting these auxiliaries of good marketing advance with a uniform pace. Whether the best results could be secured through a single omnibus marketing legislation or through a chain of well co-ordinated pieces, is a different question. The point to be noted is that unless the attack is from all key points, even the best isolated piece of legislation may not yield the desired result.

Equally important is the question whether the improvement in marketing is to be attempted through a single comprehensive machinery or through well-designed chain of economic devices, such as regulated markets, licensed warehouses, grading centres and co-operative sales. A single comprehensive machinery is considered, for one reason or another, impracticable. At present the supreme necessity of full co-ordination of the varied economic devices must not be lost sight of. During our investigation we found that a regulated market gave a better service if it was aided by a co-operative marketing society. We revert to this subject of administrative machinery later in the report.

#### IV. TEST OF GOOD MARKETING.

It is quite usual to judge the efficiency of marketing with reference to what is called marketing 'spread'. We wish to point out that the spread is not necessarily an accurate indication of marketing efficiency. It is not often that a distinction is made between price spread and the actual expenses of marketing. By spread we mean the actual difference between the price of a commodity in a terminal market and the one received by the farmer. Now if we add up all the expenses incurred in the process of marketing the produce, we may find that the total is not the same as the difference in prices (spread) at the two points; it may be more or less. It may be argued that the difference between the Spread and the expenses of marketing is a margin (positive or negative) to be ascribed to expectations. If the buyers are in an optimistic mood and feel that price are likely to march up, they may pay for their purchases in the market a little more than the prevailing prices in the terminal market and the expenses of marketing would justify. What they stand to lose at current prices, they hope to more than make good with the expected rise in prices. If, on the other hand, the buyers fear a sliding down of prices, they would wish to insure themselves against it and pay less than what the parity calculation would indicate.

But apart from these expectations, optimistic or otherwise, the spread i.e., the actual difference may contain the gains of exploitation, due to the superior bargaining power of the purchaser. (Situation can be imagined where the advantage is on the seller's side, resulting in the squeeze on the buyers). Either due to ignorance, or lack of waiting capacity, or indebtedness, the farmer may sell his produce in upcountry at a price lower than the one indicated by the prices in the terminal market and the marketing expenses. It should be the aim of good marketing to eliminate these margins arising from exploitative situations.

Very often the size of the spread is taken as an indication of marketing efficiency. This is not correct. There is no one percentage of the consumer's dollar received by the producer which may be considered fair or ideal. Much would depend upon the nature of the commodity and the marketing processes it needs. Some commodities like cotton and groundnuts require processing. Here the grower's price would bear a smaller percentage of the consumer's price than in the case of commodities which do not need processing. Some commodities need a better and costlier storage, e.g. perishable commodities. The size of the spread or the percentage of the consumer's prices for different commodities is, therefore, not strictly comparable. Secondly, much would depend upon the quality of services performed. You may get your apples or eggs graded and agmarked. Performance of these additional services will increase the marketing costs but it will be more than compensated through higher prices. If, therefore, we look to costs and spreads to indicate efficiency we will be drawing wrong conclusions.

In the U. S. A., for practically every commodity, the spread is bigger than that in India, but that does not make its marketing less efficient; it is exactly the other way round.

For the indication of efficiency we must look to (1) the level of the consumer's price—to the extent to which good marketing can influence it and (2) reduction of the spread to the actual cost of efficiently performed marketing services, thus eliminating the element in the spread which arises from exploitation—of ignorance or weakness—of the seller.

## V. ORIGIN AND DEVELOPMENT OF REGULATED MARKETS IN BOMBAY STATE.

Early in 1918 the Indian Central Cotton Committee drew attention to the necessity and desirability of regulating cotton markets. It recommended the adoption of the Berar pattern as laid down in the Berar Grains and Cotton Markets Law. In 1927, the Government of Bombay enacted the Bombay Cotton Market Act with some modifications from the Berar Law. By 1939, seven cotton markets were regulated under this Act. In 1939 Government thought of extending the application of Regulated Markets Act to other commodities and passed the Bombay Agricultural Produce Markets Act. The aims and objects of the Act declared "that the cultivator was heavily handicapped in receiving adequate prices for the produce and that one of the most satisfactory ways in which this could be removed are the establishment of regulated markets"

The salient features of the Act are as under :—

- (1) Market charges are clearly defined, excessive charges are reduced and any unauthorised addition to them are prohibited ;
- (2) Market practices are regularised ;
- (3) Buyers, Brokers, Weighmen and such other market functionaries are licensed ;
- (4) Only standard weights and measures are to be used ;
- (5) Arrangements are made for settlement of disputes regarding quality, weight and deductions, etc. ;
- (6) Arrangements for the display of reliable and up-to-date market information in the market-yards are made ;
- (7) Sales by open auction or by open agreement ; and
- (8) Appointment of Market Committees fully representative of growers, traders, local authorities and Government.

The regulation of markets gathered a new momentum under the Post-War Reconstruction Scheme of the Government of Bombay. Establishment of a chain of regulated markets side by side with the development of co-operative marketing of principal agricultural commodities assembled at the major Markets of the Province was thought out under the Post-War Reconstruction Scheme No. 68. Under the Scheme it was proposed to bring under regulation by 31st March 1952, 87 more markets in addition to the 23 in operation prior to 1st April 1947. On 25th April 1951, there were 64 markets under regulation ; besides proposals for bringing under regulation 19 more markets have been submitted to the Government. Among the commodities to which the Act applies are cotton, oilseeds, pulses, condiments, spices, etc. Cereals are included in the Schedule, but are at present under procurement legislation. A special mention may be made of the application of the Act to the sale of vegetables in the Ahmedabad market. A list of regulated markets and the commodities under the regulation is given in Appendices.

## VI GENERAL OBSERVATION

A few general observations may first be made on the intrinsic merits of the Act. As a piece of economic legislation, the Act must be considered an extremely useful one. On a rough estimate, nearly Rs. 40 crores worth of produce is marketed through the regulated markets. A slight reduction in marketing charges, a little improvement in marketing efficiency by rationalisation of marketing etc. would result in big aggregate advantage to the producers.

The real merit, however, of the Act lies in its educational value. Since the application of the Act, the farmers have to some extent become marketing conscience. The very fact that the Government took active interest in the regulation of marketing practices brought a realisation to them that marketing was not a private preserve of businessmen. The farmers are beginning to give up their traditional indifference towards what happened to their crop after it was harvested : they also realised that they had a stake in the economic processes which took place after their crop left their farm. They found out that prices were as important as production and their neglect of marketing processes often resulted in considerable monetary loss to them.

On the other hand, the application of the Act brought a new sense of obligation to the business community. Businessmen realise that they cannot have all their way in the marketing of agricultural produce and that they will have to subject themselves to some discipline imposed by State legislation. Thus the knowledge about their rights on the part of the farmers and that of their obligations on the part of the business community has gone a long way in improving the entire atmosphere in which marketing takes place. This

psychological benefit brought about by the Marketing legislation must thus be given its due place in any assessment of the merits of the Act. We must, however, hasten to add that this enlightening process is far from complete, and must be pressed further if the objectives of the legislation are to be realised with minimum friction.

Coming to the economic side of the results of the legislation it may be mentioned that any exact calculation of benefits conferred by the Act in monetary terms is extremely difficult and in our view not strictly necessary. If marketing practices have improved, if there is greater efficiency, the monetary advantages must be there and any curiosity to calculate them in exact monetary terms is uncalled for. That there is a visible reduction in marketing charges wherever the Act has been applied is beyond doubt. Market Committees have given us estimates of savings effected as a result of the reduction in marketing charges, but we feel that any effort to total them up will not be quite scientific, nor is it so necessary.

As for the rationalisation in marketing practices, though there is some improvement, much remains to be done still. Judged by the tests of good marketing, one may say that the progress achieved is not quite impressive. Methods of sale are still defective. The Hatha system still prevails in some markets; in others traditional allowances are still permitted; 'moghum' sales are found in others and there is inadequate supervision and check over village sales. Some of the defects are probably due to flaws in the Act, Rules and Bye-laws. Suggestions have been made later for their amendment, but what needs more pointed stressing is that very often full use of the authority given by the Act is not made. It must, however, be remembered that it takes time to break the age-old customs and usages. The business interests are very powerful and the agriculturists are illiterate, poor and timid and are, therefore, reluctant to insist on their full rights or resist being cajoled or intimidated into conniving at the Rules and Regulations. The departmental staff has to handle these problems with tact because show of authority does not always help to smoothen differences.

In this connection one significant aspect of the legislation needs to be underlined. The composition of the Market Committees and the authority given to them as against that vested with the departmental staff gives an impression that Government want to leave the task of improving marketing to the various interests concerned and to use the State authority to the minimum necessary extent. This is a very laudable principle to follow, but its limitations must be clearly recognised. Successful working of this principle assumes a spontaneous willingness on the part of the more powerful interests to play the game and to act in conformity with the declared intentions of the legislation and the ability on the part of the weaker interests to assert their rights and not

to be brow-beaten by the more powerful sections. It must be realised that such a situation does not necessarily exist in the country. Though there are a few merchants who have willingly accepted the limitations on their economic activities and there are a few cultivators who are conscious of the necessity of defending their rights, a large majority of both the sections have not fully imbibed this new consciousness. In a comparatively backward country, with a large illiterate population, it may be necessary for the State to assume a more active role. This would mean bestowing larger powers on the departmental staff and though attempts should always be made to guard ourselves against excessive State interference, it should not be difficult to find a middle path.

Concluding these general observations, we would like to suggest that the further progress under the Act should be towards consolidating the work already done and not in the creation of new regulated markets. This should be done even if it means some deviation from or amendment of Scheme 68 under the Government's post-war planning: If care is not taken at this early stage to impress upon all the interests concerned in the regulated markets that conformity with the Rules and Regulations is necessary and will be enforced by Government, slackness will enter into the working of the regulated markets and might threaten to become its permanent feature. If concessions from and compromises with the rules were necessary during the very early period of the implementation of the Act, there is now no justification for the same. Enough experience has been gathered during the last few years; and those rules and regulations which are found impracticable may be amended, but those which are found essential as well as practicable should be strictly enforced. Opinion must not be allowed to crystallize into believing that these concessions and compromises are an unavoidable feature in the implementation of the Act.

## VII THE ACT IN OPERATION.

(1) *Sale Methods*.—One of the most important aspects of market regulation pertains to the methods of sale. Several mal-practices have been associated with the methods of sale and the Act rightly emphasises the need for the regulation of these methods. But in spite of the Act, the state of affairs prevalent need improvement in this respect. The Hatha system in one form or another is still prevalent in a few markets. Even in those markets where the open auction or open agreement systems have been adopted, there are several compromises with the essentials of the system. Besides these, there are practices like mock auctions as in Talod, moghum sales as in Jalgaon and Kapadwanj. Forward sales are prevalent in a large number of markets. In Talod it was brought to our notice that the transactions take place before the commencement of the season and outside the market yard. When the produce is ready, it is brought to the market-yard and in order

to conform to the Market rules, a mock auction is gone through and the produce ultimately finds its way to the merchant who had brought it much in advance of the auction in the market-yard. In Kapadwanj, a practice is prevalent by which farmers hand over their produce brought to the market-yard to merchants at "n" price, the understanding being that the farmer will select his day for the determination of the actual price. Very often before this is done, the merchant processes the produce and sells it to a third party. In Bijapur, the farmers leave their produce with general commission agent and the price is usually determined in the absence of the farmer, a week or so later. The Market Committees in these areas have found it difficult to stop these practices. It has been contended by the defenders of these practices that they give considerable freedom to the farmers to choose the time of their sales. In the absence of any storage facilities provided either by the Government or the Market Committees or the organisation of farmers, the merchants and the general commission agents perform these valuable services to the cultivator, and the stoppage of this system would harm the interests of the cultivators themselves. If, for example, the farmers in Bijapur and Kapadwanj were compelled to sell their produce on the very day they bring it to the market-yard, it would amount to curtailing the freedom of the cultivators to choose the time and place of their sales. Under the system prevalent in these markets the farmers are saved the botheration of storage; their produce is weighed over under adequate supervision; they get an advance upto anything between 60 to 80 per cent. on their produce and it leaves them free to select a day for the determination of the price which they consider most favourable. In spite of the plausibility of these contentions, we feel that the cultivator does not stand to gain under the system but, on the contrary, is liable to be defrauded by unscrupulous merchants and general commission agents. There is no evidence to suggest that waiting on the part of the cultivator is usually rewarded by higher prices. We have requested the Marketing Inspectors in these markets to keep a record of the prices prevailing on the day on which the produce is brought to the market-yard and those at which the produce is sold and to find out in how many cases the farmers gets better prices by waiting. Speaking of Bijapur, we found out that there was hardly a day when sales did not take place because the prices were low. If a farmer is advised not to sell his produce on the day on which he brings it to the market and to store and wait, it would stand to reason that the same general commission agent would not sell other farmers' produce on the very day (unless of course it is a distress sale), but since this never happens, we are inclined to believe that the practice of leaving the produce with the general commission agent to be sold at a later date is no better than a traditional usage, without any economic advantage.

Our attention was drawn to Rule 88 of the Rules which permits the storage of agricultural produce with the commission agent. We would suggest an amendment of the rule by which the permission of the Market Committee should be required prior to the decision of the seller not to sell his crop on a particular day and to store it either with the merchant

or the general commission agent. We were told that on occasions the merchants combined together and deliberately offered lower bids, and if the farmer had no option to withhold his sales or refuse to sell to the highest bidder, which is permitted under Model Bye-law No. 46, the seller would be put to serious monetary loss. We accept the validity of this contention, for we know of several instances of such combination on the part of the merchants; but if there is such an emergency or a deliberate buyers' strike, it should be the duty of the Market Committee to stop all sales by declaring a state of emergency or artificiality. After such a provision is made to safeguard the interests of the cultivator in times of emergency, the farmers, in our opinion, should sell their produce to the highest bidder and on the same day on which they bring their produce to the market yard. Having decided to bring his produce to the market, the farmer should not ordinarily take the risk of market fluctuations because it is not as if prices are always higher after eight days. He is not qualified to assess the long term changes in demand and supply and the course of price fluctuation. Under the circumstances, storage with the businessmen or the general commission agents rather than safeguarding the interests of the agriculturists would provide an opportunity to unscrupulous persons to defraud him. No doubt, there are occasions when prices are unduly depressed and it would be in the interests of the cultivators not to sell their produce during those periods, but the best way to meet such a situation appears to us to be firstly, dissemination of market information into the remotest parts of the rural areas, which would prevent them from bringing their produce to the market and secondly provision of storage facilities by the Government or the Co-operative Societies. Unsold agricultural produce of the farmer should not ordinarily be stored either with the merchants or with the commission agents. A more determined effort to establish Licensed Warehouses under the Bombay Warehouses Act should be made to meet the requirements of the situation.

Numerous practical difficulties were brought to our notice in introducing the system of 'Open Auction'. In several markets, during the peak season, the arrivals are so large that it would be physically impossible to complete the auctioning of every cart during the course of the day. It was also suggested that after a time the buyers and sellers get tired and they want to rush through the auctions which results in a drop in prices. We requested Marketing Inspectors with experience of markets in which 'open auction' were being held to supply us with concrete evidence of this alleged drop in prices. No such evidence has been placed before us. The hatha system no doubt is more expeditious and less tiring but the method of sale is such an important aspect of good marketing that no compromise with the requirements of justice and fair-play should be allowed in this sphere. In some markets a combination of hatha system and open agreement is in vogue. To start with hathas are taken and the broker announces the highest bid received through the hatha and calls upon other buyers to openly bid higher if they want to. This reduces the strain on the vocal chords of the brokers and their



men, shortens the time taken in effecting the sales and yet leaves opportunity for open bidding. We see no particular objection to the system, which may be adopted wherever feasible.

(2) *Weighment.*—At present out of 50 markets examined, in not more than 17 markets weighment is done in the market-yard itself. Most of the market-yards are too small to permit weighment in the yard, but the real difficulty seems to be that for commodities like cotton and groundnuts which need processing, the weighment in the yard would add to the marketing process, the cost of which must ultimately be borne by the producers. The buyers of cotton and/or groundnuts, after weighing over the produce at the market-yard, will have to re-load it in the carts and take it to the factory. This would involve additional expenditure. The buyers will have to cart it to the factories, but it may be argued that this has to be done in any case; only when the produce is weighed over in the factory compound the buyer does not have to pay for the cartage since this is done by the seller himself. On the face of it, it appears fair and just that the buyer should weigh over the produce at the time and at the place where he buys it and the seller should not be asked to bear the responsibility and the expense of carting to the factory the produce which he has sold, and to agree to get it weighed in the buyer's premises. It appears that if godown facilities are provided within the market-yard, the buyers of commodities which do not require any processing would readily agree to weigh over the produce in the market yard itself. But application of the same procedure to commodities which require processing would add to the marketing expenses; and though desirable in other ways from the farmers' point of view, may not be insisted upon. We are conscious that the opportunities for malpractices are greater if weighment is done in the premises of the buyers. Supervision by market staff also becomes difficult when weighment is being carried out in half a dozen or dozen places, but the difficulties mentioned above are real and must be taken into account. At present weighment is done by licensed weighmen and a stricter supervision by the market staff which, if necessary, may be increased, will have to be relied upon to ensure honesty and fairplay in weighment.

We have been told that the weights and measures now used in most of the market-yards are standard weights and measures; but there are still a few markets where standard weights are not used. Efforts should be made to introduce these without any further delay. But a factor which causes a greater deal of confusion is the lack of uniformity in regard to units of quotation of prices. Custom and usage in this respect have not disappeared and we have a bewildering variety of units in which prices are quoted. To add to the difficulty, the units of quotation in the central or terminal markets like Bombay have no relation whatsoever to the units used in the up-country markets. Under Rule 80, the units of price quotations in every market area have to be in terms of authorised weights and measures and must be

approved by the Director or any officer authorised by him. The authority given to the Director under the Rule must be fully used to bring about a uniformity in the units of quotation. We suggest that he should get in touch with the Merchants' Chambers and Trades Associations for this purpose. In the absence of such uniformity, it becomes very difficult to calculate the parity prices for the up-country centres and also to compare the differences in prices in different up-country markets. A study of price-spreads is rendered extremely difficult because of this lack of uniformity. The dissemination of price information in a manner which would be useful to the farmers is also rendered difficult due to the lack of this uniformity.

Though the weights and measures used in most of the market-yards are standard weights and measures, one could not be very sure about their accuracy. We were told that the Market Committees and their staff had not enough power and facility to exercise a check on the weights and measures used and to bring the offenders to book. At present the market Committees have certain powers under Section 14 (4) of the Act and Rules 85, 86 and 87 with regard to inspection of weights, but it is pointed out that for any effective check and punishment of offenders, they have to approach the Inspectors of Weights and Measures appointed under Section 19 of the Bombay Weights and Measures Act, 1932. A suggestion was made that the administration of the Weights and Measures Act should be transferred to the Marketing Department. It was contended that weights and measures are a part and parcel of the marketing process and as such the administration of the legislation pertaining to it should be entrusted to the Marketing Department. The area of operation of the Weights and Measures Act, however, is much wider than that of the Agricultural Produce Markets Act. The Market Committees have jurisdiction over transactions only in certain number of agricultural commodities. Since the necessity of correct weights and measures applies to numerous other articles, agricultural as well as manufactured, it would not be either desirable or possible to transfer the administration of the Weights and Measures Act to either the Market committees or the Market Department, until we have a very comprehensive market legislation incorporated in a single Act.

Another proposal which appears to be more practicable is to give the same authority to Marketing Inspectors as is given to the Inspectors of Weights and Measures under section 22(1) of the Bombay Weights and Measures Act. Our attention has been drawn to the opinion expressed by the Remembrancer of Legal Affairs on this question. It is pointed out that section 19(1) of the Act provides that Government shall appoint a certain number of persons with prescribed qualifications as Inspectors. The word "prescribed" has been defined in section 3(5) of the Act to mean "prescribed by rules or regulations made under the Act". These qualifications have been prescribed in Rule 136 of the Bombay Weights and Measures Rules, 1934. Since the Marketing

Inspectors did not possess these qualifications, it was not possible to give them the powers at present given to the Inspectors of Weights and Measures. Though the legal difficulties pointed out by the Remembrancer of Legal Affairs are obvious, ways and means should be found out to give the necessary authority to the Marketing Committee and the Marketing Staff for exercising adequate check over the use of fraudulent weights and measures. If the present arrangements under the Act are found to be unsatisfactory and result in slackness in exercising due check and control, it should not be difficult to find a way out. Under the Weights and Measures Act, the Municipalities and Local Boards are given powers for the appointment of Inspectors. The question whether some such powers could be given to the Marketing Committees or the Marketing Department should receive the consideration of the Government. If no major changes are possible in the near future, the Government must consider the proposal to appoint special Weights and Measures Inspectors attached to the Market Committees. There should be at least one such Inspector for one district exclusively for the regulated markets. The question of his responsibility to the Marketing Committee and the Marketing Department on the one hand and to his own superiors in the Industries Department on the other, should be looked into and the necessary adjustment in the rules under the Weights and Measures Act as well as in the Agricultural Produce Markets Act may be made for the purpose. If the question of additional expenses comes up, the same could be charged to the Market Committees for which there is a provision in section 13 of the Market Act.

(3) *Grading.*—Linked with this problem of price quotations is the problem of Grading. The situation with regard to grading of produce is far from satisfactory. Grading of produce is conspicuous by its absence in almost all the regulated markets in the State.

At present grading is done under the Agricultural Produce (Grading and Marketing) Act of 1937 of the Government of India. Under this Act, grading specifications have been prescribed for some fruits, eggs, tobacco, ghee and oils. On the recommendation of the Chief Marketing Officer of the Bombay State, the packers in the State are given certificates of authorization to grade and pack according to prescribed standards. A statement of quantities of each product graded in the Bombay State during the calendar year 1950 is given below :—

Product.	Name of District or Place where grading is carried on.	No. of O. A.	Quantity.
Mosambi	.. Poona, Ahmednagar, East	.. 46	16,23,707
Santras	.. Khandesh and West Khandesh	.. ..	2,84,088
Alphonso Mangoes.	.. Surat and Ratnagiri	.. 24	1,54,973*
Eggs	.. Bombay and East Khandesh	.. 5	10,27,858

\* Figure for Ratnagiri is not made available.

Product.	Name of district or place where grading is carried on.	No. of G. A.	Quantity.
Butter.	Bombay and Anand	2	14,88,233 (lbs.)
Ghee	Bombay	1	720 (mds.)*
Cotton	Surat, Broach, West Khandesh, Baroda.	2	27,285 (bales).
Sann Hemp			6,066 (bales).
Edible oils	Bombay	1	
(a) Ground-nut oil			3,413 (mds.).
(b) Til oil			3,448 (mds.).

\*Doubtful accuracy.

The State Government has appointed only one Grading Supervisor who is attached to the Office of the Chief Marketing Officer at Poona. His duty is to supervise and give guidance to the packers mostly for fruits. During the fruit season, temporary graders are appointed to assist the packers in the work of grading. There are two permanent graders for *santra* and *mosumbi*, one at Jalgaon and the other at Nagar. The packers have to maintain an account of labels supplied to them and to send monthly statements showing the quantities handled in each grade to the Chief Marketing Officer, who sends a consolidated statement to the Agricultural Marketing Adviser at New Delhi. At present, the Act is recommendatory and it does not make grading compulsory, hence the quantities graded form an insignificant percentage of the total produce going to the market. Scientific grading of numerous small lots would present immense administrative difficulties and may prove very expensive. We feel that any significant extension of the practice of grading cultivators' produce will not take place unless and until there is a considerable development in co-operative marketing; till then the efforts of the Marketing Department may be directed with profit to the prevention of adulteration and propaganda for cleaner marketing of produce. This can be done, as advocated later, by a stricter check on the refraction allowance permitted under section 17 and the total rejection of produce which bears signs of fraudulent and deliberate admixture. Very strict definition of what would constitute deliberate and fraudulent adulteration may not always be possible, but we are sure that the Market Committee can evolve generally acceptable conventions in this regard by mutual agreement.

(4) *Kadada (Refraction)*.—It may be stated with confidence that the prevalence of this mal-practice in marketing has visibly decreased. Our only regret is that it has not yet completely disappeared. In more than one market the prices agreed to at the time of purchase in the marketing-yard have no relevance to the actual prices received by the

farmer. In one of the oldest markets in the State, we found that in as many as 70 to 75 per cent. of transactions, the prices received were different from and obviously less than those declared in the market. Such a large percentage of deviation cannot be explained away by reference to adulteration or difference in quality. It was admitted by some of the merchants in this market that the declaration of prices in the market-yard was more or less a formal matter, the real price being determined at the time of weighment in the ginning factory or in the groundnut factory. No wonder it is the boast of this market that however heavy the arrivals may be, all transactions are completed and the market-yard is cleared within three to four hours. It may be noted that the changes in prices referred to above were made without the knowledge and consent of the Market Committee or its staff, which constitutes a clear contravention of the Act. When such is the case, the determination of prices in the market-yard becomes almost redundant and meaningless and the whole purpose of the legislation is frustrated.

One of the constant pleas for the reduction in prices is the complaint that there are variations in the quality of produce displayed and the one which reveals itself at the time of weighment. Especially in the case of groundnuts when they are brought in cart-loads over long distances, the complaint is that the admixture of earth increases in alarming proportions at the lower layers. On investigation, we found that there was some justification for this complaint, but we could not persuade ourselves into believing that the adulteration was to the extent suggested by the reduction in prices. Besides, if the phenomenon is so universal, it must get discounted in the price originally offered. In our opinion the way to deal with fraudulent adulteration is not a reduction in prices. If this is allowed, it will open up opportunities for the introduction or continuance of another malpractice, namely, that of *kadada*. In this connection we would like to commend two systems which have been worked very successfully in some markets. In Taicd, for example, the rule is that if any produce is found to be adulterated beyond a particular measure, it is totally rejected, no adjustment being allowed by reduction in price. In the initial period this might entail some hardship on the ignorant cultivator, but in course of time when this rule becomes fairly well-known in the adjoining villages, the farmers do take care to bring their produce in a reasonably clean condition, for, the prospect of the entire cart-load being rejected is not quite palatable to them. Another method which is practised in some of the markets is to get the produce cleaned within the market-yard itself before it is offered for sale. In the initial stage here also the farmers resent the extra expenditure involved in getting the produce cleaned. They, however, soon discover that the expenses are more than re-paid by the better price that they receive for the clean produce. After all, the aim of this legislation is to improve marketing and if a free use is made of the rule which allows reduction in prices for adulteration the old evil of *kadada* and adulteration forming a vicious circle is likely to continue. The Market Committees must look sternly upon all deductions in prices agreed upon in the market-yard and none should be allowed without their knowledge and consent.

(5) *Market charges.*—As pointed out earlier, one of the more visible advantages of this legislation is in the form of reduction in market charges. Almost all the Market Committees have given us the extent of this reduction by calculating the difference between the market charges which were prevalent before the Act was applied and the charges permitted at present. While admitting that there has been a tangible reduction in market charges, we would not lay much store by the calculations and the figures submitted by the Market Committees. For one thing, the prices of commodities have changed to a very great extent during these years and the *ad valorem* incidence of the market charges then and now is difficult to calculate. Secondly, the merchants have argued that the higher charges in pre-regulation days were set off by proportionately higher prices. In the absence of reliable price data before and after the market regulation, it would be extremely difficult to prove into the validity of this contention. Even if some data were available, the calculation required for ascertaining the validity of the contention would be of a very complex nature. We, therefore, refrain from giving any estimates in monetary terms of the advantages realised by the farmers through reduction in market charges. We have already stated that the gains realised by the farmers are real and substantial.

(6) *Ware-housing.*—Though the Act does not enjoin on the Market Committee to make provisions for adequate storage, rule 88 lays down that all agricultural produce brought into the market shall be stored at such place as may be specified in the bye-laws; pending such arrangements the agricultural produce brought into the market, when un-sold, may be stored in the compounds, godowns and ware-houses owned or hired by the licensed general commission agents or brokers for that purpose. The goods so stored shall be weighed in the presence of the seller or his representative and an acknowledgment indicating the kind and weight of goods shall be given by the licensed general commission agent or broker to the seller. Till now hardly six Market Committees have been able to make any provision of their own for the storage of agricultural produce. Earlier we have expressed our dissatisfaction with the procedure adopted by which produce is stored with the commission agents in accordance with rule 88. Recently, the Government of Bombay have passed the Bombay Ware-houses Act, 1947, for the establishment of licensed ware-houses under proper supervision and control; but we are told that the progress under the Act is almost nil. In our view ware-housing must be looked upon as an aid to finance rather than as aid to higher prices. As contended earlier, we do not think that an individual cultivator is in a position to judge the course of events influencing the price and for him storage may amount to speculation. Organizations of the farmers like the co-operative marketing societies are in a different position. They have a better access to market information and may be in a position to take an intelligent view of market movements. But here also the literature on the subject favours the opinion that the co-operative societies should maintain a steady flow of sales by orderly marketing and not take the risks of price fluctuations. However, some amount of storage facilities may be essential

for this very purpose of maintaining a steady flow and preventing the rush of sales immediately after the harvest though it is not established that prices immediately after the harvest are invariably lower than prices at later dates. The establishment of licensed ware-houses will, however, be very valuable for securing the much-needed marketing finance.

At present the authority under the Ware-housing Act for the purpose of giving licences, etc., is the Assistant Registrar of Co-operative Societies appointed under the Bombay Co-operative Societies Act, 1925. It was contended that the Director of Marketing—which post, under the proposals made hereafter, may be independent of the Registrar of Co-operative Societies—should be the prescribed authority under the Ware-housing Act. The suggestion appears to us to be logical because if and when an independent Marketing Department is established, all functions which properly fall within marketing should be performed by a single authority, in this case, the Director of Marketing. We would, therefore, recommend that if our proposals for the creation of a separate department for marketing find favour with the Government, they should consider the question of transferring the authority under the Ware-housing Act at present given to the Assistant Registrar of Co-operative Societies to the Director of Marketing.

(7) *Correct weighment.*—An outstanding benefit rendered by the Marketing Legislation is the introduction of correct weighment of the agricultural produce. It may be noted that in the pre-regulation days, the weighmen used to be employees of the traders and hence there was considerable scope for cheating the agriculturists by fraudulent weighment. The regulated markets have put an end to the old state of affairs by the system of licensing the weighmen and supervision over weights and measures.

*Arrangements for settlement of disputes.*—Another welcome arrangement in the regulated markets is the provision of a suitable machinery for the settlement of disputes regarding quality, deductions, weighment, etc. It may, however, be noted that the machinery has not yet been utilised to the full extent. Very few cases are referred to the Disputes Sub-Committee constituted by the Market Committees. Disputes are still settled by “mutual agreement”. The Secretary of the Market Committee usually settles the disputes and very often not even a record of the disputes settled by the secretary is maintained.

*Dissemination of prices.*—Another significant service rendered by the Market Committees is the dissemination of price information. The prices ruling in the terminal as well as those in their own market are exhibited by the Market Committees. The exhibition of prices in the form in which it is done has limited utility. In the absence of grading and diversity of quotation, the farmers are not able to make much intelligent use of the information provided. However, the regulated markets have given an opportunity to the farmers to know approximately at least the ruling prices in their own and in the terminal markets.

Some of the Market Committees are doing a commendable service to the agricultural community by publishing the prices ruling in the regulated markets in the leading local language papers.

*Amenities given by the Market Committees.*—As yet 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.

### VIII. MAJOR OBSTACLES IN THE WORKING OF THE LEGISLATION.

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 etc. Scrutinising the position of the markets already established, we found that the cost of acquiring land varied from Rs. 15,000 to Rs. 40,000. In an extreme case, the value of the proposed site was assessed at Rs. 1,00,000. 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.

On grounds of principle, it appears to us that the responsibility for the acquiring of sites and making financial provisions for the same must not be thrown on the Market Committees or the local people. For one thing, this burden is too onerous for the financial resources of the Market Committee. Besides, it should be the Government's duty and obligation to supply the site for the establishment of markets. From time immemorial in the villages, sites for weekly bazars or periodical fairs have always been provided by the *Gram Panchayat* and at no time have the producers been asked to pay for the sites used for the disposal of the produce. In modern times the nature of the problem has changed to a very great extent and with the establishment of quicker means of transport and communication, markets have grown bigger and have assumed a new significance. All the same, the principle remains the same and if the Government want to regulate marketing practices and consider that the regulation is in the interests of the community, it becomes their duty to provide the basic facilities for the regulation of the markets.

It is contended that if Government were to provide land and construct building necessary for the market, there will be very little initiative left with the local people. They will not have the feeling that it is something their own, acquired and built with their own initiative and resourcefulness. We may at once admit that usually there is much to be said for the principle of devolution of authority and initiative on the



local people ; -but having weighed all aspects of the question, we are inclined to take the view that both in equity as well as from the point of view of practicability, this is a task which Government should take upon themselves. Many Market Committees have made magnificent efforts for acquiring sites and have displayed considerable resourcefulness in doing so, but such an amount of time and energy is spent in achieving this that the acquisition of the market site and construction of offices and other buildings are looked upon by the Market Committees as the biggest and the most important of their function under the legislation. This distorts their perspective about the functions under the Act, resulting in the neglect of and indifference towards less strenuous but more vital functions entrusted to the Market Committees. The departmental staff, in the face of this big achievement of the Committees in the acquisition of site etc., is also softened into taking a more tolerant view of the short-comings of these Committees in other spheres.

The most formidable objection to the proposal that the Government should provide the land and construct buildings would be the financial burden implied in such an undertaking. As it is, today the Government have to give loans to the Market Committees for acquiring land and constructing buildings and these are in many cases already mortgaged to the Government : an outright investment by the Government in these undertakings would probably cost a little more—inasmuch as there are some Committees who manage to secure their own finances—but the over-all advantages in Government undertaking the job are quite impressive. Not only will delays be eliminated, but it will give a start to the functioning of markets without all the headaches which the Market Committees suffer as a result of their being required to act on their own. Most of the Committees feel quite exhausted by the time they acquire the site and raise a building or two. And when the market is ready to function it has a Market Committee which is tired and has disgruntled elements already within itself, as a result of difference of opinion on the selection of the site.

We may here mention the practice followed in the Hyderabad State and commend it for adoption. "In a growing town the Local Fund Department prepares schemes for town extension and a master plan is prepared. In the plan a site is fixed for the gunj, the area is acquired by the Local Government and a plan is laid out. The plots are auctioned for warehouses and from the income roads are laid out. A site is set apart for the market office after completion of roads and necessary arrangements are made for water-supply and lighting and after the traders have constructed their warehouses and shops as per design given by the Local Fund Department, the gunj begins functioning in the new laid-out area".

One more point needs to be stressed in this connection. Some Market Committees spend very large sums of money on acquiring sites and constructing buildings, entirely disproportionate to their own requirement and resources. In order that Market Committees do not

burden themselves with this top-heavy structure, there should be a classification of the markets into, say, A, B and C on the basis of likely arrivals or income, and expenditure should be sanctioned in conformity with this classification. Upper limits of expenditure may be fixed for all these three types of markets.

If, in accordance with our suggestion, Government acquire land and bear all the expenditure over acquisition, the Government would be entitled to levy on the Market Committee rent or a licence fee, in accordance with the type of market, which will enable them to realise a fair amount of return on the investment. We have calculated the incidence of such rent or fee on Market Committees and feel that the Market Committees will not consider it a burden because, as it is, they pay interest charges on the loan which they borrow either from the Government or outside. If the fees levied by Government bear a relation to their investment, the cost to the Market Committee will not be more than what they are meeting at present. Thus our proposal will not be a financial burden either, on the Government or on the Market Committee. As a matter of fact, its financial implications are nearly the same as those under the present arrangement; only the responsibility for finding out the initial finance and acquiring the site is shifted from the Market Committee to the Government, and in the light of the arguments presented before such a change appears both necessary and desirable.

If, however, the Government are unable to accept the suggestion, they should at least try to minimise the difficulties experienced by the Market Committees in this regard by expediting the acquisition proceedings and sanctioning of loans. They should also exercise a check on the expenditure incurred by the Market Committees on sites and buildings and see that it is not disproportionate to their requirements and resources.

With a view to expediting the acquisition proceedings, section 16 of the Act may be amended by adding "or on its own accord" after the words "Market Committee requiring it". This will enable the Government, if a suitable land is reported to be available for the market yard, to start acquisition proceedings as soon as the market area is notified.

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## IX. FINANCES OF THE MARKET COMMITTEES.

While discussing the question of acquisition of market site and construction of buildings thereon we recommended that this responsibility should be assumed by the Government. One of the chief reasons which impelled us to make this recommendation is our view that the financial burden involved in this is beyond the capacity of the Market Committees. It is true that as many as 38 Market Committees show a surplus in their annual budgets, only three Market Committees have shown a deficit.

while the information for the other 16 was not available to us. But the surplus in our opinion is due to the fact that the Market Committees have not yet extended the necessary facilities in the yards for the proper marketing of agricultural produce. If the Market Committees were to provide all the requisite facilities such as approach roads, facilities for weighing, sheds and water arrangements for the bullocks etc., much of this surplus would vanish. On the other hand, we believe that at present the income of the Market Committees is much smaller than what it could be considering the volume of business transacted under their aegis, and should be, in view of the services performed by them. The over-all picture as it emerges is something like this. All the Market Committees taken together handled during 1949-50 something like Rs. 40 crores worth of produce. The total income of the 57 markets in the year ending June 1950 was only Rs. 7 lakhs : this works out to less than 0.2 per cent. of the value of the produce handled. The market Committees perform some very useful services both to the agriculturists as well as to the businessmen. They have succeeded in a large measure in reducing the unjustifiable market charges. We, therefore, feel that the Market Committees are entitled to a much larger share of income than they derive at present. On the other hand, we are told that already there is dissatisfaction over the question of the cess and the licence fees. We feel that if both the merchants and the agriculturists are persuaded to look at the problem in the manner that we have posed above, this dissatisfaction would disappear. There is a natural tendency on the part of every one to resist any charges which add to the expenses or reduce the income ; but it is high time that the groups interested are advised to take a more enlightened view of such charges and maintain a sense of proportion. Agricultural prices have arisen from anything between 400 to 700 per cent. and, as already pointed out, the *ad valorem* incidence of the cess and licence fee taken together is almost negligible. We, therefore, feel that as and when necessary the Market Committees could augment their income by an increase in the cess. If it could be shown that the money so collected is being used for the improvement of marketing there would be no harm even in doubling the cess. The Chief Marketing Officer and his staff have told us in no uncertain terms that this would be resented by the agriculturists. We were also told that the Department has always maintained that the reliance on cess, since it is paid by the agriculturists, should be as little as possible. Though we accept that there should not be any unnecessary burden on the agriculturists, we would plead for a sense of proportion in viewing this question and after due consideration of all the facts, we are firmly of the opinion that the doubling of the cess would entail no hardship worth the name on the cultivators, especially in view of the prevailing high prices.

With regard to the licence fees we feel that it should be a nominal charge and must not be relied upon for augmenting the finances of the Market Committee. The distinction we make between the cess and the

licence-fees is that whereas the former is a charge on the actual business done, the latter is a charge on a mere right to function in the market and is thus unrelated to the volume of business transacted. We, therefore, suggest that a greater reliance should be placed on cess than on the licence-fees for acquiring adequate finances for the Market Committees. We have been told that this is just the contrary to what the departmental policy has been in this regard. Since the cess is levied on the agriculturists and the licence-fees are levied on the business community, the department in their legitimate anxiety not to add to the burden of the weaker of these two parties suggested a greater reliance on the licence fees. A careful consideration of the incidence of these two charges would, however, indicate that the principle followed is open to objection. The smaller merchants have complained to us that they are called upon to pay the same fee which even the biggest amongst them has to pay and that it bears no relation to the volume of business transacted by them or the services utilised. Being just a charge on the right to transact business or perform other functions in the market, we feel that these charges, should be just nominal. It is, however, possible to create and recognise three classes of licence holders classified according to the volume of business transacted by them and the licence-fees may be varied according to the class to which the licensee belongs. But in view of our characterization that the licence-fee is a charge on a right, such a proposal may be open to objection. We would, therefore, suggest exploring ways and means by which the merchants may also be called upon to pay the cess or a similar charge. After all, the Market Committee performs functions and services which are beneficial both to the agriculturists as well as to businessmen. There is no reason why the cess must be paid only by the seller and not by the buyer. If a method is found by which an equivalent charge is made on the buyer also, our proposal to reduce the licence-fee to a nominal figure will not adversely affect the finances of the Market Committees, and the whole taxing system would be rational as well as equitable. Analysing the income statistics of the Market Committees, we find that in the total income of Rs. 7 lakhs, the licence-fees accounted for Rs. 4.7 lakhs. The proper thing in our opinion would be to reverse the proportion of incomes from the cess and the licence-fee and if this cannot be done immediately, efforts should be made to equalise the contributions from these two sources in the near future. We may once again point out that the income of the Market Committee through both these charges is ridiculously small when related to the value of the transactions taking place under its aegis. If our figures are correct, the income is only one-fifth of one per cent of the value of the transactions and yet there are complaints both from the agriculturists and the business community about these charges. We emphatically believe that the tendency to demand services without undertaking the obligation to pay for them needs to be resisted, if reforms like these have to be extended in course of time. If village sales also are properly regulated and cess is collected on all such transactions, the finances of the Market Committees would be further strengthened.

## X. OCTROI.

We have received several complaints from the farmers as well as Market Committees against the Octroi duties levied by the Municipalities on the agricultural produce brought into the market-yards. We have been told that some of the Municipalities have doubled and trebled the rate of octroi in the course of the last few years. The Municipalities in their turn have not proportionately extended the amenities and facilities such as approach roads to the yards, lighting arrangements, water facilities, etc., for the farmers who bring their produce to the market. As per municipal rules, octroi can be levied only on goods consumed locally and a refund is payable on the produce which is exported, but since the produce brought by the farmer is sold to the merchants and then processed before it is exported, under the existing rules, a refund cannot be collected. The Municipalities thus derive income to most of which they have no legitimate claim and the producers who are compelled to bring their produce to the market-yards under the Agricultural Produce Markets Act are unnecessarily penalised. It ceases to be an octroi and becomes a terminal tax instead, for all practical purposes.

A suggestion has been made that the Market Committees should be allowed to claim the refund on all produce exported and the money so recovered could be used for development purposes. There are some practical difficulties in such a scheme and we are told that the Legal Remembrancer has declared such a proposal to be untenable. The Government should examine the problem and, if necessary, amendments may be made in the Municipal Act. It is unlikely that the Municipalities would agree to a reduction in octroi, which in some cases forms the bulk of their total revenues; but there is no doubt that the scheme of octroi as it operates today, is inequitable and Government must find a way out for rectifying the same. If the income from the octroi is substantial and is likely to be a permanent feature of Municipal finance, it would be reasonable to expect that the Municipalities provide all the essential amenities for the marketing of the produce.

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## XI. VILLAGE SALE.

One aspect of marketing which has eluded strict regulation is the village sales. According to the present rules, no transaction can take place within the market proper unless the produce is brought to the market yard, but sales outside market proper and within the market area are permitted. The only check on such sales is that the purchases have to be made through licensed traders, but in the nature of things the Market Committees are unable to exercise any effective supervision or check over transaction in a wide and scattered area. It has not been possible to ascertain with any accuracy the proportion of Village sales to total sales in the area, or the ratio between sales within the Market yard and sales outside the market proper but within the market area,

but it can be safely said that the proportion of the village sales is quite large. This leaves a big loophole in the attempt to regulate all primary marketing and makes the operation of the Act over large areas ineffective.

Several suggestions have been made for rectifying this state of affairs. One extreme suggestion is that the village sales should not be permitted and all transactions must take place in the market yards or sub-yards. In our opinion this compulsion must cause considerable hardship to many producers who might be at a distance of five to ten miles from the market year. In some cases such enforcement may be unreasonable and impracticable. For example, in the case of raw cotton in areas where ginning factories are situated near a village to ask the producer to take his produce to the market yard, some miles away from his farm, is, in our opinion, unfair.

The practical implications of the prevention of village sales would be : (1) all processing of raw material must be done in bigger towns where the market yard is situated, (2) in the alternative, the farmers should sell their produce only after it is processed, which could be done near a village. The latter alternative will become feasible only if there are co-operative organizations for sale and processing, for the individual farmers have not got the waiting capacity implied in the procedure.

The suggestion for the institution of sub-yards is good and the only consideration which prevents development in this direction is the question of cost. Few Market Committees will be able to maintain sufficient numbers of sub-yards with reasonable facilities when the arrivals are likely to be small. But, as suggested by us, if the Government bear the initial cost of acquiring land and equipping it with the minimum of construction, extension of sub-yards might be more feasible and rapid.

Farmers have very often only small quantities to market. The merchants who buy from several farmers, get the benefit of bulk transport. If village sales are prohibited, transport will have to be undertaken in small lots, which decidedly is an uneconomic proposition. Co-operative Marketing by an organization of farmers is of course another and a better alternative, through which farmers can take to bulk transport.

We may here mention a case in Lasalgaon Market in regard to onions. A farmer complained that on one occasion the mere cost of bringing onions to the market yard from his village was greater than the price of the onions in the market. This may be an exaggeration or an exceptional case, but it gives point to the contention in the previous paragraph.

Under these circumstances the best course appears to be a stricter enforcement of the existing rules. In the first place, all buyers outside the market yard must be compelled to issue a *kabulat* form (Form V)

as soon as transaction is effected and send a copy of the same and that of the payment receipt to the Market Committees with these documents in their possession, the Market Committees and their staff would be in a much better position to check the mal-practices. They can contact the seller within a week of the transaction and check up the information entered in the forms about quantity and price.

In addition, if the collection of cess can be made the buyer's responsibility as far as village sales are concerned, the Market Committee will have sufficient funds to maintain supervisory staff who could move from place to place during the active season.

For this purpose an amendment to section 62(1) of the Rules is suggested. Under the Rules every purchaser of agricultural produce has to sign an agreement in form V in favour of the seller before removing the produce from the market area. If instead of the words "before removing it from the market area", the following words are substituted, namely "as soon as the transaction is effected", the requirements of the above suggestion would be met. The signature of the buyer may be taken on Form V and in the place of the signature of the servant of Market Committee, if possible, the signature of a village official may be obtained.

It has also been suggested that there should be a licensed Weighman in every village so that there might be a proper check on weightment of the produce.

In our opinion the best way to check the village sales and to reduce mal-practices associated with them is to make a vigorous propaganda about the benefits accruing from bringing the produce to the market-yard. Particularly, information about the prevailing prices must be widely broad-cast so that no advantage is taken by businessmen of the cultivator's ignorance. The cultivators must be told what savings will be effected through proper weightment and the prohibition of unauthorised market charges etc. if he brought his produce for sale to the market-yard. Ultimately the best safe-guard against the mal-practices is the vigilance and consciousness on the part of the cultivator. If he knows his rights, if he knows the devices through which he is exploited, if he knows the correct prices prevailing at the time, the farmer cannot be cheated and the need for supervision would be to that extent reduced. We, therefore, feel that, as far as the question of village sales is concerned, the Market Committees should rely more on propaganda than on supervision. Even if the cost of the two approaches be more or less the same, the results acquired through the first would be more lasting and permanent. Co-operation of village official would be required for the dissemination of price information from time to time. Care should be taken to communicate the prices to village in terms of local units used for sale, for, in any other form the price information would be as good as useless. Effort should be made

to introduce uniformity in units of quotations of prices and the use of standard weights and measures, failing which the Market Committee should have a complete record of the units used in the villages under its jurisdiction. The market staff should work out price equivalents for these villages and convey the information to the village officials, whose duty it should be to broadcast them to the villagers. If cess is collected on every transaction taking place in a village, it should be possible for the village officials to employ someone to record the sales and pass on the information to the Market Committee. The Revenue Department may be requested to instruct the 'talatis' to display the price information prominently in the village as and when the same is received from the Market Committees.

If some of these precautions could be taken, there is no reason why we should compulsorily subject the villager to transport his produce for purposes of sale to the market-yard, which may be anything between five to ten miles away from the yard. Many producers have not got the facilities of transport and may be required to pay high charges for the purpose of transport. Besides, the cultivator has some sort of indigenous store-house at his own place and he could therefore choose his time for the sale of his produce. All these conveniences available to the villager should not be sacrificed lightly in our zeal to enforce regulations on the whole market area. As pointed out before, better reliance should be placed on creating of marketing consciousness through propaganda and education rather than on compulsion to bring the produce from the village, however remote, to the town market.

With regard to village sales, licensed traders may be given the authority to collect the cess on village sales in the absence of an employee of the Market Committee by amending Rule 56.

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## XII. COMPOSITION OF MARKET COMMITTEES.

Various suggestions have been made for the alterations in the composition of the Market Committees. The most important amendments suggested are with regard to the representation of the farmer on the Market Committees. The first suggestion is to increase their numbers and give them a clear and absolute majority. We are not in favour of this change primarily because we are convinced that the short-comings under the present arrangements are not so much due to the want of a majority as to the fact that the method of election of representatives is defective and does not result in the election of genuine representatives. We may, however, draw attention to the Hyderabad Agricultural Markets Act which provides for an absolute majority of the farmers on the Market Committee. Another observed fact is that quite often farmers-cum-traders get elected through the agriculturists' constituency.



For reasons we are unable to appreciate, under section 8 of the Rules, the farmers' constituency is for all practical purposes restricted to only members of the organisation of agriculturists operating in the market area and only where no such organization exists, holders of lands with certain qualifications become entitled to vote. As the situation exists today, besides the Co-operative Societies there exists hardly any organization of the agriculturists. The Taluka Development Associations are there but their numbers are few and membership not large. This amounts to equating the farmers' constituency with the membership of the co-operative bodies. We are told that this has been done with a view to promoting co-operation. We cannot approve of a mode of encouraging co-operation which results in the disenfranchisement of a large number of genuine agriculturists with a stake in marketing. With all the progress made by the Co-operative Societies in recent times their membership hardly anywhere exceeds 15 per cent of the total number of agriculturists in that area. The provision which takes away the right of representation from as many as 85 per cent of the agriculturists cannot be defended on any grounds. There are other and fairer methods of encouraging co-operation.

Recently a new difficulty has arisen. Co-operative Sales Societies which take the Traders' Licence are removed from the roll of farmers' constituency. Since the tendency for the Credit Societies is to take up also the marketing work and convert themselves into multi-purpose Co-operatives, this restricts the franchise for the farmers to a considerable extent.

Taken in conjunction with this difficulty mentioned above, the farmers' constituency has become too narrow and unrepresentative. We are, therefore, constrained to suggest rather bold amendment to the effect that Clause (a) of Rule 8 be deleted altogether. This will restore the agriculturists' constituencies to the entire community of agriculturists. We are conscious that this will mean a considerable increase in the administrative work, but if the principle of representation is to be adhered to, there appears to be no escape from this. If a principle is accepted, it is our duty to see that its application is fair and thorough and is not sought to be restricted either for the sake of administrative convenience or as an excuse for promoting some other desirable movement.

Some alternate suggestions have been made for improving this constituency and the representation under it. For example, it has been suggested that all those who pay a cess on the produce brought to the market should be enrolled in the agriculturists' constituencies, but the practical difficulties in the preparation of the register of voters on this basis and the possibility of abuse are too many. We are, therefore, unable to support the proposal.

With regard to the Traders' Constituency, it was suggested that the Sales Societies were unable to secure a fair representation in that constituency. As licence-holders, they have only a single vote though

they represent a large number of members. Theirs is a very healthy influence on the working of the Act and as such they deserve a better and a special treatment. We, therefore, recommend that provision should be made for a special representation of Sales Societies, by reserving at least one seat for them in the Traders' Constituency.

It was also brought to our notice that the nominated members excepting Marketing Inspectors do not take sufficient interest in the work of the Market Committees and in the working of the Act, but we are reluctant to suggest any statutory provision for remedying this defect and we hope that it would be possible to bring about an improvement in this situation through departmental instructions.

It has been suggested to us that the tenure of the Chairman should be co-extensive with the tenure of the Market Committee. At present the Chairman is changed every year and this creates unnecessary group feeling. A three-year period will make for continuity and better efficiency in the work of the Market Committee. Rule 30 (1) may be amended for this purpose.

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### XIII. ADMINISTRATIVE CONTROL.

At every stage of our investigation we found that the method and manner of administrative control has a vital bearing on the smooth and efficient functioning of the markets. The present arrangements in this regard need some rationalisation and improvement. At present the Registrar of Co-operative Societies is also the Director of Marketing and the Chief Marketing Officer and the other staff work under the Co-operative Department. For the implementation of the several sections of the Act, the District Collector has been given authority and control. The allocation of responsibility between the marketing staff and the Market Committees is also defective and needs some major changes. We shall discuss these two questions separately.

First, as to the administrative machinery, we are firmly of the opinion that the efficient performance of administrative functions related to marketing needs a special cadre. Marketing is a fairly complicated economic function and only persons who have had training in the economics of marketing would be able to efficiently look after the proper performance of marketing services. At present the staff is recruited to the Department of Co-operation and no effort is made to create and preserve a special marketing cadre. Transfers from the Co-operative section to the Marketing section and *vice versa* are frequent. We are told that there are discrepancies in the scales of salaries of officers in the two sections which act as a spur to seek transfers from one to the other. On a quick survey of the duration of the present officers in the Marketing Service we found that as many as 46 per cent of the officers were in the section for less than two years and we are convinced that this does not make for efficiency in the sections. Recruitment for service in the Marketing Department must be on the basis of prescribed

qualifications. They should be further trained in the nature of the tasks they have to perform and persons who acquire experience of work in this Department should not ordinarily be transferred to other sections or other departments. Whether this should be achieved by the constitution of a separate Department of Marketing or in some other way, we leave it to the Government to decide. We will however, mention the point that, in course of time, with the integration of all marketing legislation into a single comprehensive Act, the services and functions which this cadre would be called upon to perform are likely to increase a great deal and any decision which the Government may take in this regard should keep in view the future expansion in this sector.

With regard to the authority given to the Collector under the Act, though some of it appears to be necessary,—in any case, with the rationalisation of the administrative set-up suggested above—many of the functions and responsibilities which at present devolve upon the Collector would logically be transferred to the Director of Marketing. At present the Collector has powers under Rules 5, 9 and 10 for the constitution of Market Committees and elections; he has also powers under Rules 29, 34, 35, 37 and 38 for regulating the election of office-bearers, holding of meetings of Market Committees and appointment of sub-committees. Under Rule 49 a copy of the Annual Report has to be submitted to the Collector. He has also powers under Rule 66 for the cancellation of licences granted to traders and general commission agents and under Rule 93 he has been empowered to call a meeting of the Market Committee on requisition signed by certain persons of the Committee or on his own motion. We feel that almost all these powers can be delegated to the Director of Marketing or the Chief Marketing Officer and in some cases even to the Assistant Marketing Officers. If and when the scheme of administrative reorganisation is taken up by the Government, this question may be considered and as far as possible only those powers should be given to the Collector which in the nature of things cannot be effectively exercised by the Marketing staff. Apart from the unnecessary complications created by such a dual control as exists at present, the Collector is a busy person with numerous administrative responsibilities, and it is neither fair to him nor to the Marketing Committees to burden him with additional work, if the same can be performed by Departments concerned.

Coming to the third question of relations between the Market Committees and the Marketing staff, we have been told that under the present Act and Rules, the Marketing staff has very little authority to enforce efficiency in and effective supervision over the implementation of the Act. Most of the powers are at present given to the Market Committees and their Chairmen, and the Marketing staff has very often to act only in an advisory capacity and get things done through persuasion. Though we heartily support the principle of least bureaucratic interference in the functioning of such representative bodies like the Market Committees, we feel that in the initial stages, at any rate, effective

implementation of economic reforms would need a more active participation by the Government. Numerous cases have been brought to our notice in which the Market Committee and the Chairman are either reluctant or unable to take action for the very reason that they are elected representatives. They do not want to create unpleasantness between themselves and their fellowmen, whether they be businessmen or agriculturists. The members of the Market Committees and their Chairmen earn their livelihood through the same business and along with the other businessmen working in the market. It is, therefore, not always possible for them to take stern action against powerful interests which may commit breach of Rules and Regulations. All sorts of pressure and influence are brought to bear on them to delay the matters and connive at the offence. Faced with this situation, the Marketing staff has no other remedy but to exercise moral pressure on the Committee. It is, therefore, suggested that in all such cases the Director of Marketing or the Chief Marketing Officer should have the same powers as those which are at present vested in the Chairmen or the Market Committees. Such powers as are at present contained in section 18 of the Act for disciplinary action or section 23 (2) for trial of offences and Rules 65 and 66 for a similar purpose may be vested in the Director of Marketing or the Chief Marketing Officer. This is not an exhaustive list, but if the main proposal is accepted, there would be no difficulty in making detailed suggestions with regard to the amendments required in the Act, Rules and Bye-laws. We may mention here that what is contemplated is not the substitution of the authority of the Market Committee and its Chairman by the authority of the Marketing Department. All that we suggest is that the powers of these two may be made co-extensive. If the Market Committee is vigilant enough to act on its own, the Marketing Department need not intervene. If, however, for any of the reasons mentioned above, the Market Committee refuses to take action, it should be within the authority of the Marketing Department to take action for the efficient implementation of the provisions under the Act. If the people get the impression that by bringing pressure on the members of the Market Committees and the Chairmen, they can by-pass the rules or contravene them, it would not be long before the entire purpose of the Act would be defeated. A safety valve has, therefore, to be provided by giving authority to the Marketing Department to intervene when they see a situation in which the Market Committee is either unwilling or unable to act.

#### XIV. STATUS OF MARKET SECRETARIES.

We may here refer to a rather important question of the status and appointment of the Market Secretary. At present, the Market Secretaries are employees of the Market Committees and, as such, all the handicaps in the enforcement of rules and in taking disciplinary action from which the Market Committees suffer are automatically transferred to the Market Secretary. Being a man on the spot it is

he who notices deviations from the rules and regulations but is unable to act on his own and without the knowledge and consent of the Market Committee or its Chairman; and if the latter, for reasons discussed above, are reluctant to take action, he is helpless in the matter. We, therefore, felt that a change in his status was necessary in the interests of proper implementation of the legislation. It was suggested to us that the Secretary should be an employee of the marketing Department and should be responsible to it. The Department could charge his salary to the Market Committee under provision made in section 24 of the Act. Various other suggestions were made such as providing for the approval of the Director of Marketing for the appointment, dismissal, etc., of the Market Secretary and for two-thirds majority of the Market Committee for dismissal, but we found all these were open to objections of one sort or another. We feel that nothing short of making the Secretary an employee of the Department, who could watch the day-to-day working of the Act and its proper implementation will serve the needs of the situation.

#### XV. MARKETING RESEARCH.

The Marketing Survey Section was established on a temporary basis in 1935 as a part of the All-India Scheme on the recommendations of the Royal Commission on Agriculture. At present the Section has a small staff consisting of a Research Officer, an Assistant Marketing Officer and some clerical staff. The main work of the Section is to carry out Marketing Surveys regarding various agricultural commodities and to submit a report to the Agricultural Marketing Adviser at Delhi, who publishes consolidated reports for the whole of India. The Marketing Research Section also collects prices for different commodities on different week days for reporting them to the Economic and Statistical Advisor, the Agricultural Marketing Adviser and the Director-General of Supplies, Delhi. We, however, feel that there should be a substantial extension in the duties and functions performed by the Section. A lot of information of Research value accumulates in the Regulated Markets all over the State and full use of the same should be made both for the improvement of marketing as well as for general economic purposes. For example, the data on prices of agricultural commodities at present available to the administrators as well as research students are inadequate and not scientifically collected or collated. The Market Committees have this information in great details. This should be systematically collected and presented in a manner that would be useful for the research workers as well as for the policy decisions of the Government. As pointed out earlier, the determination of price-spreads is a very complicated matter and unless a trained staff is employed for this purpose the information now available in raw form is either wasted or presented in a faulty manner. The Research Section of the Marketing Department should undertake this and similar work. It could also throw some light on the marketable surpluses in various crops. It can give a lead on such questions as economy of grading, ware-housing

and co-operative marketing. All this will require substantial expansion in the staff, which should consist of Agricultural Economists as well as officers with intimate experience of marketing practice all over the Province. The importance given to research in U.S.A. by the enactment of a special legislation called the Research and Marketing Act, 1946, deserves to be noted in this connection.

#### XVI. CENTRAL ORGANISATION OF MARKET COMMITTEES.

Recently the Market Committees in the Gujarat region have constituted a Central Advisory Committee of regulated markets consisting of representatives from all the regulated markets in the region for the purpose of deliberating on common problems confronting them and introducing a measure of uniformity in market practices and charges. We recommend that similar Regional Central Advisory Boards may be started in the other regions of the State and later on a Provincial Agricultural Marketing Board, on the lines of the Provincial Co-operative Council, may be instituted. Such Regional Boards and the Provincial Boards will be very useful for exchanging experience gathered in the working of the Act as well as for mutual consultation for overcoming common difficulties and suggesting changes and improvements in the Act and its working. The provincial Board may study all marketing problems in a comprehensive way and advise Government on the question of development and improvement of agricultural marketing. The Provincial Board may consist of representatives of regulated markets and Co-operative Marketing Societies, Government nominees from departments connected with agricultural marketing and an Agricultural Economist with experience of marketing problems.

#### XVII. ALTERATIONS IN THE ACT, RULES AND BYE-LAWS.

At our request the Marketing staff all over the Province submitted its suggestion for alteration in the Act and Rules which they deemed absolutely necessary for the smooth working the legislation. Numerous suggestions were received, but we here deal with only a few major ones. We have discussed a few of them already under the different subjects dealt with before.

We may classify our suggestions under four main headings—Rules regarding Constitution, levy and collection of fees, market practices and legal handicaps; but before we discuss these, we may draw attention to section 4(2) which has caused considerable confusion.

Section 4(1) deals with Government's authority to declare by notification a specified area as a market area for the purpose of this Act. Sub-section (2) of section 4 provides that "on and after the date of the notification issued under sub-section (1) no Local Authority shall within the market area.....set up, establish or continue or allow to be set up, established or continued any place for the purchase or sale of any agricultural produce so notified except under

a licence granted by the Provincial Government and except in accordance with the provisions of this Act, Rules and Bye-Laws". The confusion has arisen because of the clause "except under a licence granted by the Provincial Government". It is not clear whether the licence referred to in this clause refers to the premise licence or the traders' licence. There are references to this sub-section [4(2)] in sections 5 and 6. In section 6, for example, with reference to the Traders' Constituency, it is laid down that not less than one-third shall be persons elected by the persons licensed under sub-section (2) of section 4 and by the traders approved by the Market Committees in the manner prescribed. At present the Traders' Constituency consists almost entirely of traders licensed by the Market Committees. Incidentally, it may be pointed out that nowhere in the Act there is a provision giving authority to the Market Committees to issue licences, in section 26, which lays down the rule-making powers of the Provincial Government. Accordingly, Rule 55 lays down that no person shall do business as a trader or a general commission agent in agricultural produce in any market area except under a licence granted by the Market Committee under this rule. To come back to section 4 (2), two things may be noted—(1) that the Provincial Government at present give no premise licence, not even to the Market Committee constituted under the Act, and (2) the Provincial Government do not issue any traders' licence, which makes reference to sub-section [4 (2)] in section 6 redundant. Such licences are issued only by the Market Committees.

The whole matter was referred to the Remembrancer of Legal Affairs by a letter (No. G-47/2317, dated 20th September 1940) from the Chief Marketing Officer, Bombay, to the Secretary, Revenue Department. We quote the relevant portion from the reply of the Remembrancer of Legal Affairs (Note No. 11144, dated 19th December 1940) :

" Rules of the Bombay Agricultural Produce Market Rules provide that no person shall do business as a trader etc. in any market area without a licence granted by the Market Committee..... The licence referred to in these rules is a licence to a person for doing business as a trader or a general commission agent in agricultural produce. Under section 4(2) of the Bombay Agricultural Produce Markets Act, the licence required is for setting up, establishing or continuing or allowing to be set up, established or continued any *place* for the purchase or sale of any agricultural produce. Although it is true that each trader or general commission agent will ordinarily have a place for the purchase or sale of the agricultural produce and *will have to take out a licence under section 4(2) of the Act,—(italics ours)—*there is no legal objection to providing by rules that such trade or general commission agents should also obtain a licence from the Market Committees for carrying on the business at such a place."

As will be evident from the above remarks of the Remembrancer of Legal Affairs, the traders have to take both the premise licence under section 4 (2) and the traders' licence under Rule 65. We may again

point out that the traders do not take any premise licence under section 4(2). Therefore, either the interpretation placed by the Remembrancer of Legal Affairs on section 4(2) is not correct or the requirements of the Act are not being complied with. We are told that at present there is only one illustration of a licence taken and granted under section 4(2) and that is of the Gokak Mills in Karnatak. The confusion, therefore, with regard to the intentions and the exact interpretation of section 4(2) continues. In our opinion, the clause "except under a licence granted by the Provincial Government" is not necessary. As it is, for all practical purposes, it is inoperative and we suggest that the same should be deleted. It is necessary in the interests of sound marketing that there should be within an area only one authority for the purpose of regulating the purchase and sale of agricultural produce and the Market Committees contemplated under the Act appear to be the proper institution for exercising such authority. The deletion of this clause in section 4(2) may require consequential amendments in sections 5 and 6, these may also be attended to. Provision should also be made in the Act giving authority to the Market Committees to issue the traders' licence.

The Government may, however, institute a practice of granting licence to the Market Committees with certain conditions. This would be particularly desirable if our suggestion made earlier that the Government should provide all initial facilities like the purchase of land and the construction of buildings at its own cost is accepted.

*Provisions regarding Constitution.*—We have already made certain suggestions with regard to the farmers' constituency for the purpose of electing representatives to the Market Committee. This would mean amendment to section 6, sub-section (1) (i); it will also need the deletion of Rule 8(a).

*Levy and collection of fees.*—We were told that occasionally some difficulty was experienced in the levying and collection of cess and licence-fees. For example, a Civil Court in Ahmedabad ruled that the Market Committee under section 11 had no authority to levy licence-fees. Suitable amendment may, therefore, be made in section 11, Rules 53 and 54 and Bye-Laws 29 and 30. Some Co-operative Marketing Societies in Gujarat have also raised the issue of the authority of the Market Committee to levy cess on the produce brought by their members which is not sold in the market-yard but is taken to the factory for processing. Rule 53 gives authority to the Market Committee to levy and collect fees on agricultural produce *brought and sold* in the market area. The contention of the Co-operative Societies is that the produce is brought to but not sold in the market area. Rule 54, read with Bye-law 51, will however, make it clear that all consignments of agricultural produce have to be brought to the market-yard in the first instance and the fees can be collected as soon as the produce is brought into the market yard. The liability to pay cess on produce brought by the members of the Co-operative Marketing Societies is thus clear; but to avoid future complications, the necessary clarification may be made by suitable amendments. The members may, however, be allowed to take their



produce directly to the factories without being required to bring the same to the market-yard, on their agreeing to supply the details of such consignments and paying the cess on them. We would also suggest the addition of the word "raised" after the word "brought" and before "and sold" in Rule 53 as well as in Bye-Law 30 so as to fully cover all produce that may be grown within the market area.

A clear definition of the place of sale is also necessary, because it is sometimes argued that when the produce is sold to Bombay or Ahmedabad merchants, it is not sold in the market area. It should be clearly laid down that sales must be deemed to have taken place in the area where inspection and weighing take place.

*Market practices.*—The 'explanation' under section 17 lays down that deduction on account of admixture of foreign matter shall not be regarded as a trade allowance for the purpose of this section. In certain commodities like groundnut, some amount of admixture of foreign matter (earth) is inevitable. A deduction of this kind often acquires the complexion of malpractice. In order that this may not open up a loop-hole for the recurrence of the Kadada system, we suggest that the word "fraudulent" might be added before the word "admixture". It would be for the Market Committees in every area to establish a convention, or, if necessary, to make a bye-law to determine when an admixture is fraudulent and when it is not.

We have already referred to bye-law 46 which gives the seller option to refuse to sell his produce to the highest bidder and to accept the lower bid. Shelter is taken under this bye-law for the pernicious system of sales at "n" price and similar malpractices. We have examined the arguments put forward in justification of the inclusion of this provision in the bye-law, but on balancing them, we are convinced that the clause entitling the farmer to refuse to sell to the highest bidder may safely be deleted. Even after the deletion of the clause, the bye-law will entitle the seller to postpone the sale of his produce if he finds that the merchants have combined for the purpose of offering lower prices and are deliberately doing so. In any such emergency, the Market Committee or the Marketing Inspector should have the authority to close the market or otherwise safeguard the interests of the producer. If, however, for some reasons the deletion of the clause is not accepted, we would suggest that all such sales, which involve acceptance of a lower bid, should be made with the knowledge and consent of the Market staff and it should be obligatory for the Chairman of the Market Committee to record the circumstances under which such sale has been permitted.

*Legal handicaps.*—Since we have discussed this question in an earlier section, we would not repeat our suggestions for the amendments in relevant sections and rules, except to say that in all such matters the authority of the Director of Marketing or the Chief Marketing Officer should be co-extensive with that of the Market Committee and its Chairman.

Several other suggestions have been made for the amendment of the Act and the Rules, but they are all of comparatively minor character. Still, however, a thorough overhaul of the Act and Rules is necessary and the same may be undertaken by a Departmental Committee after decisions are taken on the recommendations made in this report.

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### XVIII. CONCLUSION.

In conclusion we may state that the Act has conferred distinct benefits on the agriculturists, and, we feel, confident, even on the traders. Bad marketing can do no good to either the agriculturists or the traders. To the extent to which therefore, the legislation has rationalised marketing practices, it has been a move in the right direction.

But, as pointed out at the very outset, the Act has limited application, limited to one sector of marketing. It would thus be wrong to expect a thorough rationalisation in marketing through this legislation alone. A many-sided attack as indicated in the Report would be necessary. But the point we wish to underline is that the Act itself, with a few amendments, is capable of yielding better results through a stricter enforcement of its provisions. More attention may, therefore, be devoted for some time, to consolidating the gains achieved rather than to extending the application of the Act.

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## APPENDIX I.

Statement showing regulated commodities and approximate value of arrivals in some of the regulated markets in Bombay State (1949-50).

Serial No.	Name of the market.	Agricultural commodities regulated.	Approximate value of the arrivals.		
			Rs.	a.	p.
1	Bavla	... Cotton, Tur, Mug, Math, Castor-seed ...	73,15,338	12	0
2	Viramgam	... Cotton. ...	36,00,075	0	0
3	Sanand	... Cotton, Tur, Mug, Math, Udid ...	30,862	0	0
4	Ahmedabad	... Vegetables ...	1,97,18,489	0	0
5	Broach	... Lang ...	8,68,660	0	0
6	Talod	... Cotton Groundnut, Castor-seed, Tur, Mug, Chola, Sarsav, Math, Sesamum Gram.	72,50,000	0	0
7	Godhra	... Bavto, Groundnut, Caster-seed, Sesamum, Tur, Mug, Math, Val, Udid, and Chola.	54,45,532	0	0
8	Dohad	... Groundnut, Caster-seed, Sesamum Udid, Chola, Sanhemp, Gram, Chillies, Mug, Peas, Bavto, Kursani Sarsav and Onions.	98,71,525	0	0
9	Jhalod	... Groundnut, Tur, Sanhemp, Castor-seed, Til-seed, Chillies, Udid, Mug.	41,50,532	0	0
10	Tasgaon	... Groundnut, Turmeric, Gul, Tur, Safflower.	11,70,227	0	0
11	Karad	... Groundnut, Turmeric, Gul, Tur, Mug, Chillies, Onions.	42,20,079	0	0
12	Koregaon	... Groundnut, Corriander.	10,78,292	0	0
✓13	Sangli	... Groundnut, Tur, Mug and Chillies.	12,28,706	0	0
14	Dhulja	... Cotton and Groundnut.	2,24,61,492	0	0
15	Amlner	... Do. Do.	56,39,777	0	0
16	Pachora	... Do. Do.	49,05,780	0	0
17	Chalisgaon	... Do. Do.	67,47,121	0	0
18	Chopda	... Do. Do.	59,61,810	0	0
19	Barsi	... Do. Do.	8,50,218	0	0
20	Lasalgaon	... Groundnut, Onions, Linseed, Tur, Mug, Math, Safflower, Gul.	70,08,968	0	0
21	Malogaon	... Cotton, Groundnut, Gul.	78,03,239	0	0
22	Satana	... Groundnut Onions, Linseed and Gram.	63,19,433	0	0
23	Nandgaon	... Cotton Groundnut, Sesamum, Safflower Mug.	10,79,922	0	0
24	Bijapur	... Cotton, Groundnut, Linseed, Sesamum.	2,95,20,000	0	0
25	Bagalkot	... Cotton, Groundnut.	1,66,59,833	0	0
26	Dharwar	... Cotton, Groundnut, Safflower.	50,50,000	0	0
27	Ryadgi	... Chillies.	75,00,000	0	0
28	Nargund	... Cotton, Groundnut, Tur, Safflower, Udid, Mug, Val, Gram.	25,00,000	0	0
29	Annigeri	... Cotton, Safflower.	33,54,977	0	0
30	Gadag	... Cotton, Groundnut, Safflower.	3,78,19,053	0	0
Total			23,71,29,945	0	0

## APPENDIX

*Statement showing the annual Cess, Licence Fees, Income, Expenditure, Committees in the Districts of*

Serial No.	Name of the Market Committee.	District.	Total Cess.	Total Licence Fees.
1	2	3	4	5
			Rs. a. p.	Rs. a. p.
1	Bavla	Ahmedabad	2,896 12 6	8,744 7 0
2	Sanand	Do.	138 2 6	1,060 0 0
3	Viramgaon	Do.	106 3 0	1,758 0 0
4	Talod	Do.	3,596 3 0	18,641 0 0
5	Dhansura	Do.	.....	858 8 2
6	Ahmedabad	Do.	10,882 12 6	26,199 0 0
7	Nadiad	Kaira	.....	.....
8	Anand	Do.	6,400 0 0	6,404 5 0
9	Umreth	Do.	70 0 0	8,760 0 0
10	Thasra	Do.	.....	.....
11	Kapadvanj	Do.	5,457 1 6	15,307 12 6
12	Derol	Panchmahals	3,399 13 6	15,950 10 0
13	Dohad	Do.	1,970 0 0	90,750 0 0
14	Godhra	Do.	134 11 9	1,187 10 0
15	Jhalod	Do.	12 13 3	518 12 0
16	Broach	Broach	432 13 0	5,542 0 0
17	Kopergaon	Ahmednagar	.....	.....
18	Belapur	Do.	.....	.....
19	Amalner	East Khandesh	5,007 12 0	5,541 0 0
20	Chalisgaon	Do.	5,643 8 0	4,198 0 0
21	Chopda	Do.	1,310 0 0	3,689 0 0
22	Jalgaon	Do.	2,730 10 0	8,640 0 0
23	Pachora	Do.	2,701 6 0	4,788 0 0
24	Dhulia	West Khandesh	10,650 0 0	1,685 0 0
25	Dondiacha	Do.	10,418 15 0	13,954 0 0
26	Nandurbar	Do.	5,051 12 0	9,792 12 0

## II.

*Permanent Fund, Profit and Loss of the Agricultural Produce Market  
Bombay, as on 30th June 1950.*

Total income.	Total expenditure.	Profit.	Loss.	Permanent fund as on 31st August 1949.
6	7	8	9	10
Rs. as. ps.	Rs. as. ps.	Rs. as. ps.	Rs. as. ps.	Rs. as. ps.
12,288 15 6	8,547 4 6	366 11 0	.....	13,356 11 3
1,281 4 6	3,052 13 6	.....	1,772 9 0	4,158 8 6
2,863 6 0	5,744 7 9	.....	2881 1 9	52,897 14 7
22,239 13 0	1,1064 4 6	1,175 8 6	.....	1,175 8 6
858 8 2	796 7 9	62 0 5	.....	62 0 5
49,339 1 0	34,484 11 6	14,854 5 6	.....	14,868 7 9
9,520 0 0	9,525 10 0	2,543 6 0	6,982 4 0	7,948 15 9
1,719 5 0	4,614 0 0	.....	.....	.....
2,837 12 0	694 9 9	2,143 2 3	.....	1,795 9 3
.....	.....	.....	.....	.....
23,686 14 0	8,446 15 9	15,239 15 3	.....	15,239 15 3
19,374 14 6	4,486 14 3	14,888 0 8	.....	.....
11,773 8 3	3,075 0 6	8,698 7 9	.....	.....
1,326 3 9	575 4 9	750 15 0	.....	.....
531 9 3	409 7 9	122 1 6	.....	.....
5,985 6 6	2,118 7 0	3,865 15 6	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
11,287 7 6	10,000 0 9	1,287 6 9	.....	11,232 14 3
10,378 11 0	8,760 14 9	1,661 12 3	.....	5,902 8 9
5,446 7 0	3,714 0 3	1,732 6 9	.....	1,732 6 9
12,238 0 3	9,300 1 0	2,937 15 3	.....	18,313 13 3
7,949 8 0	4,637 1 0	3,312 7 0	.....	3,256 4 9
2,155 1 6	26,280 3 6	13,874 14 0	.....	19,206 9 0
26,877 14 9	21,177 15 3	5,759 15 6	.....	13,324 4 1
5,549 15 0	9,276 7 6	6,273 7 6	.....	6,273 7 6

## APPENDIX

Serial No.	Name of the Market Committee.	District.	Total Cess.			Total Licence Fees.		
			1	2	3	4	5	
			Rs.	as.	ps.	Rs.	as.	ps.
27	Shirpur	Do.	1,563	0	0	4,818	0	0
28	Dhahada	Do.	.....			.....		
29	Nawapur	Do.	.....			.....		
30	Lasalgaon	Nasik	3,301	9	6	4,531	0	0
31	Satana	Do.	.....			.....		
32	Malegaon	Do.	.....			.....		
33	Nandgaon	Do.	.....			.....		
34	Baramati	Poona	.....			.....		
35	Karad	Satara North	7,687	1	3	18,068	0	0
36	Tasgaon	Satara South	492	14	0	5,761	0	0
37	Takari	Satara South	859	4	0	5,872	0	0
38	Koregaon	Satara South	.....			.....		
39	Pandharpur	Sholapur	1,365	14	0	10,905	0	0
40	Barsi	Do.	.....			.....		
41	Karmala	Do.	111	12	0	1,906	4	0
42	Athani	Belgaum	1,983	3	0	13,535	0	0
43	Bailhongal	Do.	5,028	11	0	10,924	0	0
44	Gokak	Do.	2,791	0	0	14,253	0	0
45	Sanakeshwar	Do.	.....			.....		
46	Bijapur	Bijapur	13,576	8	0	48,610	0	0
47	Bagalkot	Do.	9,519	1	0	28,925	15	3
48	Dharwar	Dharwar	.....			.....		
49	Gadag	Do.	14,584	5	0	51,727	0	0
50	Margund	Do.	719	0	0	6,510	0	0
51	Annigeri	Do.	529	0	0	4,163	0	0
52	Hubli	Do.	6,248	13	0	28,971	0	0
53	Byadgi	Do.	.....			.....		
54	Sirsi	Kanara	.....			.....		
55	Kolhapur	Kolhapur	7,458	12	3	25,755	0	0
56	Gadhinglaj	Do.	1,126	3	3	11,006	0	0
57	Badeli	Baroda	.....			.....		
Grand Total ...			1,51,623	8	6	4,72,728	10	11

## II—contd

Total income.			Total expenditure.			Profit.			Loss.			Permanent fund as on 31st August 1949.		
6			7			8			9			10		
Rs.	as.	ps.	Rs.	as.	ps.	Rs.	as.	ps.	Rs.	as.	ps.	Rs.	as.	ps.
6,986	4	0	6,407	13	6	578	6	6	.....	.....	.....	578	6	6
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8,618	11	3	7,068	4	10	1,550	6	5	..	.....	.....	11,789	15	0
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
28,548	11	3	16,476	12	3	12,071	15	0	.....	.....	.....	24,129	3	9
6,304	12	9	2,609	11	6	3,695	1	3	.....	.....	.....	.....	.....	.....
8,072	5	9	5,109	11	9	2,962	10	0	.....	.....	.....	2,962	10	0
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12,292	11	0	6,116	12	0	6,175	15	0	.....	.....	.....	6,175	15	6
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2,801	0	0	1,684	4	9	333	11	3	.....	.....	.....	389	4	0
15,591	1	0	7,641	14	3	7,949	3	3	.....	.....	.....	7,949	3	6
19,284	10	0	16,426	4	0	2,858	6	0	.....	.....	.....	22,460	2	10
17,155	12	9	6,823	13	9	10,331	15	0	.....	.....	.....	2,945	0	0
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
64,396	3	9	24,481	10	4	3,991	9	5	.....	.....	.....	95,009	14	1
3,860	8	6	2,839	11	9	17,976	12	9	.....	.....	.....	66,489	5	0
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
75,295	8	3	36,953	8	6	38,341	15	9	.....	.....	.....	55,838	13	7
73	0	0	47	0	0	26	0	0	.....	.....	.....	26	0	0
4,980	2	3	2,473	10	3	2,506	8	0	.....	.....	.....	2,506	8	0
38,493	4	3	24,889	4	5	33,666	15	10	.....	.....	.....	5,170	0	9
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
37,975	6	4	16,832	6	6	21,142	15	10	.....	.....	.....	.....	.....	.....
12,555	1	6	6,477	0	0	6,078	1	6	.....	.....	.....	6,078	1	6
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7,04,805	8	6	3,94,826	14	7	3,14,632	4	8	.....	.....	.....	55,85,34	7	1

## APPENDIX III.

*Statement showing the total investments of the Market Committees for market development and the Government Loans and Subsidies.*

Name of the Market Committee.	Total Investment made by the Committee. Rs.	Government Loans.		Government Subsidies	
		Amount Rs.	Purpose	Amount Rs.	Purpose.
Broach ..	18,000	40,000	Acquisition of land, office Building etc.	..	....
Kapadwanj ..	85,782	40,000	To meet the cost of acquisition.	7,320	For water supply to the market yard.
Thasra ..	34,695	25,000	For acquisition of land ..	..	....
Umreth ..	2,365	..	....	..	....
Tajed ..	9,782	50,000	Office building, warehouses gates, cattle sheds, fencing etc.	..	....
Dhansura ..	....	25,000	For acquisition of land ..	....	....
Bavla ..	78,250	20,000	Acquisition, office building etc.	878	To meet excess expenditure.
Ahmedabad ..	....	..	....	3,000	To meet financial stringency.
Dohad ..	....	30,000	Office building etc	..	....
Sanand ..	....	..	....	608	To meet deficiency.
Pachora ..	14,000	20,000	Acquisition of land and office building.	..	....
Amalner ..	8,000	8,000	To meet the cost of acquisition.	..	....
Karad ..	42,705	20,000	Acquisition of land ..	..	Free services of a secretary at Government cost for 8 years.
Tasgaon ..	....	..	....	..	Free services of a secretary at Government cost for one year.
Dondalcha ..	45,122	15,000	To meet the Cost of acquisition.	..	....



APPENDIX III—*contd.*

Name of the Market Committee.	Total Investment made by the Committees Rs.	Government Loans.		Government Subsidies.	
		Amount Rs.	Purpose	Amount Rs.	Purpose.
Dhulla ..	24,558	20,000	Developments, godowns, roads, fencing, office building etc.	..	.....
Lasalgaon ..	....	30,000	Acquisition of land	..	Free services of a Secretary for one year.
Satana ..	.....	..	.....	2,000	To meet deficiency.
Nandgaon ..	....	..	....	1,200	Do
Shahada ..	.....	..	.....	2,000	To meet deficiency.
Gadag ..	23,012	..	....	.....	.....
Byadgi ..	10,266	..	.....	..	.....
Bljapur ..	7,160	..	.....	..	.....
Takari ..	.....	..	.....	..	Free service of a secretary for one year.

## APPENDIX IV.

*Approximate Ad Valorem Incidence of cess in some regulated markets.*

Name of the market	Cotton unginned	Groundnut unshelled	Gur	Chillies	Safflower
Thasra ..	0.053	0.063	....	....	....
Baroda ..	0.03	0.06	....	....	....
Dohad ..	....	0.06	....	0.01	....
Jhalod ..	....	0.05	....	0.02	....
Godhra ..	....	0.05	....	....	....
Derol ..	0.03	0.05	....	....	....
Karmala ..	....	0.062	....	0.045	0.018
Tasgaon ..	....	0.08	0.05	....	0.09
Lasalgaon ..	....	0.05	0.06	....	0.07
Malegaon ..	0.03	0.04	0.06	....	....
Habli ..	0.018	....	....	....	....

## APPENDIX V.

*Progress of the Regulated Markets since the Application of the  
Bombay Agricultural Produce Markets Act, 1939.*

At the end of the year	Number of regulated markets			Proposals submitted to Govern- ment for establi- shment of regulated markets
	Total No. of Market Committees constituted	Market Committees		
		Actually working	Non- working	
Old	12	12	.....	.....
1945	13	13	.....	.....
31st March 1947	14	14	.....	.....
31st March 1948	24	24	.....	.....
31st March 1949	49	49	.....	.....
31st March 1950	53	52	1	.....
31st March 1951	63	56	7	.....
25th April 1951	64	56	8	19

## APPENDIX VI.

*Questionnaire to the Market Committee.*

1. How are the sales transacted in your Market ?
  - (1) Open auction;
  - (2) Open agreement,
  - (3) Hatha system.
2. Is weighment made in the market-yard ?
3. Do the sellers deliver the produce at the buyer's place ?
4. Has your Market Committee given amenities such as :
  - (a) Shed for bullocks ;
  - (b) Resting place for the villagers ;
  - (c) Drinking water for men and bullocks.
5. Has the Market Committttee made provision such as
  - (a) Storing ;
  - (b) Grading ;
  - (c) Exhibition of price list.

6. What propaganda has been done by the Market Committee regarding agricultural improvement ?

Can you say that adulteration has visibly diminished after the institution of Market Committee ?

7. Are village sales less in vogue than they were before the market was regulated ?

8. What mal-practices have been stopped by the Market Committee ?

9. Indicate the reduction in Market Charges.

10. Additional observations and remarks :

#### APPENDIX VII.

##### *Questionnaire to Marketing Officers.*

#### ORGANISATION.—

1. Is the market yard space adequate for the efficient performance of all functions enjoined by the Act ?

2. Briefly indicate the nature of difficulties experienced in—

(a) Securing financial assistance from the Government, and

(b) acquiring land for market yard.

3. What specific suggestions would you like to make for regulation of transactions outside the market 'proper', but within the market area ?

#### FINANCIAL.

1. What is the approximate value of the produce sold through the market yard ?

(*Note.*—Please be careful in the calculation of the value of the produce. Multiplication of the arrivals by the average price for the season will give faulty results. Monthly arrivals may be multiplied by monthly average prices.)

2. What percentage of crop within the market area is sold through the yard ? Give the basis for your estimate.

3. Give figures of your financial assets and liabilities.

4. Give figures of your annual income for the last three years.

5. How much money have you invested—or propose to invest—for acquiring land for the market yard ?

6. What is your estimate of the cost of minimum structural equipment necessary for the efficient performance of work ?

—office building

—cattle shed

—water facilities.

—warehouses.

—any other

## ADMINISTRATIVE.

1. What legal handicaps do you suffer in carrying out your work efficiently?

2. Arising out of your experience, have you any suggestions to make regarding the composition of market committees and for securing adequate representation to various interests?

3. Have you any suggestions to make regarding the appointment and status of Market Secretaries or Superintendents?

4. What major alterations in the Act, Rules or Bye-Laws do you consider essential for improving the working of the Act and fulfilling its objectives?

## GENERAL.

1. Do you think that the existence of a strong and extensive co-operative sale movement in an area obviates the necessity of applying the Market Act of it?

2. Are standard Weights and Measures used and enforced in the market area? Please report on the lack of uniformity, in your area, giving facts, if any.

3. Do you think that the administration of (a) the Weights and Measures Legislation and (b) The Warehousing Act could be entrusted to the Market Committees?