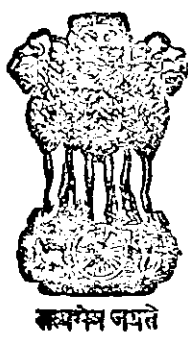


GOVERNMENT OF INDIA
MINISTRY OF FOOD AND AGRICULTURE



REPORT
OF THE
COTTON MARKETING COMMITTEE

June 1951

BY THE MANAGER OF PUBLICATIONS DELHI
BY THE MANAGER, GOVERNMENT OF INDIA PRESS, SIMLA
1952
Price : Rs. 3/10/- or 5sh. 9d.

CONTENTS

	PAGES
PREFACE	i—iii
CHAPTER I—	
Cotton in India—Its Production and Consumption	1—8
CHAPTER II—	
Assembling of Cotton—Regulation of Markets	9—23
CHAPTER III—	
Ginning and Pressing	24—27
CHAPTER IV—	
Distribution	28—32
CHAPTER V—	
Working of Cotton Control	33—37
CHAPTER VI—	
Propagation of Improved Varieties and Grading	38—45
CHAPTER VII	
Co-operative Marketing	46—53
CHAPTER VIII—	
Standardisation of Weights and Basis of Price Quotations	54—56
CHAPTER IX—	
Summary of Recommendations	51—61
APPENDICES	63
M442MofF&A	

LIST OF APPENDICES

I. Questionnaire issued by the Cotton Marketing Committee to State Governments and other organisations	64
II. List of Markets visited by the Cotton Marketing Committee	79
III. World acreage and production of cotton (ginned)	80
IV. A. Imports of cotton by principal importing countries	82
IV. B. Exports of cotton by principal producing countries	83
V. Acreage under cotton in the main producing States of the Indian Union	84
VI. Production of cotton in the main producing States of the Indian Union	85
VII. Area, production and yield per acre of different varieties of cotton according to revised trade descriptions in the Indian Union	86
VIII. Targets of additional production of cotton in different States in 1950-51	88
IX. Imports of cotton lint into India	89
X. Exports including re-exports of cotton lint from India	90
XI. Important assembling markets of cotton in the Indian Union	91
XII. Merchandising charges payable by sellers and buyers in certain important assembling markets for cotton	93
XIII. Comparative costs of marketing cotton (per candy) through the usual trade channels, and the co-operative organisations in Surat district	98
XIV. Schemes of seed multiplication and distribution financed wholly or partly by the Indian Central Cotton Committee	99
XV. Particulars regarding number of members, share capital, reserve fund, quantity of kapas and cotton handled, and dividend declared by cotton co-operatives	101

PREFACE

Although cotton is by far the most important cash crop of the country, and one on which the biggest industry of the nation is dependent, practically very little has been done to develop and improve the machinery for the marketing and processing of this commodity. After the Cotton Committee made its recommendations in 1919 the subject has received very little attention, and the conditions found to be prevailing 30 years back by the said Committee exist even today. Dr. Panjabrao Deshmukh, M.P., soon after he was appointed a member of the Standing Advisory Committee of Legislature for the Ministry of Food & Agriculture (Agriculture), gave notice to move a resolution on the subject. The matter was accordingly taken up for discussion at the meeting of that Committee held on 2nd May, 1949. In view of the importance of the question, it was decided that the Government should set up a small Committee to visit the main cotton areas with the object of suggesting practical ways and means of improving the marketing of cotton.

Appointment of the Committee and its terms of reference.—In accordance with the above recommendation of the Standing Advisory Committee, the Government of India in the Ministry of Agriculture in their letter No. F. 10 29/49-Co, dated the 14th June, 1949, appointed a Committee with the following terms of reference :

“To suggest ways and means of improving the marketing of cotton with a view to benefit the cultivators by reducing the intermediate links between the growers and the textile mills. For this purpose, the Committee may study the working of co-operative cotton sale societies in Bombay Province and other areas and suggest lines of further development.”

The Committee consists of the following persons :

1. Dr. P. S. Deshmukh, M.C.A. (now M.P.) *Chairman.*
2. Shri H. Siddaveerappa, M.C.A., [now M.L.A. (Mysore)] *Member.*
3. Chaudhri Ranbir Singh, M.C.A. (now M.P.)—*Member.*
4. Shri T. Prasad, Senior Marketing Officer—*Secretary.*

Programme of work.—A preliminary meeting of the Committee was held on the 17th June, 1949, to consider the programme of work. It was decided to issue questionnaires to State Governments, co-operative organisations dealing in cotton, trade and textile mills associations

(ii)

and regulated market committees, and also to the Indian Central Cotton Committee. Copies of the questionnaires issued to different bodies are given in Appendix I. Necessary information was also called for from the representatives of the Government of India in foreign countries important for cotton.

With a view to gaining a first hand knowledge about the conditions of marketing in different parts of the country, the Committee toured important cotton markets in Bombay, Hyderabad, Madhya Bharat, Madhya Pradesh, Madras, Mysore and the Punjab. A list of the markets visited, with dates, is given in Appendix II. A detailed study was made of the co-operative marketing of cotton in Gujarat. At all the centres visited, the Committee took the opportunity of interviewing the representatives of local government connected with cultivation, processing and marketing of cotton, a large number of representatives of growers and the trade and industry, members of Cotton Market Committees and representatives of shippers, textile mills, etc.

In order to make useful suggestions for the elimination of unnecessary middlemen with a view to benefiting the cultivators the Committee found it necessary to make a detailed study of the different aspects of cotton marketing, particularly in regard to assembling of *Kapas* from the farm to local wholesale markets and its ginning and processing. It was felt that one important way of benefiting the cultivators was to encourage production of improved varieties and sale of the same in pure form after grading. This development is calculated to go a long way in developing direct marketing between the producing and the consuming centres and thereby eliminating a large number of unnecessary middlemen, and to that extent reducing the cost of marketing.

The Committee felt that although development of marketing constitutes one of the functions of the Indian Central Cotton Committee, that Committee had not devoted its attention to the desired extent to this problem. Although the Committee had organised a few marketing surveys about 12 years back, nothing further has been done to improve the conditions. The Committee is however glad to note that the Indian Central Cotton Committee is now inclined to pay greater attention to this question.

The vested interests are every where found to impress on the public mind that marketing of cotton was much better organised than

(iii)

all other agricultural products, and that there was practically nothing that was required to be done in this respect. The information collected by the Committee revealed an entirely different picture in as much as the conditions obtaining in several markets of cotton are as defective, if not more, as in the case of other cash crops. The malpractices observed by the Committee in respect of processing of *Kapas* also need emphasis. It would not obviously serve any useful purpose if the Committee recommended only that there is room for the elimination of the middlemen here and there. What is required is to improve the system of marketing and encourage direct marketing, the natural consequence of which will be the elimination of the undesired and unproductive middlemen. The elimination of such functionaries would, we have no doubt, lead to increased efficiency and greater national welfare.

Appreciation and Thanks.—The Committee wish to express their most grateful thanks to State Governments and their experts and the representatives of growers, gin and press owners, textile mills and the trade for the useful information made available by them to the Committee, and the facilities afforded by the State Governments for the touring and collection of the required information.

CHAPTER I.—COTTON IN INDIA—ITS PRODUCTION AND CONSUMPTION

1.1. *World position.*—India occupies a prominent place in the cotton producing countries of the world and is second only to the United States of America in this respect. Out of a total world production of 333 lakh bales of 400 lb. each in 1949, about 30 lakh bales were produced in India. The other important cotton producing countries are Brazil, China, Egypt, Pakistan, Mexico, Argentine and the U.S.S.R. As will be observed from the data given in Appendices III and IV, although the quantities produced in certain countries including Peru, Tanganyika, Turkey and Uganda are small, they are nett exporters of cotton. On the other hand, India in spite of its large production has now to import a considerable quantity of cotton from abroad to feed the large number of textile mills in the country. The other important importers of cotton are the United Kingdom, Germany, France, Belgo-Luxumburg, Italy, Canada, Japan and China.

Production in India

1.2. *Area.*—Cotton occupies a key place in the national economy of India and it is by far the most important commercial crop of the country even after partition. In 1949-50, the area under cotton totalled 118 lakh acres as against 97 lakh acres under ground nuts, 36 lakh acres under sugarcane and 12 lakh acres under jute.

The statistics given in Appendices V and VI show the acreage and production of cotton in India for the triennium ending 1938-39 and the following 11 years. The area under cotton in the triennium preceding the World War II averaged 210 lakh acres as against 112 lakh acres during the period 1946-47 to 1948-49. The fall in cotton acreage occurred mainly after 1941-42 and the area under the crop was reduced practically to half in 1944-45. Since then it has been continuing more or less at that level. The main reasons for the reduction in cotton acreage were (i) the pressing need for bringing more area under food crops and the consequent restrictions imposed in different States on the cultivation of cotton, and (ii) cutting down of the export markets for cotton owing to the abnormal conditions created by the World War II and the consequent fall in prices. Although since the cessation of hostilities there has been a good demand for Indian Cotton not only from abroad but also from textile mills in the country, there has been no appreciable increase in acreage owing mainly to the relatively high prices of food-grains and certain cash crops like ground-nut which can be sown as an alternate to cotton. After the partition of the country, however, the cotton produced in the Western provinces of Pakistan, which previously formed part of India, is no longer available to the textile mills in India. Efforts are, therefore, being made to increase production with the ultimate object of making the country self-sufficient (see para. 1.5).

1.3. *Estimates of production.*—The production of cotton, as in the case of other commodities is calculated according to the following formula :—

Area × Standard yield × Seasonal condition factor.

While the statistics of area in case of cotton are considered fairly accurate, an appreciable error is introduced in the estimate of production as the information available on standard yields and seasonal condition factors is far from accurate. With a view to ascertaining the degree of inaccuracy in the official forecasts of production, the Indian Central Cotton Committee has been, from year to year, calculating the actual crop on the basis of the following two formulae :—

I. Actual crop = Net exports (exports—imports) of all cotton (by all routes) + mill consumption + village or extra-factory consumption + variation in stocks (stocks at the end of the season—stocks at the beginning of the season) of pressed and unpressed (loose) cotton.

II. Actual crop = Cotton pressed + loose (unpressed) cotton consumed in spinning mills + net exports of loose cotton (by all routes) + village or extra-factory consumption of loose cotton.

Comparative statistics of official production forecasts and calculated total productions on the basis of the two formulae stated above, for the period 1941-46, are contained in the Indian Central Cotton Committee Statistical Leaflet No. 5 published in April 1948. The average data for the said period are given in the following Table :—

TABLE No. 1.—*Comparison of the official forecasts of production and the calculated total production.*

(in thousand bales of 400 lb. each).

State	Official forecast	Calculated Formula I	Production Formula II	Percentage range of discrepancy over (+) or below (—) the official forecast
1	2	3	4	5
Bombay	815	1,179	1,138	+39.6 to +44.7
Madhya Pradesh (C. P.) ..	619	598	636	—3.4 to +2.8
Madras	433	531	506	+16.9 to +22.6
Punjab (undivided)	1,348	1,517	1,607	+12.5 to +19.2
Hyderabad	422	395	379	—6.4 to —10.2
Central India	227	224	225	—1.4 to —0.9
(i) Holkar State	87	106		+21.8
(ii) Gwalior State	90	64		—28.9
Uttar Pradesh	86	188	132	—37.5 to +118.6
Total All India (undivided) ..	4,522	5,343	5,264	+16.4 to +18.1

The discrepancy in the figures of production calculated according to the above two formulae is attributable mainly to defective statistics of opening and closing stocks.

It would be observed that in the case of all the areas, excepting Hyderabad and Central India, the official estimates of production are much lower than the figures of calculated production. The position in the case of Central India is, however, rather queer. While the total production according to the official estimates and the two formulae is more or less the same, a wide variation is noticeable in the figures for the two main components of this group, viz. Holkar and Gwalior. While in the case of Gwalior official figures are gross under-estimates, it is just the other way in the case of Holkar. Similar variations are observed in the estimates of production for different varieties. For example, in 1946-47 the production of *surti-suyog* was 75,000 bales according to the official forecast as against 117,000 bales estimated by the trade, vide Indian Central Cotton Committee Statistical Leaflet No. 1 published in June 1948. The corresponding figures for Hyderabad *Gaorani* were 77,000 bales and 137,000 bales respectively.

The attention of our Committee was drawn to official under-estimates of production at Indore as also in Madras and certain other places. For instance, the production of cotton in Madhya Bharat in 1949-50 was estimated by the trade at 320,000 bales as against the official estimates of 233,000 bales. In the case of Madras, the trade estimate for 1949-50 crop was 430,000 bales as compared with 313,000 bales according to the official forecast.

Apart from the general question of having fairly accurate statistics of production, the importance of production estimates has considerably increased since, under cotton control, quotas for imports and exports of cotton into and from different regions are fixed on the basis of such estimates. It was reported that as the actual production of cotton in Madhya Bharat and Madras was much larger than that taken into consideration by the Textile Commissioner in fixing quotas, the surplus supplies had a depressing effect on prices. The prices obtained in these regions during the seasons 1948-49 and 1949-50 were actually much lower than those in other areas, and consequently the producers were the sufferers and the Mills benefited.

Although the differences in the official forecasts and the calculated total production are being reported by the Indian Central Cotton Committee to the State Governments concerned for the last several years, no effective steps seem to have been taken so far to remove the causes of such discrepancy. The Government of India revised the official estimates of production of cotton in the light of trade estimates for the first time in 1949-50. According to the revised method, the total production of cotton in 1949-50 was estimated at 29.7 lakh bales as against 21.6 lakh bales on the previous basis. Although the revised estimates would appear to indicate the correct position, they are not based on any scientific data regarding yields per acre of different varieties. To determine the correct yields of cotton, pilot crop cutting experiments on 'random sampling' basis are already being conducted in certain parts of Bombay

L442MofF&A

and Madhya Pradesh. The Committee recommends that the Government of India should take very early steps to extend these experiments to all other cotton growing States.

1.4. *Total production and its distribution.*—The production of cotton during the triennium ending 1948-49 averaged 20 lakh bales of 392 lb. each as against about 40 lakh bales in the three years preceding the World War II. This fall was the logical consequence of the reduction in acreage referred to in para. 1.2.

As will be observed from the data given in Appendix IV and the following Table, Bombay, Madhya Pradesh, Madras, Punjab, Hyderabad, Madhya Bharat, Pepsu, Rajasthan and Saurashtra are the main producers of cotton. These together account for more than 90 per cent. of the total production as shown in the following Table :—

TABLE No. 2.—*Distribution of cotton production.*

(in thousand bales of 392 lbs. each)

STATES	Average 1936-37 to 1938-39	Per- cent.	Average 1946-47 to 1948-49	Per- cent.	1949- 50*	Per- cent.
1	2	3	4	5	6	7
Bombay (including Saurashtra).	1,358	32·8	470	23·0	881	29·7
Madhya Pradesh ..	694	16·7	404	22·7	298	10·0
Madras	467	11·3	319	15·6	448	15·1
Punjab (India) ..	306	7·4	88	4·3	222	7·5
Hyderabad ..	536	12·9	266	13·0	382	12·9
Madhya Bharat & Vindhya Pradesh.	261	6·3	205	10·1	334	11·2
Pepsu Union ..	184	4·4	77	3·8	114	3·8
Rajasthan	89	2·1	62	3·1	168	5·7
Others	251	6·1	90	4·4	123	4·1
TOTAL ..	4,146	100·0	2,041	100·0	2,970	100·0

*Based on revised estimates of production.

The fall in production in Bombay has been comparatively much greater than that in other States. The average production in the Punjab and Pepsu Union was also unduly low in 1947-48 and 1948-49, but it was mainly due to the fact that a considerable area of land in these States could not be cultivated during these years owing to the abnormal conditions created by the partition of the country and delay in the allotment of land to the displaced persons from Western Pakistan.

1.5. *Targets of increased production.*—As already stated, efforts are being made to increase the production of cotton in various ways such as bringing in more land under this crop, inter-cropping, intensive cultivation, and by using more manure, improved seeds, etc.

There are great possibilities of increasing the production of long staple cotton in the South-Western districts of the Punjab to which irrigation facilities are being now extended by the State Government. A lot of land suitable for growing cotton was also reported to be lying fallow in Madhya Bharat.

It is estimated that as a result of the Grow More Cotton Campaign it would be possible to increase the annual production by about six lakh bales. An idea of the targets fixed for increased production for different States during 1950-51 can be had from the data given in Appendix VIII. Out of a total target of 6 lakh bales, 4.6 lakh bales are expected to be obtained by bringing in more land under the crop and about 0.8 lakh bales by inter-cropping, and the balance mainly by intensive cultivation.

1.6. *Varieties and Research.*—The different types of cotton grown in India are classified in the reports on agricultural statistics under ten main commercial types as shown in Appendix VIII and the following Table No. 3. Most of these main types include cotton of several varieties, and the statistics of area and production for each important variety are shown separately. Figures of production, according to this classification, are available from 1938-39, and a comparison of the data for the periods 1938-39 to 1940-41 and the three recent years from 1946-47 to 1948-49 will give an idea of the trend of production in recent years according to varieties.

TABLE No. 3.—*Production of cotton according to main commercial types, in the Indian Union.*

(in thousand bales of 392 lbs. each)

Type	Staple length (32nds inch)	Average produc- tion : 1938-39/ 1940-41	Per- centage to total produc- tion	Average produc- tion : 1946-47/ 1948-49	Per- centage to total produc- tion.
1	2	3	4	5	6
Bengals	12-18	680	17.2	256	12.5
Americans	26-28	11	0.3	40	1.9
Oomras	16-22	1,331	33.6	645	31.6
Gourani	28-30	141	3.6	69	3.4
Malvi, etc.	22-24	204	6.7	212	10.4
Broach	22-24	244	6.2	108	5.3
Surti	28-30	164	4.1	71	3.5
Dhoolras	24-26	290	7.3	158	7.7
Southerns	18-20	497	12.6	236	11.6
Tinnevelly	32-34	152	3.8	102	5.0
Others	..	181	4.6	141	7.1
Total	..	3,955	100.0	2,041	100.0

It will be noticed that the production of American cottons, which are of 'superior medium' and 'long' staples, has increased from an average of 11,000 bales in 1938-39/1940-41 to 40,000 bales in 1946-47/, 1948-49. Although, during recent years, there has been a considerable fall in the production of short staple cottons, including Bengals and Oomras, the fall, when looked at as a proportion of the total crop, has been rather negligible, and there would appear to be enough room for replacing short staples by medium or long types in suitable areas. It may be noted in this connection that in the Northern parts of the country, where Bengals are grown, there is a special demand for short staple cotton for local use since carding and spinning of long staple cotton by hand is a difficult task. Further, short staple cottons, which are of a coarse type, are also in demand from abroad, particularly for mixing with wool, and as such their production need not be cut beyond a certain limit. It may be noted in this connection that short staples can be grown on comparatively poor rain-fed soils, and under similar conditions they are as good yielders as long staple types. Further, the ginning percentage in the case of most of the short staples is higher than that in the case of long staples, which is of considerable advantage. The Committee recommends that the Indian Central Cotton Committee should arrange to determine the demand for short staples for different purposes, including the demand for export, and give a clear guidance as to the extent to which the cultivation of short staples need be discouraged in different tracts.

Research.—A considerable amount of research work is being done at a number of research stations under the auspices of the Indian Central Cotton Committee since 1923. At these stations a number of long staple strains have been evolved or hybridised for cultivation in the country and suitable selections made from many *desi* types. A good deal of work is also being done on improving the yield and ginning percentage of various varieties as also on resistance to diseases and pests.

Although the area under improved types has considerably increased, a good deal remains to be done in the matter. Complaints were made to our Committee in several areas, particularly in Mysore and parts of Madras, that seeds of improved strains were not easily available, and that cultivators were, therefore, obliged to sow mixed seeds of inferior varieties. Further, it was also complained that the seeds of improved varieties deteriorate after a few generations, and that it was, therefore, necessary that arrangements should exist to ensure a regular and constant supply of good and pure seeds of improved strains, and of not later than 6th generation. This aspect of the question is dealt with under paras. 6.4 and 6.5.

The importance of organising research on a regional and sub-regional basis to a much greater extent than at present was also emphasised by a number of witnesses who appeared before the Committee. It was pointed out that some of the improved varieties which were doing well in certain areas have practically failed in others as for instance Jarilla in Berar. It was pointed out that the organisation of research stations in different climatic and soil zones will also go a long way in spreading only such strains which

are best suited to the conditions of different local tracts, and in providing the seed of right type. The Committee recommends that the Indian Central Cotton Committee should arrange to open a number of regional and sub-regional research stations in different cotton-growing zones, and early steps should be taken to evolve and propagate the right type of strains most suited to areas concerned, and also to withdraw the unsuitable varieties from cultivation.

1.7. *Imports.*—India has all along been importing a quantity of long staple cotton to meet the demand of the local mills for yarn of finer quality. As shown by the data given in Appendix IX, during the triennium ending 1938-39 the total imports averaged about 100,000 tons, or 5.7 lakh bales. During the following eight years from 1939-40 to 1946-47, the imports ranged from 4.49 lakh bales to 8.0 lakh bales with an average of 5.6 lakh bales per annum. After the partition of the country the figures of imports have considerably increased and totalled 9.3 lakh bales in 1948-49 and 9.1 lakh bales in 1949-50. This is mainly due to the fact that the cotton received from Western Pakistan is now reckoned under imports. In 1947-48, out of a total of 9.3 lakh bales, 3.5 lakh bales came from Pakistan. During 1949-50, however, due to several reasons, the intake from Pakistan did not exceed 1.2 lakh bales and larger quantities had, therefore, to be imported from other countries. Besides Pakistan, the main countries from which cotton is imported are Egypt, Anglo-Egyptian Sudan, Kenya Colony, Tanganyika territory and the U.S.A.

1.8. *Exports.*—India has been an important exporter of cotton since times immemorial. The cottons exported are, however, mainly of short staple types. As will be seen from the data given in Appendix X, during the period 1936-37/1938-39 the total exports averaged 583,000 tons or 33.3 lakh bales. Nearly half of these went to Japan. Exports were considerably reduced from 1942-43 onwards mainly due to the entry of Japan and other eastern countries in the World War II. Between 1942-43 and 1944-45, the exports totalled only 3.1 lakh bales. Although after the cessation of hostilities in 1945 there was a recovery in the export demand and the total shipments in 1947-48 went up to 11.9 lakh bales, there was again a sharp fall in exports to 4.2 lakh bales in 1948-49 and 3.2 lakh bales in 1949-50. This is attributable to a larger demand for home-grown cotton within the country due mainly to the reduced supplies of cotton, particularly from Pakistan.

1.9. *Consumption.*—The consumption of cotton in Indian mills averages about 40 lakh bales per annum. Their intake increased considerably during World War II. The total consumption in the

triennium ending 1938-39 amounted to 33 lakh bales for undivided India as against 42 lakh bales in 1948-49 in the Indian Union alone. More than 70 per cent. of the cotton used is from the home crop as would be seen from the data given in the following Table :—

TABLE No. 4.—Quantity of cotton consumed in India.

(in thousand bales of 392 lbs. each)

Year	Home crop	FOREIGN			Total	Grand Total
		Ameri- can	Egyp- tian	Sun- dries		
<i>Average—</i> 1936-37 to 1938-39 ..	2,838	84	60	348	492	3,330
1939-40 ..	2,995	63	70	299	432	3,427
1940-41 ..	3,591	75	68	303	446	4,037
1941-42 ..	3,842	27	88	436	551	4,393
1942-43 ..	4,107	28	82	324	434	4,541
1943-44 ..	4,092	1	184	315	500	4,592
1944-45 ..	4,159	6	155	397	558	4,717
1945-46 ..	4,495	12	141	372	515	5,010
1946-47 ..	3,162	6	154	377	537	3,699
1947-48 ..	2,863	723	PAKISTAN 206	318	1,347	4,211
1948-49 ..	3,124	411	396	324	1,131	4,255
1949-50 ..	2,544	204	403	534	1,141	3,685

Figures upto 1946-47 are from Bombay Cotton Annual, and for the recent years from the Indian Textile Commissioner.

The figures upto 1946-47 refer to undivided India, while those for the three years 1947-48 to 1949-50 are for the Indian Union.

Out of the total quantity of cotton used, approximately 25-30 per cent. is of long staple, i.e. 7/8" and above; about 55 per cent. of medium staple, i.e. below 7/8" and above 11/16", and the balance of short staple. Since the home production of long and medium staples is not large enough to meet the requirements of the textile mills in the country for yarn of finer counts, the necessary quantity has to be imported from abroad. The country has to pay a high price for such cotton besides a considerable amount of foreign exchange which is not easy to obtain. It was pointed out to our Committee that with suitable adjustments in their machinery the textile industry in Japan was using Indian short staple cotton for spinning fine yarns. It would obviously be a great advantage if the industry in this country could consume a larger quantity of short staple cotton and reduce their requirements of foreign cotton to a minimum. This point should be borne in mind while permitting installation of new plants or replacement of old machinery.

CHAPTER II.—ASSEMBLING OF COTTON. REGULATION OF MARKETS

2.1. *Sales of kapas and lint.* The cotton cultivator generally sells his produce in the form of *kapas*. The quantities sold as lint may vary from 2 to 10 per cent. in different areas. The system of assembling *kapas* and loose lint from rural areas is, however, generally the same.

2.2. *Markets.*—A list of certain important assembling markets of cotton is given in Appendix XI. In all there are about 250 important markets having an annual average turnover of more than 10,000 maunds of cotton. Besides these, there are a large number of small markets. In nearly 160 important markets merchandising practices and charges have been regulated under local laws, but it is being done effectively in only a few (see para. 2.8).

2.3. *Agencies engaged in assembling.*—*Kapas* may be brought to the local wholesale markets by cultivators themselves, or by village merchants or itinerant dealers who purchase the same in rural areas. In some cases agents of ginneries also visit villages and make direct purchases from producers. In parts of Bombay, Gujrat and Karnatic considerable quantity of cotton is also collected through co-operative sale societies—the quantities so assembled in other parts being small. The share of the local crop collected through different agencies differs considerably in the different parts of the country. The position in respect of certain more important cotton areas for which detailed information has been made available is indicated in the following paragraphs.

An idea of the share of different agencies engaged in the assembling of cotton in the different parts of Madras State can be had from the data given in the following Table :—

TABLE No. 5—*Estimated percentages of the crop brought to assembling markets by different agencies in Madras State.*

Agency	Western cotton zone	Northern cotton zone	Tinnies cotton zone	Cambodia-Karunganni cotton zone	Coconada cotton zone	Average
1	2	3	4	5	6	7
(a) <i>Sales in villages to :</i>						
(i) Creditors ..	5	7	15	6	12	9
(ii) Village merchants.	10	25	20	5	25	17
(iii) Itinerant dealers.	10	40	20	10	20	20
(iv) Agents of ginneries.	15	10	20	30	30	21
Total ..	40	82	75	51	87	67

Agency	Western cotton zone	Northern cotton zone	Tinnies cotton zone	Cambodia-Karun-ganni cotton zone	Coconada cotton zone	Average
1	2	3	4	5	6	7
<i>b) Direct sales in markets :</i>						
(i) In regulated markets.	30	2	..	20	..	10.4
(ii) In unregulated markets.	15	10	7	10	4	9.2
(iii) At ginneries	12	5	10	5	4	7.2
(iv) Through co-operative organisations.	3	1	8	10	5	5.4
(v) To textile mills.	<i>Nil</i>	..	..	4	..	0.8
Total ..	60	18	25	49	13	33.0

The quantity of cotton sold directly by cultivators varies from about 13 per cent. in the Coconada area to about 60 per cent. in the Western Cotton Zone. Taking the total crop of the State, only about one-third is marketed by cultivators directly, and the rest is sold in villages to money-lenders, village merchants and itinerant dealers or agents of ginneries. Besides money-lenders, village merchants, itinerant dealers and even agents of ginneries advance loans to cultivators on the understanding that the crop would be sold to them. It is, therefore, mainly due to their indebtedness that cultivators are obliged to dispose of their produce in villages. The loss incurred by them in doing so is estimated by the local authorities to range from 5 to 10 per cent. of the value of the cotton so disposed of. We are inclined to believe that this is the minimum.

The position of the village merchant in the States of Hyderabad and Mysore would appear to be rather stronger than that in the adjoining areas of Madras since more than 80 per cent. of the crop in these States is estimated to be assembled from rural areas by village merchants or itinerant dealers. It was reported that a number of co-operative sale societies organised in several areas of Mysore State in particular to market directly the cultivators produce did not succeed as the cultivator had to go to the money-lender or village merchant for obtaining his financial requirements and, therefore, had to sell his produce to or through him.

In the Northern districts of the Punjab, viz., Amritsar, Jullundur and Ludhiana also about 85 per cent. of the produce is sold in villages to the local merchants or itinerant dealers. The main reason for doing so, however, is that the outturn of cotton per cultivator is generally small and it is not considered worthwhile to take the same

to the market. It may be noted in this connection that the cultivators in this area are quite well-to-do and are not generally indebted to the village merchant or money-lender and are, therefore, quite free to sell their cotton as they like. On the other hand, in the South Western district of Ferozepur where the cotton is grown on a large scale, more than 90 per cent. of the produce is brought to the local wholesale market by the producers themselves.

The system of assembling of *kapas* followed in the Gujrat area of the State of Bombay is quite different from that in other parts of the country. In the districts of Surat and Baroda practically very little *kapas* is brought to the wholesale markets and it is sold away either in villages or through co-operative societies who set up their offices during the season at important ginning factories. The quantity sold through co-operative societies in Surat area is estimated at 60 per cent. of the local crop. About 20 per cent. of the crop of the area is purchased directly by agents of ginneries who visit rural areas for the purpose. The balance is mainly sold by cultivators direct at ginneries. Our impression is that a cultivator of this area understands his interests well and he is generally able to secure a fair bargain in his dealings with the buyers.

2.4. *Loss incurred by selling in villages.*—The margin of profit made by the village merchants on their purchases in villages is generally estimated to vary from 5 to 10 per cent. of the value of the produce purchased. A large part of this margin is made up by over-weighing and/or mixing of inferior cotton with superior qualities. Besides, the village merchant has to incur some expenditure on transport which has ultimately to be borne by the cultivator. But if the cultivator sells direct he can use his own transport where available. Taking into consideration the proportion of the crop marketed in rural areas in different States, the quantity so disposed of is reckoned at more than half of the total crop. If the margin of the middleman is taken even at an average of 5 per cent. of the value, the total loss annually incurred by the cultivator on this account would amount to more than six crores of rupees. To save this loss to the cultivator, and to eliminate unnecessary middlemen; it is necessary to provide for short-term finance on the security of the crop on reasonable terms through village co-operative credit societies or multi-purposes societies or sale societies or some other suitable organizations as may be found feasible in the area concerned.

To enable cultivators to sell their crop in wholesale markets it is also necessary, as would appear from the following paragraphs, that the marketing practices should be properly regulated so that the cultivator may be able to sell his produce confidently and profitably. At present many cultivators do not take their produce to markets for fear of being cheated by the unscrupulous elements in the trade.

2.5. *Merchandising practices.*—*Kapas* is brought to local wholesale markets mainly in carts. The carts or pack animals are parked in the open yard in front of the commission agents (*kacha arhatiyas*) or broker's shop, or in the yard of the market committee, if any.

The quality of produce is generally examined by the buyers by drawing samples from different parts of the loaded carts or packages, while in certain markets the carts are unloaded and the produce is heaped for inspection. The produce is then sold to the buyers by open auction or by settling the price under cover or by mutual bargaining. Practically all the buyers have ginning arrangements with the local ginneries. Carts are taken to the gin to deliver the produce. In certain cases, delivery is given in the market yard itself and then buyers arrange to transport the *kapas* to ginneries. After the produce has been weighed prices are paid generally the same day, although in certain cases the payment may be delayed by several days, or the sale proceeds may be adjusted in the account of the seller. A number of malpractices were reported to be in vogue in regard to different operations in assembling markets. These are dealt with in brief in the following paragraphs.

2.5.1. Settlement of price.—In most of the markets, where merchandising practices have not been regulated, prices are settled by mutual bargaining between the commission agent of the seller and the buyer or his commission agent. This practice is, however, also in vogue in certain regulated markets, e.g., Hubli. Although in some cases the *kacha arhatiya* may consult the actual seller before finalising the deal, the cultivator-seller has little voice in the settlement of the price. Apart from the question of lack of competition while settling prices by mutual bargaining, cases are not rare where *kacha arhatiyas* try to favour the buyers. The reasons are obvious. The volume of turnover of the *kacha arhatiyas* depends largely on the goodwill of the buyers. Further, a large number of *kacha arhatiyas* depend for their finances on the buyers. In regulated markets the tendency to favour buyers can be eliminated by cancelling the licenses of the commission agents concerned. But at present the position did not appear to be quite satisfactory in this respect even in most of the regulated markets.

In some markets the price of *kapas* brought for sale is settled under cover. This is done by pressing the fingers of the hand in different ways under cover of a piece of cloth. There would appear to be no obvious advantage in following this practice although the local traders in markets where it is in vogue claim that they are able to secure a better price to the cultivators as each buyer not knowing the bids given by others tries to give his highest quotation. It is surprising to note that this practice is in vogue even in certain important regulated markets like Akola, Dhulia and Indore. As in the case of settling prices by mutual bargaining, the cultivator in this case also has practically no voice in deciding the price of his goods.

In a large number of regulated markets and some of the unregulated markets also, prices are settled by open auction. This would appear to be by far the best method of securing a competitive price to the cultivator. In case of markets, where the number of buyers is, however, not sufficiently large, the buyers do sometime combine and do not bid beyond a certain limit and the cultivators are not able to get a really competitive price. This is, however, also the case when prices are settled by mutual bargaining or under cover.

At Nanded, an important market in Hyderabad State, a different system of settling price is adopted. This is known as *Fardi* system. The total number of buyers are divided into groups equivalent to the number of days in a week and each group is allowed a day by rotation. It is binding on the commission agents of a particular group to sell their produce on the allotted day to the highest bidder of the day, while it is left entirely to sellers' commission agents of remaining groups to sell their produce to any buyer they like at the existing rates. If there are no buyers it is binding on the highest bidder to purchase the whole lot. The rates are declared separately, for all varieties of *kapas*. The system is reported to be adopted to facilitate handling of large quantities. It would, however, appear to have no particular advantage. It was reported to the Committee that the authorities concerned were now trying to substitute this method by the open auction system which has already been introduced in a few markets including Jalna which is by far the most important cotton market in that State.

Under the circumstances stated above, the Committee strongly recommends that early steps should be taken by the local governments concerned to see that cotton in all their wholesale assembling markets is sold by auction, if necessary, pending their complete regulation at a later date.

2.5.2. *Sales on samples*.—In certain markets, e.g., Chitaldrug in Mysore, auction sales are held on the basis of samples. The buyers collect together in the market yard or the office of the market committee or some other public place and bid their prices after examining the samples. This system has an advantage in case of markets where the shops of *kacha arhatiyas* are widely scattered, but as stated in para. 2.5.8 the buyers in most cases claim discount on the plea that the quality actually contained in the carts, etc., is not equal to the samples shown. This, however, applies also to a large number of cases in which the buyers draw their own samples from loaded carts. In view of this, certain markets have adopted the practice of unloading the carts and heaping the produce for inspection, although it involves some extra labour.

2.5.3. *Competition among buyers*.—The Committee collected detailed information about the number of important buyers operating in important markets. It is rather surprising to know that the number of buyers, even in some very important markets like Abhor and Akola, does not exceed more than a dozen. Further, the same firms operate in most of the markets of a region, and cases are not rare when they combine and do not offer prices above a certain level. One such case was reported to the Committee at Abhor. At that market it was also pointed out that one of the *kacha arhatiyas* had given evidence in a law court against a certain buyer, and consequently the buyers and joined together not to purchase *kapas* brought for sale through him. Although it is a regulated market, the market committee could not do much in the matter. In order to introduce an element of competition in the prices paid to cultivators, even where the number of buyers is not large, it would appear desirable to set up at least one co-operative sale society in each important market as recommended in para. 7.4.

2.5.4. *Point of delivery.*—In cases of perhaps more than 90 per cent. of the cotton markets in the country, the sellers from rural areas are required to give delivery in the gins. The system no doubt saves transport cost to the buyer which otherwise would ultimately fall on the sellers. It, however, places the cultivator-seller in rather an unfavourable position. In a good many cases the buyers try to charge some quality allowance in spite of the fact that the price is settled after examining the produce. The sellers may also be duped in weighment, while in certain cases they may have to wait for a long time before the delivery is taken. It is obvious that *kacha arhatiyas* cannot look after the interests of their clients in several ginneries which may purchase the produce sold through them. It is also difficult for the market committees to supervise the deliveries in each ginnery, although certain market committees as at Khanna and Amraoti attempt to do so. In view of these difficulties the market committee at Dhulia has decided to arrange for a bigger market area so that the produce could be delivered in the market yard itself. The position would, however, seem to require a detailed examination in respect of each market, particularly in the light of the number of gins working and their distances from the market yard, before the practice of giving delivery in the gins or in the market yard is adopted.

2.5.5. *Weighment.*—The Committee was pleased to see that, unlike the unsatisfactory conditions in rural areas, there were practically no complaints regarding weighment in a number of markets. The system of licensing weighment as is being followed in regulated markets is obviously of a great advantage. But it is to be noted that most of the regulated market committees have hardly any arrangements to check the weights and scales of the dealers working in their area. Further, in certain markets the quantity left over after weighing with the units adopted for weighment is either roughly estimated, or not taken into account at all. There can be no justification for such a practice. Authorities concerned should take steps to improve conditions in these respects.

2.5.6. *Karda or additional weight.*—Apart from the question of over weighment, in a number of markets sellers are required to give an additional quantity per unit of weight to compensate the buyers for supposed refraction in the produce delivered. It is generally known as *Karda*. For example, at Indore the *Karda* charged is 2 seers per maund, or 5 per cent. of the weight delivered. It is to be noted that it is purely a customary charge and has nothing to do with the actual refraction in the produce delivered. There can be no justification for such a charge and early steps should be taken to see that this practice is abolished by law forthwith.

2.5.7. *Tare weight.*—In certain markets in which cotton is sold in packs buyers try to gain by deducting a much larger weight than the actual weight of the tare used. For example, at Chitaldrug the tare charged is 18 lbs. as against the actual weight of about 10 to 12 lbs. Further, the tares used are not returned by buyers and are sold back to the cultivators at a price ranging from Rs. 1/8/- to Rs. 2 per tare. The regulated market committee at Davangere has

been trying to stop this malpractice but without any success. The objection of the buyers in this regard is that they are not able to empty the tares as soon as received. The tares can, however, be returned back conveniently to the commission agents through whom the *kapas* is purchased who, in their turn, can hand over the same to the sellers concerned. As regards weight of the tares, the problem could be fairly easily solved by placing with the weights a container of similar weight as the tare used.

2.5.8. Quality allowance or batta.—The Committee found the practice of charging *batta* or quality allowance very common in practically all parts of the country. This is done on the plea that the produce delivered is not of a uniform quality and is inferior to what was seen by the buyer at the time of settling the price. In certain markets the number of lots subjected to this allowance was found to be as many as 80 per cent. The *batta* charged may vary in different cases from $1\frac{1}{4}$ to 5 per cent. or more. There can obviously be no justification for such a deduction when the produce is purchased after examination. The practice is, however, in vogue even in a majority of regulated markets, although certain market committees have laid down rules that when the quality allowance exceeds a certain percentage the case should be referred to the market committee. But there are hardly any cases which are so referred, particularly as it involves a good deal of time and the cultivator prefers to give a little more allowance rather than wait for the decision of the committee. The only effective way of stopping this malpractice would appear to be to make the deduction illegal, and where a lot is actually found to contain produce of a markedly inferior quality the complaint should be made to the market committee who should arrange for the proper examination of the quality at the point of delivery and fix a suitable price, and also impose a fine on the seller, and such amount could be credited to the funds of the market committee.

2.5.9. Muddat (literary meaning a period).—It is a deduction made on the ground that the *kacha arhatiya* makes immediate payment to the seller while he gets the sale proceeds from the buyer after two or three or more days. The charge made is, therefore, to cover interest for the period after which the *Kacha arhatiya* is paid the sale proceeds by the buyer. The deduction generally made is, however, much higher than what would be warranted by the actual interest on the amount involved. As cash payment should be the rule in all assembling markets there is no justification for this deduction, and the necessary allowance for this small item could be made in the commission of the *arhatiya* concerned. This charge is found to be common, particularly in the markets in Madhya Bharat.

2.6. Merchandising charges.—As in the case of other agricultural commodities, the sellers and buyers of cotton have to pay a number of charges and deductions while selling or buying in an assembling market. These charges include municipal tolls and taxes, merchants' commission, brokerage, wages for handling and weighing and several miscellaneous charges including charity. The charges payable by sellers and buyers in typical regulated and unregulated

markets in the different cotton producing States are shown in Appendix XII and are summarised in the following Table :—

TABLE No. 6.—*Merchandising charges payable per Rs. 100 worth of cotton.*

State	Unregulated markets				Regulated markets			
	Name	By seller	by buyer	Total	Name	By seller	By buyer	Total
1	2	3	4	5	6	7	8	9
		Rs. a. p.	Rs. a. p.	Rs. a. p.		Rs. a. p.	Rs. a. p.	Rs. a. p.
Madhya Pradesh.	Nagpur	0 13 9	0 8 0	1 5 9	Akola	1 7 6	..	1 7 6
Madras	Pollachi	6 14 3	..	6 14 3	Tirpur	1 5 0	1 5 0	2 10 0
Bombay	Shegaon	6 5 0	..	6 5 0	Bailhongal.	0 9 0	0 6 0	0 15 0
Hyderabad	..	..	..	..	Nander	4 6 9	..	4 6 9
Punjab	Fazilka*	3 4 0	0 14 0	4 2 0	Fazilka	2 3 3	0 14 0	3 1 3

* Before regulation.

The total merchandising charges in the unregulated markets noted above vary from Rs. 1-5-9 per cent. of value to Rs. 6-14-3 with an average of about Rs. 4-11-0 per cent. These charges in the case of regulated markets range from Rs. 1-7-6 to Rs. 4-6-9 with an average of about Rs. 2-6-0 per cent. Thus the merchandising charges in a regulated market are on an average only about half of these in unregulated ones. It may also be noted in this connection that although in certain unregulated markets the merchandising charges may appear to be low, cultivator-sellers may be made to lose considerably in the operations of price fixation, weighment, etc.

Besides the question of the merchandising charges being high, cultivator-sellers are quite often required to pay for services which are not actually performed, and also certain conventional charges, e.g., charity. Even in certain charges for which there can be no justification. For instance, at Fazilka a seller has to pay for both the *Kacha-arhatiya* and the broker. Since the *kacha arhatiya* really works as a broker for the seller it is certainly unfair to make the cultivator-seller pay also for the broker. Again charity or *Dharmada* is not generally an approved charge in regulated market, but it is being actually charged in most of them.

2.6.1. *Basis of merchandising charges.*—There is no uniform system or basis of levying the various merchandising charges. In certain markets the commission of *kacha arhatiya*, for example, is paid by sellers while in some others by the buyers although he is

supposed to work as the agent of the seller. In certain others it may be paid by both. It is of importance that charges for a particular item should be paid by the seller or the buyer according to the nature of the service rendered. In order that the prices paid in different markets be comparable, it is also important that upto a certain point all the costs of marketing should be paid by the seller, and this could be the delivery point in the case of the assembling markets. After that point the charges should fairly be borne by the buyer. No such distinction is, however, made at present even in case of regulated markets. It is highly desirable that the Government of India should take steps to lay down a uniform system or basis for levying merchandising charges, particularly for adoption in regulated markets.

2.6.2. *Multiplicity of charges.*—The number of items for which the sellers and buyers have to pay in different markets differs considerably. While it is true that the functionaries employed should be paid due compensation for the services rendered by them, it is very desirable that the heads under which charges are made should be as few as possible. Multiplicity of charges simply adds to the confusion of the cultivator-seller who is not able to understand the minute differences between one charge and the other. At present the charges for weighment and handling may be made under as many as 3, 4 or 5 heads*, although the total amount could very conveniently be charged under one head.

2.6.3. *Excessive number of functionaries.*—The number of functionaries including commission agents (*kacha arhatiyas*), brokers, weighmen, etc. operating in several markets were considered to be much in excess of the number justified by their annual turnover. This appears to be the result of high merchandising charges. For instance, the handling charges come to as much as Rs. 4 to Rs. 5 per day per person although the daily wages outside the market for similar labour are not more than Rs. 1-8-0 per head. If the merchandising charges are reduced to reasonable limits and no malpractices are allowed, there would appear to be no doubt that the number of functionaries of all types including commission agents and brokers would go down considerably. The persons who would be so displaced would generally speaking be of the less efficient type and their elimination would, therefore, add to the efficiency of the marketing machinery.

2.7. *Arbitration.*—Arrangements for arbitration are conspicuous by their absence not only in unregulated markets but also in most of the regulated ones. The need for quick arbitration is particularly felt in most markets for settling disputes regarding *Batta*. Even in regulated markets, where arbitration committees have been appointed by the market committees, it is rare that cases of disputes are referred to them. It was pointed out that the time taken in settling disputes is long, and sellers prefer to pay a little higher discount rather than wait for a day or two for the settlement of the dispute and payment of sale proceeds. The need for quick and efficient arbitration machinery is obvious to protect the interests of the cultivator-seller—the weaker party in the transaction.

* Wages for unloading from carts, taking out from containers, making of uniform heap, putting on the scale, weighment, etc.

2.8. *Regulation of markets.*—Many of the defects and malpractices obtaining in the assembling markets, as indicated in the previous section, can be minimised and controlled by proper regulation of markets. It is, however, true that many of the said defects are noticed even in a number of markets already regulated, but this is due largely to the fact that the committees responsible for the administration of such markets do not exercise the control and supervision expected of them. In most cases technical guidance is also lacking.

The first step to regulate cotton markets under a State law, with a view to ensuring a fair price to producers, was taken in Madhya Pradesh more than 50 years back with the enactment of the Berar Cotton and Grain Markets Law, 1897. The markets under that Act were regulated exclusively for cotton. No progress in this direction was, however, made in any other area until 1927 when the Bombay Cotton Markets Act was passed. The interest in the regulation of markets was greatly stimulated by the recommendation made on the subject by the Royal Commission on Agriculture in India in 1927. Since then legislations to regulate markets for agricultural produce have been enacted in practically all the important cotton-growing States. Important cotton markets already regulated, and also of those which need to be regulated, are shown in Appendix XI. It would be observed that most of the important cotton markets in Bombay, Hyderabad, Madhya Bharat, Madhya Pradesh and the Punjab have already been regulated. In the case of Madras and Mysore only a few important markets have been regulated so far. The position in different States is stated in brief in the following paragraphs.

2.8.1. *Marketing legislation in different States.—Bombay.*—An Act to regulate cotton markets in this State was passed in 1927. Dhulia was the first market to be regulated in 1930 under this Act. This Act has since been replaced by the Bombay Agricultural Produce Markets Act-1939, which provides for the regulation of markets for all important agricultural products including cotton. 36 markets for cotton have already been regulated in this State. The Act is administered by the Chief Marketing Officer, Bombay, with the help of the necessary field staff. The markets in Bombay are on the whole better regulated than those in several other parts of the country, but certain serious defects were brought to the notice of the Committee in the working of several of them. These are :—

- (i) Cotton brought for sale from rural areas is sold in most of the markets by private negotiations, and not by open auction, and the sellers do not, therefore, always get a competitive price.
- (ii) Licenses are issued by certain market committees to village merchants with a view to securing more funds, although no arrangements exist for regulating sales in rural areas. Gadak Market Committee has, for instance, given about 400 licenses to village merchants in its market area.
- (iii) Payment of the produce sold is delayed in certain cases for months.

- (iv) Market Committees do not make any efforts to stop mixing of different varieties of cotton.
- (v) The staff employed for supervision and inspection is generally unqualified, untrained and insufficient.

The main reason why the market committees are not able to introduce the necessary improvements is that the representatives of growers on these committees, although in a majority, are illiterate and poor and are not generally in a position to enforce their views. Further, the staff of the local Marketing Department have no executive powers under the Act which are necessary for the effective supervision and control over the day to day regulation of the trade.

Madhya Pradesh.—Some of the cotton markets in this State were regulated as early as 1872 under the local Municipal Laws. In 1897 the Cotton and Grain Markets Law came into force. This was superseded by the Cotton Markets Act, 1932. Out of about 45 important cotton markets in this State, 40 have already been regulated. The market committees function under the control of the Deputy Commissioners and the local marketing staff are authorised only to inspect the markets and examine scales and weights. The Cotton Markets Act in this State was so amended in 1947 that instead of an elected committee, the administration of a regulated market can be entrusted by the State Government to a registered co-operative society. Amraoti, one of the biggest cotton markets in the State, is being managed since November 1947 by a co-operative body, viz. the Amraoti Tahsil Agricultural Association. Although it was claimed that this Association has been able to introduce several improvements in regard to correct weighment, deductions for *karda* or additional weights, reduction in commissions, etc., in actual fact much improvement was not observable. For instance, when the Committee visited Amraoti market it found the same prices being exhibited for *Jarilla* and *Buri* cottons on the Notice Board of the market committee although it was admitted that there should be a difference of at least 10 per cent between the two quotations. Again *Dharmada* which is not an approved charge is generally deducted from the sale proceeds by all *arhatiyas*. The position of other regulated markets is not very much different.

Madras.—Cotton markets in this State are being regulated under the Madras Commercial Crop Markets Act, 1933. So far only three cotton markets, e.g. Tirupur, Adoni and Nandyal have been regulated. There are, however, more than 20 other important cotton markets which need early regulation. The Director of Agriculture, assisted by the Provincial Marketing Officer, is responsible for the administration of the Markets Act.

The Tirupur Market Committee, besides regulating and licensing places of business, brokers, weighmen, buyers and sellers, and checking of scales and weights, is also publishing a daily market report and undertaking propaganda work for introducing improvements of cotton cultivation. This Committee also undertakes to sell cotton direct. Although in such cases no commission is charged, the quantities received for direct sales are negligible.

At Tirupur, the biggest cotton market in the State, a special market has been provided for dealings in cotton. It was pointed out to the Committee that a majority of the merchants working in cotton were also handling several other agricultural products and they had, therefore, to maintain two offices. Further, the merchants had to obtain two licenses for godowns—one from the Municipal Board and the other from the market committee.

Punjab.—Practically all the important markets in the State numbering about 60 have been regulated under the Punjab Agricultural Produce Markets Act, 1939. This Act has been made applicable to a very large number of commodities, including cotton. The administration of the Act is under the Deputy Commissioners, who have hardly any time or technical knowledge or assistance to guide the activities of the market committees. Generally speaking, very little has been done in this State by way of regulating marketing practices and charges, and the collection of fees seems to be the main object of the market committees. Practically all the important market committees have accumulated sizeable funds and the administrative authorities are rather reluctant to sanction expenditure, not knowing how best such funds could be used. The close association of the provincial marketing staff with the administration of these markets would appear to be essential.

Hyderabad.—The Hyderabad Agricultural Markets Act was passed in 1930, and the first market regulated was Nander, an important cotton centre. Practically all the important cotton markets have since been regulated. The administration of the Act is under the Chief Marketing Officer, and on the whole the marketing practices and charges in this State have been regulated to a fairly satisfactory extent.

Madhya Bharat.—Most of the markets situated in the territories of Gwalior, before merger, were regulated under the rules and regulations called "The Quawaid Mandi Hai, Gwalior". The important markets in other areas were also regulated under the local laws of the States concerned. The supervision and control of these markets is entrusted to the local marketing staff. But hardly any of the so called regulated markets functions as such. Even at Indore, which is the biggest cotton market in the State, the market committee does not function regularly. Many a times the *kacha arhatiyas* and buyers combine and sales are made on the condition that payment will be made after some days, or in instalments. Cultivators are sometimes forced to accept in part payment a quantity of cotton seed at an exorbitant price. The question of having a Marketing Act for the State as a whole is under consideration of the Local Government.

Mysore.—The necessary legislation was passed in 1939, and the Local Government sanctioned a sum of Rs. 3 lakhs for establishing a regulated market for cotton and ground-nuts at Davangere. Much progress could not, however, be made and the Government have recently sanctioned a sum of Rs. 35 lakhs for establishing a new

market at that centre. Pending establishment of the proposed market, the marketing practices and charges in the premises of the existing market have been regulated and a committee formed to look after the market. Two other important cotton markets—at the Chitaldrug and Arsikeli have also been regulated. The Chief Marketing Officer of the State is responsible for the administration of the Act. It has not, however, been possible to introduce much improvement due to the opposition of the local trade to any kind of regulation.

It need hardly be noted that it is not quite necessary to build a special market for regulating transactions in any particular commodity, and the regulation of markets in other parts of the country has been undertaken in the premises of the existing markets. In certain cases provision has, however, been made for common market yards where the same were not available.

2.9. *Suggestions for improvement.*—Although it is generally believed, mainly as a result of the propaganda by vested interests, that the marketing of cotton is better organised than that of other cash crops in India we are not convinced that it is so. From what has been stated in the preceding sections, it is obvious that the marketing of cotton, particularly in the rural areas and in wholesale assembling markets, suffers from more or less all the defects as the marketing of other agricultural produce. The defects and malpractices described in detail in the previous sections are also indicative of what is required to be done to improve the position in this respect. The Committee are convinced that there is no other single measure which could help the cotton grower in getting a better price for his produce than the effective regulation of all assembling markets. We have no doubt that this is a feasible proposition. Further, markets can be regulated without any cost to the public exchequer. Since the area of operation of a regulated market is much larger than that of several village co-operatives, necessary improvements can be introduced much quicker by regulation of markets. This should not, however, be taken to mean that in market areas which are properly regulated there would be left no need for organising marketing co-operatives and resorting to other measures for removing the defects which persists on such a large scale even after regulation. As indicated elsewhere in this Report, co-operatives can usefully help their members, besides financing and sales, in the supply of pure seeds and grading of the produce before sale, and also in its ginning and pressing. With a view to expedite effective regulation of all assembling markets, the Committee recommends :

- (i) That the State Governments concerned should arrange, with the help and in consultation with the Indian Central Cotton Committee and the Agricultural Marketing Adviser to the Government of India, for a quick survey of all unregulated important markets for cotton, and take early steps for their regulation.
- (ii) That representation of growers on market committees be kept in a statutory majority and the representatives

should be so selected or elected that they may be able to safeguard and advance the interests of the growers adequately. The Chairman of the market committees should as far as possible be a grower, and the persons selected for working as Superintendents or Secretaries of market committees should have a rural outlook and possess necessary knowledge and practical experience of the marketing of agricultural produce.

- (iii) That market areas should be clearly defined, and no attempts should be made to regulate sales or license functionaries in distant areas where no supervisory staff can be provided.
- (iv) That the systems of sale, weighment, sampling, delivery, payment, etc., adopted by a market committee should be such as to leave no room for suspicion or malpractice. Settlement of prices by open bidding should be made the law for all regulated markets. Sales should be restricted to common market yards, and as far as possible deliveries should also be arranged in such yards.
- (v) That merchandising charges should be laid down on a uniform and rational basis, and under a few specified heads. These should be made payable by the seller up to a particular stage in all markets, and after that by the buyer. Unwarranted deductions for *batta* (quality allowance), *karda* (additional weight), *bardana* (tare weight), *namuna* (sample) and *muddat* (discount for cash payment) as also for all other charges, e.g., charity which are not levied on the basis of any service rendered should be prohibited.
- (vi) That market committees should not license more functionaries than what are considered necessary for the proper running of the market. Working of various functionaries should be effectively supervised and controlled, and the licenses of undesirable ones should be unhesitatingly cancelled.
- (vii) That market committees should also take steps to stop mixing of different varieties, and where possible arrange for grading of improved varieties on purity basis before sale.
- (viii) That arrangements should be made by the market committees to obtain and exhibit each morning the previous evening's closing price of relevant key markets, together with price parities for the local market.
- (ix) That to ensure necessary technical guidance and supervision local marketing staff should be made responsible, where it has not yet been done, for the administration of local Market Acts. A Marketing Inspectorate should be formed under the control of the Chief Marketing Officer in each State for the proper supervision and control of regulated markets. Necessary executive powers should be given to the marketing staff under the markets Acts.

- (x) That each market should have an arbitration sub-committee, and all cases of dispute should be referred to such committees for their immediate decision.
 - (xi) That market committees not found working satisfactorily should be suspended or superseded, and proper arrangements made for the management of the market.
 - (xii) That arrangements should be made for organising an All-India Advisory Service under the auspices of the Agricultural Marketing Adviser to the Government of India with a view to giving all possible assistance to State Governments for an early regulation of all important markets as also for making available the results of experience gained and the developments made in different States to each other.
 - (xiii) That to ensure increased income the markets regulated for cotton can also be regulated for other important agricultural products handled in such markets and *vice versa*. Besides other things, this would enable the market committees to employ trained, efficient and adequate supervisory staff.
-

CHAPTER III.—GINNING AND PRESSING.

3.1. *Introduction.*—Approximately 90 to 98 per cent. of cotton brought for sale to local assembling markets is unginned, i.e., in the form of *kapas*. Ginning in rural areas is more or less confined to small quantities required to meet the local needs of lint and also of seed for sowing. It is generally done with hand machines.

Ginning of *kapas* sold in local markets is arranged by buyers who may be merchants, gin-owners or the agents of textile mills. A number of power gins are found working in all the assembling markets on hire. A number of gin-owners also operate as merchants and some textile mills have their own ginning and pressing arrangements.

3.2. *Economics of ginning in producing areas.*—Since cotton seed, which forms nearly two-thirds of the weight of *kapas*, has in most cases to be transported back to villages, particularly for feeding the cattle, it will mean a considerable saving in transport costs if *kapas* is ginned in rural areas, and only lint is carried to the market for sale. The experience of the growers has, however, been different. Since *kapas* can be more conveniently mixed, buyers as a rule prefer to purchase *kapas* and pay a little more for it than the corresponding price of lint.

It may be noted that although the ginning and pressing of cotton is undertaken after it has left the cultivator's hands, the cost incurred on these operations has ultimately to be borne by the grower. Organisation of ginning and pressing on economical lines is, therefore, of utmost importance for securing a higher return to the producer for his cotton.

3.3. *Ginning and pressing factories.*—Practically all the ginning and pressing factories working in various cotton-growing areas, excepting a few established by co-operative organisations, are owned by private concerns. Since cotton ginning is only a seasonal affair, a large number of these units have been installed along with oil-crushing or rice-milling plants.

As will be observed from the data given in the Appendix, nearly 40 to 45 per cent of the ginning factories in existence in different States have not worked for two or more years. Many of the other factories, though not completely idle, do not get a full season's work. Although the ginning and pressing capacity of the country was far in excess of its requirements, even in pre-World War II period, it has become more so due to a considerable fall in production of cotton during recent years. Since most of the factories are not able to get a full season's work, their working costs are relatively high and consequently the rates charged by them for ginning and pressing are also high.

3.4. *Ginning and pressing charges.*—The rates for ginning in different parts of the country were found to vary from Rs. 8 to Rs. 15

per bale, and those for pressing from Rs. 10 to Rs. 12/8/- per bale. The variation in the rates are not necessarily due to differences in the working costs. For instance, the combined rate for ginning and pressing at Tirupur (Madras), a regulated market, was Rs. 15/8/- per bale in May 1950 as against an average rate of Rs. 24/4/- per bale at Adoni, another regulated market in Madras State. Similarly, while the combined rate for ginning and pressing at Khanna in the Punjab was reported to the Committee to be Rs. 16 per bale, the corresponding rates at Abhor, another important market, was Rs. 22 and at Fazilka, another nearby market, Rs. 19/1/- per bale. As far as the ginning charges are concerned, the highest rate of Rs. 15 per bale was reported to be at Nimar in Madhya Bharat. At all centres, where unduly high ginning and pressing rates were being charged, some kind of pooling was reported to be in existence between the ginning and pressing factories. (See para. 3.5.). For instance, at Abhor in the Punjab six local ginneries had formed themselves into a group. Only 3 or 4 of them were working. Out of the ginning and pressing rate of Rs. 22 per bale fixed by the pool, Rs. 16 per bale, which was considered to be the cost of ginning and pressing, was kept back by the ginning and pressing factories concerned, and the balance of Rs. 6 per bale was credited to the common pool account. The money so collected in the pool was divided equally among all the six ginneries irrespective of the fact whether they had worked or not during the season.

During the past few years, due to abnormal conditions created by the World War II, ginning and pressing rates were fixed in certain States, e.g., Madhya Pradesh and Hyderabad, by the authorities concerned. The Committee was, however, informed, particularly in Madhya Pradesh, that the prescribed rates were not being adopted by all the ginning and pressing factories. In Hyderabad, the rate fixed for 1949 crop was Rs. 22/1/- per bale as against the current rate of Rs. 19/14/- per bale in May 1950.

3.5. Pooling system.—The system of pooling among the ginning and pressing factories with the object of eliminating competition was found to be in existence to a greater or lesser extent in practically all parts of the country. The system has no doubt been in vogue for the past several decades, and the Indian Cotton Committee, 1917, also reported on the high ginning and pressing rates generally fixed by such pools. Although in most of the cases where the capacity of the ginning and pressing factories in a particular locality is far in excess of requirements pooling does result in economic working as only a few of the units are required to work for the full season. This should not, however, lead to fixation of abnormally high ginning and pressing charges, which have really to be borne by the cotton grower. While it would not be advisable to disallow pooling and thus lose the advantage of reduced cost of working, it would appear very desirable that the rates fixed for ginning and pressing by the pools should be subject to Government control. The Committee, therefore, recommends that pooling among the ginning and pressing factories should be allowed only under a permit, say from the Director of Industries of the State concerned, and that in all such cases the rates, for ginning and pressing should be subject to the approval of such officer.

3.6. *Malpractices.*—Several malpractices in connection with the ginning and pressing of cotton were brought to the notice of the Committee. In cases where ginning is undertaken, particularly by merchants, mixing of inferior varieties of cotton with superior ones was reported to be very common, although the law requires the owners of factories not to allow any such mixing. In certain cases the gin-owners, who operate on their own account, so adjust the gins that a portion of the seed is cut and mixed with the lint. This is obviously done to increase the weight of the lint which is several times more valuable than the seed.

The practice of watering cotton was also found to be quite common in most parts of the country. It was said that moistening of lint to a certain extent makes it soft, and strengthens and lengthens its staple and also makes pressing easier. There is not, however, the least doubt that moistening deteriorates the quality and colour of the fibre and is thus harmful in the long run. Further, moistening or watering is generally done with the pure object of increasing the weight of the lint. Although watering of cotton in certain States, e.g., in Bombay, is prohibited by law, it is recognised in certain other parts, e.g., Madhya Bharat. A small allowance for driage is allowed in the contracts of buyers of shippers on the presumption that lint is, as a rule, watered before pressing. There would appear to be no good reason to allow watering of cotton at any stage and it should be prohibited under the Ginning and Pressing Factories Acts in all States. Every step should also be taken to enforce the prohibition.

3.7. *Législation to stop mixing, watering, etc.*—Since a good deal of mixing of inferior varieties with the superior ones takes place in the ginning factories, it was considered necessary that some provision should be made by which adulteration could be traced to the person guilty of it. With this object in view the Cotton Ginning and Pressing Factories Act was passed in 1925. It provides that the owner of each cotton ginning and pressing factory shall maintain a register containing a record of all cotton ginned and pressed in the factory, and of the names of persons on account of whom the cotton was ginned and/or pressed. The Act also lays down that each bale shall be marked in the prescribed manner with a serial number and the mark assigned to the factory. The press-owners are required under this legislation also to submit weekly reports showing the total number of bales pressed by them.

With a view to improving the efficiency of the ginning and pressing factories, the Indian Cotton Committee, 1917, suggested a scheme of licensing factories under certain specified conditions. They recommended that, before licensing, factories should be required among other things to provide sufficiently wide and open yards for stocking *kapas* and to keep their gins in proper order so that no undue proportion of cut or crushed seed might get mixed in the lint. Although the Indian Central Cotton Committee also made similar recommendations on the subject, the Government of India did not consider it advisable to make any provision in the Central legislation for compulsory licensing of ginning and pressing factories. They had, however, no objection to local Governments introducing the necessary legislation on the subject.

Although the Ginning and Pressing Factories Act has been adopted by all the important cotton-growing States, practically no check is being exercised on the working of ginning and pressing factories. For instance, in Madhya Pradesh the Committee was informed that there were only four factory inspectors who were responsible for inspecting and supervising the work of more than 400 ginneries besides about 600 other factories. The position in other States was perhaps not different, although no specific complaints were made to the Committee in regard to the working of the Ginning and Pressing Factories Act in any area.

CHAPTER IV.—DISTRIBUTION.

4.1. *Agencies engaged.*—Cotton is invariably ginned and pressed at wholesale assembling centres before it is moved to textile mills or parts for export. In cases where *kapas* is purchased by the representatives of textile mills or exporters directly in assembling markets they themselves arrange for its ginning and pressing as also for its transport to the mill or the port concerned, and all the expenditure involved in these operations is paid by the buyers. In most cases, however, textile mills and shippers instead of opening their own buying depots, or sending their representatives to assembling markets, purchase their requirements through the local wholesale merchants and gin-owners who work as commission agents. These functionaries arrange for the ginning and pressing of *kapas* purchased by them on behalf of their principals and charge only the actual or the settled expenditure on the various operations besides of course their commission which may range from As. -/8/- to As. -/12/- per cent. It was reported to the Committee that unless the quantity to be purchased from a particular centre is large there was not much of an advantage for a textile mill or exporter in having their own local depots in assembling markets, since the establishment charges of such depots often exceed the commission which they have to pay to the local commission agents. Approximately 45-50 per cent. of the cotton is estimated to be distributed from assembling markets to textile mills or for shipment abroad through the special representatives or local agents of the textile mills and exporters.

A considerable quantity of cotton is also supplied to textile mills and for export out of the stocks purchased by merchants and gin-owners on their own account. These functionaries stock cotton after having it ginned and pressed, and sell it at an opportune time. The sales of such cotton are again made in most cases through local commission agents or special representatives of the buyers. In these cases also buyers are required to pay only the commission or the remuneration of their representatives, besides of course the actual or the settled expenditure incurred on transporting the goods to the destination.

At consuming centres also a large number of merchants and commission agents are engaged in arranging supply of cotton from **up-country markets** to local textile mills, or for shipment abroad. These concerns in most cases work as commission agents of merchants or stockists in up-country markets who send their cotton to them for sale on consignment basis. Some of these merchants also work as commission agents of the local textile mills, while some others may purchase cotton at up-country markets on their own account for supply to local buyers. As in the case of up-country firms, the commission charged by these concerns generally varies from As. -/8/- to As. -/12/- per cent. on value of the goods sold or purchased, and all the charges for handling, transport, etc., are recovered from the seller or the buyer as the case may be.

There are no co-operative organisations engaged in the distribution of cotton at present. The marketing co-operatives assembling the produce of their members have to sell the same in the form of *kapas* or lint through the usual trade channels. In the case of some improved varieties, however, the sales of which are arranged by local Agricultural Departments, the mills buy directly from the assembling centres.

4.2. System of sale.—Sales in up-country markets are generally made after personal inspection, or on the basis of samples, and the prices are settled by mutual bargaining between the buyer and the seller. In certain cases, the stockists may offer to sell particular qualities of cotton to outside buyers by post, telegram or telephone, on the condition that the actual price will be determined in accordance with the 'on' and 'off' allowances fixed by the East India Cotton Association. In a few markets sales are also made on the basis of the terms of contracts prescribed by the local trade associations. For example, in Surat all purchases by textile mills or shippers are made according to the contract terms laid down by the District Cotton Dealers' Association, and in case of disputes arbitration is arranged by this Association.

Systems of sale may also vary to a certain extent according to regional conditions. In the Gujarat area, for example, during the cotton season from January to June, lint is purchased in unpressed form, while during the remaining part of the year all purchases of lint are in the form of bales. During the season, pressing, handling and carting charges from factories to destinations are paid by the buyer, while in the off-season, when pressed bales are sold, prices quoted are inclusive of all charges, excepting carting which is payable by the buyer. During the monsoon season necessary allowance for moisture is also made, and this is mutually settled by the parties concerned.

In the port markets, sales are generally made on the basis of samples. For example, at Sewri*, the principal cotton market of Bombay, the method operandi for ready sales is as follows :—

The sellers go with their samples to the buyers' stalls. After the price is settled the buyer visits the lot concerned and generally draws samples from 2 per cent. of the bales, although he can do so upto 4 per cent. of the lot. The samples weighing 10-15 lbs. each are drawn from different layers and sides of the selected bales, which are sealed by the buyer. These are treated as basic samples. If the other bales in the lot are found upto the quality of the sample, they are accepted by the buyer, otherwise the sample from such bales may be referred to the surveyors for examination and determining the 'on' and 'off' allowances to be paid by the seller or the buyer.

*This market has about 300 stalls. The stalls in the East Wing are occupied by the sellers, and those in the West Wing by the buyers. The buyers' stalls have special arrangements for diffused light for examining the samples. On the first floor of this market are arrangements for keeping standard samples of different types of cotton and for surveying of samples under dispute.

4.3. Maintenance of standard samples.—Standard samples of different grades of all the varieties of cotton tenderable under the Indian Cotton Contract as well as other growth traded in at Bombay are prepared and maintained by the East India Cotton Association as required under bye-law No. 53 of the Association. Such samples are prepared for five grades, viz., 'Extra superfine', 'Superfine', 'Fine', 'Fully good' and 'Good to fully good' of each type of cotton. Sets of standard samples for staple lengths $\frac{3}{4}$ ", 13/16" and $\frac{1}{2}$ " are also prepared for Jarilla cotton. Three sets of samples of each standard grade are maintained. These are known as : (a) Working standards, meant for every day use, (b) Appeal standards, to be used in case of appeals, and (c) Reference standards, on the basis of which the following season's samples are prepared.

It was pointed out to the Committee that although great care was taken in maintaining particularly Reference standards, there was always some slight loss of colour. Necessary allowance on this account was made while preparing the new samples, but there was no definite measure to ensure absolute uniformity from season to season. It is understood that technical specifications have been completed in the United States of America* for colourimeter that will directly and automatically measure the colour factors of cotton grade. This device will provide a direct reading on a two dimensional scale to register simultaneous values for reflectance and yellowness in the colour ranges of cotton within a narrow tolerance. If this device has since been found successful in the United States of America, it would appear worthwhile to adopt the same in this country also.

The Committee is of opinion that it would be a great help if standard samples are prepared by the local Trade Association for important local growths which are not covered by the East India Cotton Association at present. Further, it is important that sets of standard samples of the concerned varieties are kept in all important regulated markets for cotton so that the seller in the primary markets may also be able to take advantage of such samples and trade on the basis of the Standard Contract.

4.4. Standard Contracts.—A contract has been prescribed by the East India Cotton Association for both ready and futures transactions. Its use is, however, confined mainly to forward sales, or hedge contracts. It was pointed out to the Committee that the types of cotton tenderable against this contract are rather limited. Consequently, the producers and the dealers in varieties of cotton, which cannot be tendered against the said contract, are not able to use fully the East India Cotton Association Exchange for hedging purposes.

Textile mills in up-country centres generally have their own contract forms on the basis of which they make their purchases. It was brought to the notice of the Committee at more than one centre that the contracts of the textile mills are generally one-sided, favouring the buyer. For the smooth conduct of the trade on terms

* Report of the Administrator of the Production and Marketing Administration, 1949. (United States Department of Agriculture).

fair to both the seller and the buyer, the Committee considers it essential that Standard Contracts should be prescribed to cover all important types of cotton, and their use should be made compulsory by legislation. These could be enforced through the local Trade Associations. Arrangements for arbitration, which are particularly lacking in most of the markets, should also be provided under the terms of such Standard Contracts.

4.5. *Arrangements for survey and arbitration.*—The bye-laws Nos. 35 and 36 of the East India Cotton Association provide for appointment of surveyors and arbitrators. It is laid down that arbitrations regarding quality and appeals therefrom shall be held by whole-time paid surveyors each of whom shall have a sound practical knowledge of cotton—its quality, class and staple. The selection and appointment of surveyors is made by the Chairman of the Association, but the same is subject to the approval of the State Government who have also powers to appoint any surveyor on their own initiative. Persons appointed as surveyors are required not to have any dealings, direct or indirect, in any forward market or in cotton, forward or ready.

The number of surveyors appointed is from 6 to 8. All disputes as to quality between a buyer and a seller are referred to the arbitration of two surveyors, and if they differ as to their award, a third surveyor is appointed to work as the Umpire. Disputes relating to country-damaged cotton are, however, referred to arbitration of two dis-interested persons, one to be chosen by each disputant.

Except in the case of country-damaged cotton, all arbitrations and appeals with reference to quality are held in the rooms of the East India Cotton Association. A special committee is appointed to advise the Chairman from time to time as to the work of the surveyors. The functions of this committee are purely advisory. The award of the surveyors or the arbitrators, where no appeal is preferred, is final and binding on the parties concerned. As already stated, arrangements for survey and arbitration are, however, conspicuous by their absence in most of the important markets of the country, and it is essential that necessary arrangements in this respect should be made under the terms of the Standard Contracts.

4.6. *Futures trading.*—Futures trading in cotton forms an integral part of the distribution machinery, and the transactions on the futures exchanges are used as a medium of insurance by textile mills, stockists, traders and even some large producers. There is, however, only one futures exchange at present, i.e., of the East India Cotton Association of Bombay. The working of this exchange is regulated under the provisions of the Bombay Forward Contracts Control Act, 1947. The exchange provides all normal facilities required for futures and stock trading in cotton. The business of the exchange is managed by a Board of Directors consisting of all the interests concerned, including representatives of growers and also of Government. The Board has recently devised a hedge contract for trading which, among other things, provides facilities for up-country tenders by farmers and dealers.

Before the futures trading in cotton was banned in 1943, futures exchanges for cotton were operating, besides Bombay, at Indore, Ahmednagar, Ujjain, Adoni and certain other markets. Although the law allows forward contracts for specific periods and quantities, and at specified prices, such contracts are not transferable and cannot be used as a medium of insurance like the hedge contracts. It was pointed out that as the trade and the manufacturers cannot cover their risks by hedging their commitments on the futures exchanges, they have to provide for a larger margin between their selling and purchasing rates, and the additional cost of marketing has to be borne mainly by the producer. Further, since the types of cotton which can be tendered against the contract prescribed by the East India Cotton Association are limited, the need for organising similar exchanges was pointed out to the Committee by several witnesses. It was suggested that, besides Bombay, there should be at least three other exchanges—one each in Southern India, Central India and Northern India.

It was also pointed out that since raw cotton has now been brought within the purview of the Centrally Reserved Subjects, the existing State enactment should be speedily replaced by a uniform Central legislation similar to the United States Cotton Futures Act, and that all the cotton exchanges in the country should be regulated in accordance with the provisions of such an enactment.

4.7. *Distribution costs.*—The distribution of cotton from assembling markets to textile mills or ports would appear to be conducted on fairly economic lines. The textile mills or exporters, who have generally to incur such expenditure, for obvious reasons, try to effect all possible savings. A comparison of the costs of processing and marketing of cotton from the farm to textile mills through (i) the usual trade channels, and (ii) co-operative organisations as given in Appendix XIII will show that the difference between the total costs in the two cases is small and consists mainly of the merchants' commission or *Dalali* which may total about 1 to 1½ per cent. on value. Although the charges incurred on handling, processing, transport, etc., are generally the same in both the cases, the cultivators are generally able to get a substantial advantage by selling their cotton through co-operative organisations in several other ways. This is reckoned to range from Rs. 25 to Rs. 30 per bale. (See para. 7.3.4).

CHAPTER V.—WORKING OF COTTON CONTROL

5.1. *Introduction.*—During the Committee's visits to important cotton markets in various States in 1949-50 season, a number of points in respect of cotton control were brought to our notice, which have an important bearing on : (i) the interests of the cotton grower, (ii) cultivation of improved types, and (iii) the trade margins and practices. Although the study of the working of cotton control does not strictly come within the terms of reference of this Committee, it may not be out of place to refer in this Report to the specific problems presented to us.

During 1949-50, as in several previous years of control, the Government of India had prescribed floor and ceiling prices for important types of cotton together with 'on' and 'off' allowances for the different standard grades. While the floor and ceiling prices were fixed for lint, no correspondening rates had been prescribed for *kapas*. At first sight it looks illogical and odd to do so. But there are some advantages which have been secured by these means. Due to short supply of cotton in the country, the Textile Commissioner had allotted to textile mills in various zones quotas of local, other Indian styles, and foreign cotton. Textile mills were required to purchase their quotas only in the specified zones.

5.2. *Uniformity of control.*—It was observed that the measures adopted by the local authorities for enforcing the statutory ceiling prices of lint in certain States were not in conformity with the general policy of the Central Government. Although, under the Central scheme of control, no stipulation was made to control the prices of *kapas*, the authorities in Hyderabad had fixed ceiling prices for *kapas* in both 1948-49 and 1949-50 seasons. The Committee was informed that the local authorities found it more or less impossible to exercise any effective control on *kapas* due to variations in ginning percentages, etc. and ultimately, in pursuance of the directives of the Central Government they had to give up the control on *kapas*. The cultivators of this State were in consequence the losers to a considerable extent inasmuch as they were not able to get the high prices for their *kapas* which their brethren in other States were able to do.

Although in Madras and Mysore no prices for *kapas* were fixed, the members of the Southern India Textile Millowners' Association in that area made a 'Gentleman's Agreement' not to purchase *kapas* above certain fixed rates. The Agreement had the implied support of the local authorities. It was pointed out to the Committee that on the enforcement of this Agreement there was a cut of 10-15 per cent. in the prices of *kapas*.

It was also reported to the Committee that in Madhya Bharat the State Government had imposed certain restrictions on the movement of *kapas* which were not quite warranted by the Central Control Order. Such restrictions had a depressing effect on *kapas* prices, and the growers were the sufferers.

Since there is a Central Control on cotton, it should be seen that the State Governments or Associations of trade or textile mills do not adopt measures which go against the accepted policy of the Central Government and cause losses especially to the helpless cotton-grower—helpless because he always bears his misfortunes mutely.

5.3. *Prices of kapas.*—Excepting the three States mentioned in the preceding paragraphs, the Committee found that the prices of *kapas* in practically all the other areas were generally appreciably above the parity of the ceilings fixed for lint. In the Punjab markets, while according to the ceiling price of lint the price of *kapas* should have been about Rs. 21 per maund, it was actually selling at Rs. 29 to Rs. 32 per maund. The difference in the case of Gujerat markets was found to range from Rs. 9 to Rs. 19 per maund. The range of difference between the parity and actual prices of *kapas* in different markets was mainly dependent upon the supply and demand position in the area concerned.

It was also pointed out to the Committee that since the textile mills were allowed to sell in the export markets a part of their production without any price restrictions, they could well afford to pay a higher price for *kapas*. Further, the textile mills by purchasing direct could make some savings in the costs of processing and merchandising charges, and to that extent pay a higher price for *kapas*. There appeared to be a general satisfaction at least amongst the growers for not fixing any ceiling price for *kapas*.

5.4. *Premium for different qualities.*—Complaints were made to the Committee at several places regarding the low ceiling prices fixed for certain types, and also in regard to non-fixation of ceiling prices for certain other types. It was pointed out, for instance, that Gaurani had been grouped with types which were comparatively of an inferior quality, and the producers of this improved variety were therefore, not getting the due premium.*

In regard to non-fixation of ceiling prices, it was reported that although the Textile Commissioner had not fixed ceilings for certain superior types with a view to enabling the growers of such varieties to get high prices for their products and thereby spread their cultivation, in actual practice the growers were not able to get even parity prices for such types. For example, in case of Rajjyapalam and M.A.5, there was no special demand for superior types in the areas in which they were grown. The local mills were, therefore, not prepared to pay proper premiums for these superior qualities, and the cultivators were not, therefore, able to get even what might have been fixed by the Government as their ceiling price. The general opinion seemed to be that in case of superior types, for which no ceilings were fixed, it was important that no restrictions should be placed on their movements also from one zone to another. It was only then that the growers will be able to secure a proper premium for such types. On the other hand, it was pointed out that when the movement restrictions in respect of some of these types were removed, there was a lot of mixing of such types with inferior styles, and the movement was, therefore, not confined only to the desired

* The position in this respect has been corrected in 1950-51 season.

types. In order that the cultivator may be able to get due premium for their superior quality produce, and also that there may be no mixing of such superior cottons with inferior types, it is desirable that the exempted types should be allowed to be sold and moved from one zone to another only under the Agmark, or a certificate of purity from the local agricultural authorities.

5.5. *Allocation of quotas.*—From the point of view of both the quantity and the quality, the quotas allotted to different mills were said to have led to a good deal of trouble. In Madhya Bharat, for example, the supply of local cotton was far in excess of the requirements of the local mills, but even then these mills were allowed to purchase a part of their quota from the Gujerat area. It was said to be due to an under-estimate of the local crop. Apart from the question of quantity, the allotment of Jaywant and Vijay cottons from the Gujerat area to Indore mills, which generally work with 20 counts, was not quite right. Jaywant and Vijay cottons can be spun into much finer counts than 20. The local mills did not like to import these cottons for which they had to pay comparatively higher prices. Similarly, some of the improved types of cotton, e.g., Uganda and M.A.5 grown in parts of Madras and Mysore were found, as already stated, to fetch comparatively very low prices as there was not much of a demand for such types in the zones concerned. The Committee was informed that while the local mills in Mysore and Madras were not prepared to pay a price of more than Rs. 1,350 for Uganda cotton, that cotton was able to fetch as much as Rs. 2,000 per candy in the Bombay markets. Similar difficulties are reported to have been experienced in the marketing of these superior types during the current season (1950-51) also.

5.6. *Trade margins.*—As stated elsewhere in this report, the textile mills and shippers generally purchase cotton in the form of lint in bales. Due to the control on lint without a corresponding control on *kapas* it was observed that a considerable part of the crop was being purchased by textile mills, or more truly in the name of textile mills by commission agents for their representatives. Although direct purchases by mills in the assembling markets are desirable, such purchases oddly enough did not appear to have brought any good to the cultivator. It was pointed out that as the number of accredited representatives of the textile mills in a market was very limited, and as the gin-owners and merchants were not in a position to buy *kapas* due to the fear of their stocks being requisitioned at controlled prices, there was very much less competition among the buyers than under normal conditions. It was reported, for example, at Dhulia, that while the trade margin under normal conditions was about Rs. 2 per bale, it was about Rs. 25 now, and that such large profits are being pocketed by only a selected few as a large number of firms, which did not represent any textile mills, were not able to take part in the business.

5.7.1. *Control in 1950-51.*—Since textile mills had to purchase *kapas* during 1949-50 season at prices appreciably higher than the parity prices on the basis of the ceilings fixed for the corresponding qualities of lint, and as they had to sell their product at prices

fixed by the Government, they protested that *kapas* should be made available to them at prices in parity with the basic prices fixed for the corresponding qualities of lint. The Government of India agreed to take suitable measures to keep *kapas* prices within reasonable levels. The viewpoint of the grower's interests, however, was that textile mills voluntarily paid higher prices for *kapas* because they could afford to do so due to the extra margin available to them from a part of their production which they were allowed to export or sell in the open market.

With a view to maintaining *kapas* prices within desirable limits, the system of direct collective purchases was proposed. As an alternative to collective purchases, the Government in consultation with the industry decided to take the following steps to maintain *kapas* prices within price parities of the ceilings fixed for lint of the corresponding variety :—

- (i) To prohibit the mills from buying *kapas*.
- (ii) To prohibit hoarding of *kapas* and to require ginning factories to get all *kapas* in their possession ginned within a specified period.
- (iii) To ban movement of cotton from one zone to another, or within a zone, except under a permit issued by the Textile Commissioner.
- (iv) To allow purchases of lint by only Government nominees specially appointed for the zone concerned.

It was also decided to appoint Regional Committees for each important cotton zone to supervise the working of the control measures. These Committees were manned mainly by industrialists and traders. Although the Government nominees were to purchase only lint, the Regional Committees were required to indicate the prices which could be paid for different varieties of *kapas* grown in the zone concerned. Government nominees were appointed for practically all the important cotton zones excepting Hyderabad and Saurashtra. The number of nominees appointed varied from two in the Fazilka area of the Punjab to 39 in the case of Karnatak area of Bombay. While on the one hand the Government claims that they have been able to achieve the objective to a considerable extent, there have been very vehement protests from the growers, merchants, the *arhatiyas*, the mill-owners, as well as the Indian Central Cotton Committee and the State Governments.

5.7.2. It was brought to the notice of the Committee that in certain cases, e.g., Madhya Pradesh, the nominees divided the zones allotted to them amongst themselves, and each one of them undertook to purchase from a specified area. There was, therefore, no competition of any kind between the buyers. These nominees also decided to purchase cotton upto a certain limit, and no further purchases were to be made until all the nominees had purchased the desired quantities. What happened was that a nominee had purchased upto the desired limit, while others were not able to do so for a considerable time, and in the latter's area, therefore, marketing came to a standstill and the local growers had to wait for a considerable time before they could dispose of their *kapas*. In view of the representations

made by the representatives of growers (including Dr. P. S. Deshmukh, the Chairman of this Committee), Government, however, agreed to increase the number of nominees, and also to disallow the nominees from coming to any common agreement to restrict their purchases to any particular area, or upto a particular limit.

It was also reported to the Committee that in certain cases the nominees started paying prices above the ceilings with a view to securing for their mills the desired quantity and quality of cotton since each mill was anxious to get its requirements as early as possible. With a view to stopping any such malpractices on the part of Government nominees themselves, Distribution Committees were formed in certain areas. The function of these Committees was to pool all the supplies and distribute them to different Government nominees *pro rata* according to the mills' orders pending with them.

5.7.3. Although as a result of the measures adopted by the Government not to allow the prices to pierce the ceilings, the textile mills were able to get their requirements well within the ceiling prices, the cotton growers were not able to get a competitive price for their *kapas*. Further, as one ceiling price is fixed for lint of a particular variety in the area irrespective of its quality, no proper premium was paid by Government nominees for better quality produce.

Besides other things, purchase of lint through Government nominees is likely to affect adversely the production of improved types, a lot of mixing of which with inferior types was reported during this season. It was pointed out that, while the total production of Rajjyapalam according to its acreage may not be more than 20,000 bales, about 35,000 to 40,000 bales were reported to have been sold at Rajjyapalam.

The Committee appreciates that no system of control can be perfect, and there are bound to be defects affecting adversely one or more interests. It is, however, important to note that the control measures which are likely to deprive the cultivator of a fair price for his produce, or a due premium for the superior qualities, or which may lead to mixing of improved types with inferior types, will have a very severe repercussion not only on the production of such types, but in the long run on the textile industry as a whole. This Committee is surprised to note that the Ministry of Food and Agriculture, which is responsible for increasing the cotton production in the country, has practically little or no say in the farming of the cotton policy. The growers have been given very little or no representation on the Textile Advisory Board, or the Regional Committees. It will not be out of place to mention that the general feeling among the growers is that the cotton control has been planned and is being worked by the textile industry and the trade magnates in their own interests.

The Committee hopes that the Government of India will no doubt give due consideration to the various points brought to our notice and take suitable steps to remedy the position as far as feasible.

CHAPTER VI.—PROPAGATION OF IMPROVED VARIETIES AND GRADING.

6.1. *Introduction.*—As already stated, a large number of suitable varieties of medium and long staples have been evolved by selection or hybridisation for cultivation in different cotton tracts of the country, and quite a considerable part of the cotton area is now occupied by such varieties. But in many cases these are mixed with other types. It was pointed out to the Committee in several tracts that the growers were not able to get pure seeds of improved varieties. Full benefits of improved varieties would, however, never accrue to the farmer unless cotton is grown and made available to the Industry in a pure form. The industry requires particularly for machine handling produce of a uniform quality which can be obtained only by growing pure varieties.

It was also reported that certain improved types, which showed good results in the beginning, were not doing well now. The opinion appeared to be that the seed of improved varieties get deteriorated after a certain stage and, therefore, it was necessary to maintain a regular flow of pure seeds of approved generations. Before considering the measures which need be taken to ensure supply of seeds of desired quality, it would be useful to state in brief the method of seed multiplication generally followed in the different parts of the country.

6.2. *Methods of seed multiplication and distribution.*—After the production of a new variety, the breeder multiplies the seed by sowing "selfed" seed, obtained from his experimental farm on an area of an acre or two known as "Nucleus Plot". The "selfed" seed for sowing is usually obtained from selected plants which possess the true vegetative, floral, seed, ginning and fibre characters of the variety. The flowers produced in "Nucleus Plots" are again "selfed". This is done by fixing galvanised iron rings over large-sized unopened flower buds. The ring is tied to the flower stalk to prevent open pollination by insects and so that the boll developing from "selfed" flower be easily recognisable. The seed obtained from these "Nucleus Plots" is then sown on bigger plots on Government agricultural farms for further multiplication. The seed from Government farms is distributed to registered cotton growers in the "inner reserved area" or "inner seed farm". These registered growers are generally influential and trustworthy zamindars, and they bind themselves to grow the variety under desired conditions and to allow roguing and ginning under departmental supervision and also to sell the entire seed produced to the Department. They are generally paid a suitable premium for such seed. The seed from the "inner reserved area" is distributed for cultivation by registered growers in what is known as the "outer reserved area" or "seed farm", and on these seed is multiplied under similar conditions as in the "inner reserved area". Seed obtained from the "outer reserved area" is distributed by the Agriculture Department for general cultivation.

Seed released for general cultivation is, therefore, generally of the fifth generation. If the supply of seed of the fifth generation is not enough the process may be carried further and it may be of the sixth or the seventh generation. The actual distribution of seed is done through seed depots of Agriculture Departments, co-operative societies or through specially-appointed agents where necessary.

6.3. *Cost of seed multiplication and distribution.*—The expenditure incurred by the Agriculture Departments on the operations of roguing and controlled ginning and distribution of seed produced on farms of registered growers does not generally exceed -/1/- per acre, or say about -/3/- per maund of *kapas* produced. In Hyderabad State this expenditure is being met mainly from a fund formed by levying a voluntary fee of -/4/- per bale from buyers who may be merchants, commission agents or mill-owners. This is said to have helped a good deal in the rapid spread of Gaurani-6 variety which now covers an area of about 3½ lakh acres in a compact block. The buyers were reported to be paying the fee, which worked out to only about -/1/- per Rs. 100 worth of produce, very willingly. It was also reported that after meeting the necessary expenditure a sizeable amount has been accumulated in the fund, and the question of establishing a seed farm with the help of this amount was under consideration.

In the case of most of the other States seed multiplication and distribution schemes are being financed with the help of the Indian Central Cotton Committee as shown in Appendix XIV.

Taking into consideration the cost incurred on roguing and controlled ginning and distribution of seed, as also the premium allowed to registered growers for their seed, the cost of improved seed to the Agriculture Departments is generally about 10 per cent more than the market price of ordinary seed. In all the areas visited by the Committee it was reported that the growers were only too willing to pay the necessary additional price for improved seeds.

6.4. *Need for expanding supply of pure seed.*—Although nearly 47 per cent. of the area under cotton is reported to be covered by improved varieties, the seed distributed by the Agriculture Department in different States is enough to cover only about one-fourth of this area. More than 70 per cent. of the area under improved varieties is, therefore, sown from seeds obtained by growers from their previous crops or some other sources. The crop in such area is, however, found mixed to a greater or lesser extent. In order that the country may be able to get the full benefit of improved strains of medium and long staples evolved after years of strenuous work and incurring huge expenditure it would appear essential to expand the work of seed multiplication to at least four times its present extent so that seed of approved quality may be available at least for sowing such lands where improved varieties are being grown at present and also any additional land which could be usefully put under such varieties. As suitable improved types for areas on which *deshi* varieties are being grown at present are evolved, the arrangements for seed distribution should be expanded accordingly.

There would appear to be no great difficulties in the way of achieving this object. In Egypt, 99 per cent. of the cotton crop is grown from seed supplied by the local Agriculture Departments.* The proposal to expand seed multiplication work should not be postponed on grounds of expenditure. The extra cost can be covered by either levying a small fee per bale from buyers as is being done in Hyderabad State, or the price of approved seed could be so fixed by the Departments of Agriculture so as to cover all the necessary expenditure. The growers would, as a rule, be only too willing to pay a little higher price for better seed. To avoid, however, any possibility of inferior seed being sown it should be laid down by law that no cotton seed shall be used for sowing which has not been duly approved by the local Agriculture Department for the purpose. It is understood that such provision was in existence in the Baroda State before its merger with Bombay, and there is no reason why similar provision could not be enforced in other States. Similar law† has also been in force in Egypt since 1926.

6.5. *System of sale of improved types.*—The improved types have not spread as rapidly as one should have expected, taking into consideration their superior cultural and fibre qualities. The main

* Seed produced by any person or organisation is allowed for sowing in Egypt so long as it passes certain tests for purity, but in practice 99 per cent. of the commercial crop is now derived from Ministry of Agriculture seed. Practically, the whole seed maintenance system is centred on the Giza farm, controlled by the Cotton Research Board, with links radiating to other Government and private farms throughout the length of Egypt. For each variety in cultivation, a 'renewal nucleus' of pedigree plants is maintained on an area of 10 or 20 acres from which all the commercial crop of that variety is ultimately derived. The renewal nucleus in course of becoming a commercial crop is expanded at first either by the State Domains or other Government farms or by selected private growers under contract to return the seed for Government distribution the following year. A similar system with modified form of contract is continued among private growers for two or three more years of expansion, by which time the Ministry of Agriculture seed is available for about one-sixth of the country's total cotton area. All operations are carried out on land surrounded by big areas of the varieties in question, generally in zones, with newest seed towards the centre. Thus, the new seed is protected from outside contamination. This seed then circulates among growers for a few years, not under Government control, except that it comes up for examination each year under the provisions of the Seed Control Law and is classed as ordinary commercial seed. Finally, it fails to pass the Government standards of seed purity and is eliminated from the supply system, and goes for crushing. In the meantime, fresh waves of pedigree seed have been expanded from a later renewal nucleus, a new selection improved in purity and often improved in lint quality or yield, and so the replacement system continues indefinitely. The kind of improvement referred to here is such that the product is not changed enough to call for a new name and so cause disturbance in the marketing; development of new varieties is not the normal function of the seed maintenance system. The modern conception of a variety, Ashmouni for instance, is thus a succession of crops from successive Ashmouni nucleus families, all probably slightly different, though all derived from the parent Ashmouni. (*The Indian Cotton Growing Review*, Vol. II, No. 2, April 1948, pp. 59-60).

reason is that the grower is not generally able to get due premium for his superior cotton and, therefore, there is not much of an incentive for him to grow improved varieties and maintain their purity. Special sales of *kapas* or lint from improved types are, therefore, being arranged for the last several years with a view to securing due premium for such produce. In certain cases these form part of the seed multiplication and distribution schemes. The methods of sale adopted for the purpose in different States are briefly described below :—

Madhya Pradesh.—In this State the work of pooling and selling *kapas* or lint obtained from improved varieties is being organised by a special Marketing Officer for the past many years, and this organisation forms an essential part of the seed distribution scheme. A register is maintained giving the area under each variety sown by a registered cultivator, purity of the crop on the field as determined by the departmental staff during the operations of roguing and the probable outturn of *kapas* from that area. *Kapas* from these fields is brought to the pooling centre where it is weighed, inspected and graded according to its variety, stage and purity. A receipt is given

† Under the provisions of Law No. 5 of 1926 (Seed Control Law), seed intended for sowing must not be ginned without a licence and ginning must be carried on under the supervision of an inspector of Ministry of Agriculture, one such inspector being attached to every licensed ginnery. At the commencement of ginning, a specified amount of seed cotton must be run to clear the conveyors, etc., and not until then is seed collected for sowing. The inspector takes a sample of seed or seed cotton according to specified routine for examination in the Ministry of Agriculture laboratories. If the seed or seed cotton fails to pass the standards laid down from year to year, the certificate is refused and the seed cannot be used for sowing. About 10,000 lots of seed are annually received for examination, the standards being steadily raised, so that about 2,000 lots always fail to pass. It is estimated that more than 90 per cent. of the seed in use, when the law originally came into operation, would have failed to pass the present standard. From 1942-43, an important advance has been made in basing acceptance or refusal on the spinning quality of the ginned lint. This, however, applies only to long staple varieties. Samples of these are received in the form of seed cotton at the Cotton Research Board. These are ginned and spinnings on the lint are carried out at the Test Mill on mass production lines. If the yarn falls below the strength standards fixed for each variety, the seed is refused for sowing. In this way all the long staple cotton of Egypt is now grown directly from seed whose lint has passed the spinning standards, lot by lot. In effect, the growers have adopted the spinners' main criterion for uniformity of deliveries, viz., yarn strength uniformity. This is a very practical attitude, for, it is the yarn strength more than any other factor that determines the premium for high-grade Egyptian cottons. Direct control of crop quality by spinning tests has not been admitted anywhere else and it is a big advance in controlling and maintaining the standard of purity of a variety. As a reinforcement and supplement, a Dated Seed system is being developed. Under this system, all seed lots will be dated according to the year of issue from the Ministry of Agriculture and the seed derived from these lots will be refused for sowing after a certain time limit, whether there is measurable deterioration or not..... For the present, however, only small quantities of 'dated seed' are in circulation. (*The Indian Cotton Growing Review*, Vol. II No. 2, April 1948, pp. 60-61.)

to the cultivator showing the quantity and quality of *kapas* received from him, and he is also paid an advance upto 50 per cent. of the market value of his produce. He is required to sign an agreement empowering the Marketing Officer to get his produce procured and sold. When sufficient quantity of *kapas* of a particular quality is collected it is ginned and pressed at factories with which special arrangement is made for the purpose. The cotton seed is either returned to the cultivator or purchased for distribution through departmental stores, or sold in the open market according to the terms of the agreement. The pressed bales, after grading and marking according to Agmark Rules, are sold directly to the textile mills by the Marketing Officer with the approval of the local pooling committee. Sales proceeds are passed on to the cultivator concerned after deducting the amount of loan advanced, if any, together with interest at 4 per cent. per annum.

It may be noted that, although the organisation works under the direction of the Marketing Officer (Cotton), the procedure of the working of the various pools is decided at a meeting of the representatives of the Taluka Agricultural Associations in cotton tracts and departmental officers held at Akola every year. A Central Committee of non-officials is also formed for advising the Marketing Officer about the working of the pool from time to time and the members of this Committee are elected by the representatives of the Taluka Agricultural Associations. A pooling committee is also formed for each pooling centre for advising the agricultural assistant concerned in matters like sales of pooled cotton, selection of factories for ginning, etc. During 1949-50 season there were 32 centres at which pools were arranged. It is claimed that by selling direct to textile mills on the basis of guaranteed purity it is generally possible to get a premium of Rs. 5 to Rs. 10 per candy. The cost of the special marketing organisation is being met partly by the Indian Central Cotton Committee and partly by the local Government.

Bombay.—In the Surat area of this State distribution of seed as also the sales of *kapas* or lint obtained from improved types are arranged by co-operative sales societies (see para. 7.3.4.). Most of these societies have their own ginning or pressing factories. Those who have none arrange for the ginning and pressing of the produce of their members at some private factories. The lint obtained is graded under the Agmark according to its purity and each bale labelled accordingly. Although the societies sell their lint to textile mills through local merchants, brokers or mill agents as is done by private concerns, they are able to get for their produce an appreciable premium generally ranging from Rs. 15 to Rs. 25 per candy due to its guaranteed purity as indicated by the Agmark label.

In the Karnatak area of this State produce from improved seed is sold in the form of *kapas*. It is, however, graded by the officers of the Agriculture Department according to the staple length and refraction content of each lot. Special auctions are arranged for the sale of such graded lots. Although it is difficult to assess the advantage obtained by grading, as a part of the produce is rejected during the process of grading and also at the time of auction, there is no doubt that the co-operatives in Surat area are able to obtain

a better price for their members by grading on the basis of purity than that obtained in this tract by grading on the basis of ginning percentage, refraction, etc. The farmers of Surat understand and appreciate the advantage they get.

Hyderabad.—In this State, instead of selling *kapas* or lint obtained from improved types by public auction, auctions are arranged in the principal markets every year, a short time before the commencement of the season for the fixation of premium for improved types over the day-to-day market rates of ordinary cotton of the same variety. The highest bidders are generally the textile mills from Sholapur, Belgaum, Bombay, etc. The implication is that all the cotton of that variety brought to the market and certified by the Agriculture Department as pure is to be purchased by the textile mill concerned at a price equal to the price for the day of ordinary cotton plus the amount of premium. This system has been in vogue since 1938, and it has secured to the agriculturists sufficiently attractive premiums ranging upto Rs. 20 or so per candy. It may be added that before adopting the said system a co-operative union was set up to supervise auction sales, ginning and pressing of the produce and grading of the lots under Agmark. This co-operative union did not, however, prove a success.

Mysore.—In this State, collection, cleaning and distribution of seeds of improved types are arranged by the Agriculture Department with the co-operation of the cotton marketing co-operative societies in the State, and the produce obtained is sold by public auction. The same system is being followed in the Uttar Pradesh.

Other States.—No special arrangements exist in the Punjab and Madras for the marketing of cotton of improved varieties. It is understood that schemes for the marketing of Uganda cotton in Madras and LSS-26 in the Punjab are under consideration, and will be shortly introduced.

Summary.—The different systems of sale in vogue in different States were reported by the local authorities to be best suited to their requirements. Looking, however, from the point of view of premium received, the system of sale on co-operative basis, after ginning and pressing of the produce, and grading the same under Agmark appears most advantageous.

6.6. *Grading under the Agmark.*—The grading of improved varieties on the basis of purity under the Agricultural produce (Grading and Marketing) Act was taken up in consultation with the Indian Central Cotton Committee in 1940. This was done mainly with two objects : (i) to secure to the producer proper premium for his superior quality cotton, and (ii) to help the rapid spread of such varieties. A large part of the cotton handled by the co-operative sales societies in the Surat area is graded under the Agmark standards. Grading is also done in the Hubli and Gadag areas in Bombay Karnatak and parts of Madhya Pradesh.

6.6.1. *Specifications.*—Specifications for 1027 A.L.F., *Sind Sudhar* and *Verum 434* were prescribed under the Agricultural Produce (Grading and Marketing) Act in 1939. Specifications have since been

also drawn up for Jayawant, Gadag, Suyog 8-1, Jarilla, Vijay B.D.8, Vijay B.9, Cambodia C02 and Gaurani, and some of these varieties are being graded at present on an experimental basis.

Agmark specifications for cotton are based mainly on purity. Two grades, viz., Agmark certified pedigree and Agmark certified, have been prescribed for each variety. In the former case the lint is required to be at least 98 per cent. pure and in the latter 97 per cent. These specifications also require that the lint shall be obtained from machine-ginned *kapas*, shall be dry and free from any trace of added moisture, and that it shall be clean and reasonably free from leaf, seed, strain and other imperfections.

All the bales graded in accordance with the Agmark specifications are required to affix a label showing the variety, grade and area of production, etc. These labels are supplied by the Agricultural Marketing Adviser to the Government of India. The label is a guarantee of the quality indicated by the grade mark. The Agmark rules lay down that the cotton shall be baled as is customary with the trade, and that the bye-laws of the East India Cotton Association in regard to "false and fraudulent packing" shall apply to such cases. The Agmark label is required to be fixed against one or the other of the front sides of the bales. It is to be held securely in a position by at least three hoops. Although there are small variations in the staple length and ginning percentage of cotton of the same variety grown under different agricultural conditions, no complaints were made to the Committee regarding grading on the basis of priority alone. Grading on the basis of staple length and colour involves more time and expense. The question whether results of grading on purity basis could be confirmed by results of yarn strength needs trial.

6.6.2. *Determination of grades.*—The purity of the cotton crop in the field vis-a-vis of the resultant cotton seed is the basis of grading cotton under the Agmark. The determination of purity of crop is done in the fields at boll formation stage. All the fields of cultivators which come under the seed multiplication programme are inspected by the assistants of the Agricultural Departments recruited for the purpose. These assistants (*Kamqars*), before the commencement of inspection work, are given a thorough training at the Government farm in differentiating various types of cotton on the basis of boll, seed and lint characters. The *Kamqars* go round the fields and draw at random sample plants on the basis of which the purity of the whole crop in the field is determined. The methods of sampling followed differ considerably even in the adjoining districts of Surat and Baroach. But to get comparable results it is necessary that the sampling technique methods should be standardised.

6.6.3. *Premium received.*—The cotton graded under the Agmark is generally able to fetch a premium of Rs. 10 to Rs. 15 per candy of 784 lbs. Agmarking of cotton is, however, limited at present mainly to Surat and Baroach areas. In certain parts of Bombay, bales are simply certified instead of agmarking as "certified cotton" by the officers of the local Department of Agriculture. As the farmers are able to get an appreciable premium for their produce when

graded under the Agmark, they take special care to maintain the purity of the crop from the sowing to the ginning stage. Thus agmarking and certification of the produce help, besides securing a premium price for the producer, in the multiplication and distribution of pure seed of improved varieties, and also in maintaining the purity of the crop from stage to stage.

When the Committee visited certain markets in Gujrat in March 1950 they were glad to note that the producers attached great importance of getting the Agmark certificate on their bales. It was pointed out that due to the difficulty of getting pure seed in the last season owing to widespread damage to the crop, the 1949-50 crop was not upto the purity standards required by the Agmark specifications. As such, only a small percentage of the crop passed under the Agmark standards. The producers represented that it will help them to the extent of about Rs. 15 to Rs. 20 per candy if the purity standards of Agmark 'Pedigreed certified' and 'Certified' grades were lowered to 95 or 92 respectively as a special case for that season. The departmental officers did not, and quite rightly, agree with that view, as the value of grade standards is based on the fact that each one of them represents a definite quality. This object would be lost if the purity standards were changed even for one season.

0.6.4. *Standardisation of quality grades and chain of middlemen.*—The Committee was rather disappointed to find that in Gujrat area, where a large quantity of cotton was being graded under the Agmark, most of it was sold through the same trade channels as ungraded produce. As already observed, in certain parts of the country the local Department of Agriculture makes direct arrangements with textile mills to purchase improved certified cotton right from the assembling markets. It is important that the marketing co-operatives in Gujrat should also establish direct contacts with textile mills and shippers and try to save for their members the commission of the agents which may range upto Rs. 1/8/- per cent. of value. The question of organising sales depots of marketing co-operatives at important towns like Bombay and Ahmedabad by the union marketing co-operatives was under consideration. As long as such sales depots are not organised it might be worthwhile trying whether the services of the Provincial Co-operative Marketing Federation could be used for the purpose.

The Committee attaches great importance to standardisation of types and quality grades. Besides securing a premium to the producer, standardisation of grades will go a long way in encouraging direct marketing and thereby eliminating a large number of middlemen, and with them the unnecessary merchandising charges which have to be paid to them but which are ultimately borne by the producer.

CHAPTER VII.—CO-OPERATIVE MARKETING.

7.1. *Introduction.*—The Co-operative Societies Act, 1912, provided among other things for the organisation of non-credit limited liability societies for the promotion of thrift and self-help among the agriculturists. Under the provisions of this Act, co-operative cotton sale societies have been organised in various States. The objects with which these societies have generally been organised are :—

- (a) to supply cotton seeds of pure improved varieties ;
- (b) to sell members' cotton at the highest possible price and at the lowest possible cost :
- (c) to encourage members to grow pure and high class cotton and to market the same in the best possible condition ; and
- (d) to advance loans for the cultivation of cotton and against stocks.

Some of the sale societies work as commission agents or *kachcha arhatiyas* in local wholesale markets, and also handle the produce of non-members. A few societies have also been organised for ginning and pressing their members' cotton.

7.2. *Number of Cotton Co-operatives.*—In all about 120 co-operatives are reported to be dealing with cotton. Of these, 102 are produce and sale societies, and another 12 multi-purpose societies. The ginning and pressing societies number only 4, although two of the sale societies in Madras have also their own ginning factories. There are also two Unions of cotton sales and ginning and pressing societies in the Gujerat area of Bombay.

The detailed particulars regarding the number of members, share capital, reserve fund, the quantity of *kapas* handled and dividend declared by different types of cotton co-operatives operating in various States are given in Appendix XV. An idea of the number of societies working in different parts can be had from the following Table :—

TABLE NO. 7.—Number of Co-operatives of Different Types
handling Cotton.

States			Produce and sale	Multi- purposes	Ginning and Pressing	Unions	Total
Bombay	..	..	88	12	4	2	106
Madras	..	..	8	..	..	..	8
Hyderabad	..	..	3	..	..	..	3
Mysore	..	..	3	..	..	..	3
Total	..	..	102	12	4	2	120

Although Madhya Pradesh, Punjab, PEPSU Union and Madhya Bharat are also important cotton-growing States, no co-operative societies are engaged in sale or processing of cotton in those areas at present. The number of societies in States other than Bombay is also negligible.

Bombay.—Out of a total of 120 co-operatives handling cotton in the country, 106 are operating in Bombay State. Marketing of cotton on co-operative lines has been developed to a considerable extent in the Gujerat and Karnatak areas of this State—particularly in the former. In Gujerat there are 23 co-operatives in Surat district, 15 in Baroda and 13 in Broach. In the Karnatak area the societies are mostly concentrated in Dhanwar district which has a total of 12. Although the number of co-operatives in the districts of East and West Khandesh also total about 30, these societies are mainly concerned with the distribution of cotton seed of improved varieties. Some of these, however, arrange for the sale of their members' cotton through commission agents in the local wholesale markets.

The cotton sale societies in the Gujerat area get their members' *kapas* ginned before sale. This may be done at the co-operative ginning factory, if one is in existence in the neighbourhood, or at one of the private factories with which the co-operative sale societies enter into an agreement in advance of the season. Besides the question of securing favourable terms, the arrangement helps in getting the members' seed ginned under the supervision of the officials of the co-operative societies which is essential not only for maintaining the purity of the seed, but also for grading lint on the basis of its purity. As the organisation of cotton co-operatives in this area is a development of great socio-economic importance, it is dealt with in detail in the following section (see para. 7.3.).

Madras.—There are only 8 co-operatives handling cotton in this State. Three of these are in the Tinnevely district, one in Coimbatore and the other 4 in Bellary. It is only the Tirupur Co-operative Sales Society in Coimbatore district which has an appreciable turnover of cotton. Like other sales societies it is handling several commodities and is responsible for the distribution of many controlled articles. Out of the 3 societies in Tinnevely district, two have their own ginning factories, although the quantity of cotton handled by these two societies is rather small. In 1948-49 it was only 193 candies by one society, and 342 by another. The quantities of cotton handled by the four societies in Bellary district, which undertake cotton sales along with other produce, are also negligible.

Hyderabad.—In this State like many others very little has been done to organise marketing of cotton on co-operative lines. The Registrar of Co-operative Societies who appeared before the Committee stated that out of 7 societies that existed only 3 cotton purchase and sales societies were actually working at present. These societies advance loans to members for the purchase of seed. Although they were started about 15 years back, they have not made much progress due to lack of funds and for the same reason, it was stated, more societies had not been organised. A co-operative society was also organised in this State for distributing seed of improved varieties,

arranging ginning and pressing of *kapas* from such seed, and also for arranging the sale of the unit obtained after grading the same under the Agmark. This society could not, however, work successfully.

Mysore.—There are only 3 marketing co-operative societies in this State dealing in cotton. Two of these are situated in Chitaldrug district—one at Davangere and the other at Chitaldrug—and the third one at Arsikere. The two societies in Chitaldrug district are handling cotton along with other commodities, while the one at Arsikere is concerned mainly with cotton. The Arsikere Cotton Marketing Co-operative Society is also arranging distribution of seed of the improved variety, viz., M.A.5. Since no pressing facilities are available at Arsikere, this Society is also trying to secure one Government pressing factory which is lying idle, and there is no doubt that the establishment of the pressing factory at Arsikere by this Society will be of great help to the cotton interests in that area as they have now to take their cotton to Davangere for pressing.

7.3.1. *Cotton Co-operatives in Gujerat*.—The organisation of co-operative cotton sale, ginning and pressing societies in the Surat and Broach districts of Gujerat is a development of great socio-economic importance. Unlike co-operatives in other areas which have been organised mainly by or at the instance of the local co-operative departments, the co-operatives in Gujerat are the outcome of the peoples' efforts to solve their difficulties in the way of marketing their cotton profitably. During the past 30 years the cotton grower in this area has learnt the advantage of selling his produce after ginning and pressing on a co-operative basis, and stands loyally by his society. Although the ginning rates now charged by some of the co-operative ginneries are higher than those by privately owned, the members as a rule get their cotton processed at the co-operative ginneries which they consider their own.

7.3.2. *Assembling of cotton in Surat area*.—It may be noted at the outset that unlike other tracts there are no regular markets for sale of *kapas* in this area. Before the co-operative sale societies came into being the practice in vogue was to sell *kapas* to ginning factories, or their agents, or get the same ginned before sale. *Dalals* or agents of ginning factories used to visit villages and purchase *kapas* on the basis of delivery at their factories. *Kapas* was also purchased by them in advance of the harvesting of the crop. The purchases made by these *Dalals* covered upto 75 per cent. of the marketable produce. A small quantity was also handled by village merchants, while some enterprising agriculturists used to sell their cotton direct at ginneries. Although there were perhaps not many cases of false weighments, the ginneries used to charge high quality allowances, particularly in periods of falling prices. Cases were also not rare when ginneries refused to buy *kapas* brought for sale at their premises excepting at a reduced rate. They could exploit the cultivator-seller knowing that he was not likely to try to sell his produce at another ginnery which always involved considerable loss of time and also some additional expenditure.

7.3.3. *Development of cotton co-operatives.*—The history of co-operative marketing of cotton in Gujarat goes as far back as 1918-19. In that year, owing to the weak tendency of the cotton market, the gin-owners and merchants refused to buy *kapas* excepting at very reduced rates. Disgusted with this state of affairs a few enlightened farmers of Sonsak village, under the guidance of Shri Purshotam Bhai I. Patel, a selfless social worker of this area, decided to pool their *kapas* for sale on a joint basis, after getting the same ginned. They sold loose cotton bales and made an appreciable profit on the transaction. In 1920 also, these farmers sold their cotton jointly and secured a good margin. The experience of these two years convinced the farmers of this area of the advantage of selling ginned cotton on a co-operative basis. Thus the first cotton sale society was formed and it was registered in 1921. The efficient working of this society created confidence in the minds of cotton cultivators of the area, and more societies were formed. In 1930 there were 11 societies with 2,731 members (cultivators) and in 1949, 26 societies with 9,206 members.

During the first four or five years of their existence these pioneer co-operatives had to face a formidable opposition from the gin-owners who are also cotton merchants. These societies were forced to pay high ginning charges, and were also denied facilities usually allowed to other sellers. Consequently, in 1925, these societies decided to have their own ginning factory. They were able to gather the necessary share capital and loan without much difficulty, and a co-operative ginning factory was established at Rander in 1926.

The societies had still to approach the private pressing factories for getting their loose cotton pressed into bales, and some of them even for ginning purposes. The press-owners, like the gin-merchants, were not treating the societies well, and in a business like manner. They charged high rates, denied the usual conveniences and spoiled the goods. The opposition from the ginning and pressing factories and the trade reached a climax in 1933 when the press-owners formed themselves into an Association, and decided to press cotton at only fixed rates. The rates fixed were comparatively very high. Under the circumstances the sale societies and some important farmers resolved to have their own pressing factory at Surat. There were only four months left in the beginning of the next season. It was really a great achievement for the farmers of this area to have been able to collect the necessary capital, arrange for land and complete the erection of the factory well in advance of the season. This co-operative ginning and pressing society was registered in 1934.

As the co-operative sale societies were situated in mofassil away from Surat, the chief cotton market of this area, they experienced great difficulty in keeping in touch with the trend of the market and in disposing of their member's produce to the best advantage. In 1930, the sales and ginning societies of this area, therefore, formed the Southern Gujarat Co-operative Cotton Sales and Ginning Societies Union, Ltd. Besides guiding the societies in the sale of their cotton and arranging such sales, the Union is responsible for

the audit of its member societies, and it also arranges insurance of the cotton stored with them.

On similar lines as in Surat district, and more or less simultaneously, co-operative organisation for sale of cotton also developed in the adjoining districts of Baroach and the Navsari district of the former Baroda State which has now merged with Surat. It is worth mentioning that in all these parts the development of co-operative societies was due mainly to the efforts of a few influential co-operative workers. Three of the pioneer organisers of the cotton co-operatives in Bombay State, who appeared before the Committee, were of the unanimous view that most of the co-operatives now found successfully working were in each case the result of a single man's effort.

7.3.4. Working of a cotton sale society.—The area of operation of a co-operative cotton sale society is limited to a group of villages, and its membership is confined to individual growers. The number of members in a society generally ranges from about 150 to 400, although in many cases it may be much larger. Most of these societies are of single commodity type dealing in cotton alone.

Besides arranging ginning, pressing and sale of their members' cotton, the societies also advance loans for cultivation purposes. They also play a very important part in the propagation of improved varieties and in the grading of pure cotton and distribution of certified pure seed.

Loans for cultivation purposes are advanced upto Rs. 15 per acre. As the condition of the farmers in Gujerat area is comparatively better than in most of the other parts of the country, very few members availed of the financial facilities provided by the societies.

It is obligatory on all members to sell their *kapas* through the society. The defaulters are penalised by way of fines and forfeiture of their share money. In the beginning of the cotton season i.e., January, the society opens its office at the ginnery—co-operative or private—with which it has arranged for the ginning of its members' produce. The members have to cart their *kapas* to the ginnery concerned. They are allowed advance upto 75 per cent. of the value of their produce on which interest @ 6½ per cent. is charged. *Kapas* obtained from different stages of seed multiplication, i.e., third, fourth and fifth, is stored and ginned separately. Pooling of produce of respective grades is carried out after ginning. The societies dispose of the lint through the Union and sell back the certified seed at a premium to the local Agricultural Department. The Managing Committee of the society is fully empowered to make sales on behalf of its members.

After the end of the season, which continues till June, the society settles the accounts of each member. No fixed charges are recovered for handling, ginning or sale of cotton, but when fixing the pool price *pro rata* deductions are made for all such expenditure. Thus each member gets an average price for the *kapas* obtained by the society irrespective of the fact when a particular lot was sold, and at what rate. The following account of the Shenthi Co-operative

Cotton Sale Society, Kosambi for 1947-48 illustrates how the pool price per *bhar* (924 lbs. of seed cotton) is worked out :—

Income.			Rs.	as.	p.
Total value of lint sold	...	...	1,04,523	7	3
Total value of cotton seed sold	...	...	24,571	2	0
Refund from pressing society as rebate	...	...	165	0	0
Recovery of loss from members who sold their cotton outside	...	...	3,320	0	0
Miscellaneous recoveries	...	...	2,000	0	0
Total Income			1,35,579	9	3

Expenditure.			Rs.	as.	p.
Ginning charges	...	...	3,679	0	6
Other sundry expenses incurred on ginning	...	...	151	2	6
Insurance charges	...	...	1,422	9	6
Fees to the Union	...	...	306	0	0
Pressing charges for bales sold after the season...	...	...	947	12	0
Sundry expenses	...	...	30	2	0
Interest	...	...	250	0	0
Commission paid	...	...	383	12	0
Total			7,169	6	6

Amount distributed to the members—Rs. 1,28,409-2-9.

Seed cotton sold—356 *bhars*.

Amount distributed per *bhar*—Rs. 360.

The establishment charges are not included in the above statement as this society meets the expenditure incurred on this account from the interest recovered from the loans advanced.

The expenses per *bhar* of seed cotton including ginning and pressing charges as per foregoing statement work out to Rs. 20-2-3 and excluding these charges it works out to Rs. 6-7-0.

It is important to note that in Gujarat the sellers of *kapas* have not to pay any marketing charges. In cases, when sales are arranged through *dalals* after ginning, the owner has to pay the actual expenditure on ginning plus *dalali* which is Re. 1 per *bhar*. The rate of commission charged by the co-operative union is also the same. Although the costs of processing and marketing in case of co-operative societies are more or less the same as charged by private

ginneries and merchants, the societies are able to secure a substantial advantage to their members in respect of the following :—

- (i) Supply of pure seed of improved varieties.
- (ii) Finance for cultivation purposes on easy terms.
- (iii) Facilities for controlled ginning and maintaining the purity of lint and seed.
- (iv) Arrangements for grading under the Agmark. They are generally able to secure a premium of Rs. 15 to Rs. 20 per bale on account of guaranteed purity and standard quality as indicated by the Agmark.
- (v) An allowance of As. -/8/- per maund for pure seed is paid by the local Agriculture Department.
- (vi) Advantage of the pool price and spreading sales over a large part of the year. This is reckoned at about Rs. 10 per bale.

Although the Committee was not able to get any comparable data showing the average price obtained by the farmers selling through the usual trade channels and by the members of co-operative sale societies, the general opinion was that on an average the latter are able to get from Rs. 25 to Rs. 30 per bale more than the former in spite of the fact that they may have to pay sometimes higher charges for ginning and/or pressing. These co-operatives also play an important part in the propagation of improved varieties of cotton. The Committee, therefore, recommends that co-operative sales societies should be organised in all important cotton zones under the patronage of the local Agricultural officials for the supply of seed of improved varieties, and to advance loans for the cultivation of such cotton. Propagation of improved varieties should as far as possible be arranged on the fields of the members of co-operative societies. Such societies should also arrange for the controlled ginning of their members cotton and its grading under the Agmark before sale. The desirability of grading and marking under the Agmark pure cotton seed of different improved varieties should also be examined.

Besides the other advantages referred to above, the existence of the co-operative sales societies has exercised a very wholesome influence on the rates of ginning and pressing, and the merchandising practices in general. The ginneries, which had a prominent voice in the settlement of price and were in a position to exploit the cultivators as and when possible, are not now in a position to do so. On the other hand, they are anxious to provide the necessary services at the minimum costs which, in many cases, are lower than the costs charged by a co-operative society. The Committee, therefore, recommends that Registrars of Co-operative Societies should arrange to establish at least one co-operative society in each important market, particularly with a view to setting up standards of trade conduct and introducing an element of competition among the buyers even where their number is not sufficiently large.

7.3.5. *Working of ginning and pressing societies.*—The membership of a ginning and pressing society is open to cotton sales societies and also to individual growers. The ginning societies which have no arrangements for pressing arrange for the pressing of its members' lint at one or the other factories having pressing arrangements. The activities of these societies are restricted to ginning and pressing only. It is important to note that although a grower may be a member of a ginning and pressing society, he cannot offer his *kapas* for ginning or pressing directly, and it must be done through his sale society.

The charges recovered for ginning and pressing are based on actual expenses. Whatever profit the rates provisionally fixed are found to yield at the end of the season, a corresponding rebate is generally allowed to the sale societies concerned. In the early years, when co-operative ginneries were established, their ginning rates were reported to be As. -/8/- to Re. 1 per *bhar* of 924 lbs. less than those charged by private ginneries, but it is not so now. In 1948 and 1949, the ginning charges of co-operative factories were Rs. 11 per *bhar* of *kapas* as against Rs. 9 to Rs. 10/8/- per *bhar* charged by private ginneries. There was, however, no difference between the pressing charges which were Rs. 10 per bale. The private ginneries charge a lower rate with a view to attracting more work and extending their season which reduces their working costs. Although it would not be right for co-operative ginneries or presses to reduce their processing charges to a level not commensurate with their working costs, they should try to effect all possible economies to be able to offer competitive rates. To reduce the capital expenditure of such establishments, State Governments should also help in securing these societies gins and presses which are lying idle at an economic price.

7.3.6. *Working of the Unions.*—The Unions work mainly as a liaison body between the sale societies and the cotton buyers. They arrange sales of their members' cotton. They also tender advice to the sale societies in regard to market trends, prices, time of selling, etc. Cotton is sold by the Unions through the same merchants or *Dalals* through whom private ginneries sell their produce or that of their clients. The costs of distribution payable in the two cases are, therefore, just the same.

Taking into consideration the large quantity of cotton handled by the Union, and also the fact that all such produce is of standard grades, it would be a definite advantage if the Union makes direct sales to textile mills and exporters. Opening of sales depots at Bombay and Ahmedabad would be a great help in this connection. Pending establishment of a regular sales office at Bombay, it might be worthwhile to try if the services of the Bombay Provincial Co-operative Marketing Society could be advantageously utilised in this connection.

CHAPTER VIII.—STANDARDISATION OF WEIGHTS AND BASIS OF PRICE QUOTATIONS

8.1. Both *kapas* and lint are sold by weight. The position of weights used, particularly in *kapas* trade, is very unsatisfactory. This is so not only in rural areas but also in important wholesale markets and even in tracts where weights have been standardised. An idea of the variety of weights used in the more important cotton areas of the country can be had from the data given in para. 8.3. The subject needs consideration particularly in regard to the following :

- (i) Units of weights used.
- (ii) Multiples of standard weights adopted for trading.
- (iii) Designations of weights.
- (iv) Basis of price quotations, and
- (v) Enforcement of standard weights

8.2. *Units of weights.*—As in the case of other agricultural products, two systems of weights are in use in the cotton trade, viz. one based on the Indian system, i.e., *tola*, *seer* and *maund*, and the other on Avoirdupois system, i.e., lb. cwt. and ton. In the case of *kapas* and loose lint weights of the former series are more commonly used, excepting in parts of Southern India. Lint pressed in bales is traded in practically in all parts of the country on the basis of Avoirdupois weights. The use of two series of weights leads to confusion and this is particularly the case when the two series are used side by side. For example, it is a common practice with many unscrupulous dealers to use the lb. weight instead of $\frac{1}{2}$ seer or 2-lb. weight for a seer when it suits him to do so and *vice versa*. The difference in the size and shape of the two weights is so small that it is difficult to detect the same. It, however, makes a difference of about 3 per cent. as far as the dealer is concerned. Unfortunately, the legislations enacted for standardising weights recognise both the series without any restrictions.

Considering the fact that the standard Indian *seer* and *maund* are being used on the railways throughout the country, the Committee recommends that the weights of Indian series only should be permitted to be used for internal trading, and that the use of weights of Avoirdupois series should be limited to the export trade

8.3. *Multiples of standard units.*—The multiples of standard units of weights adopted for trading vary considerably not only in different parts of the country, but sometimes in the adjoining districts and *talukas*. For instance, a *pothi* of *kapas* in the Ramnad district of Madras consists of 336 lbs. as against 247 lbs. in Tinnevely district, 280 lbs. in Coimbatore district and 305 lbs. in Salem district. Again, while a *maund* of *kapas* in the Coimbatore district is of 28 lbs., it is of 27 lbs. in South Arcot district, 25 lbs. in Guntur district and 24 lbs. in Nellore district. The variations in the weight

of candies are rather much wider. For instance, a candy is of 300 lbs. in Guntur district as against that of 1,620 lbs. in Kurnool district (Dhone taluka).

Similar variations exist also in the Indian series of weights. In Surat district the *seer* consists of 82.27 *tolas* instead of the standard *seer* of 80 *tolas*, i.e., the former is about 3 per cent. more than the latter. Similarly, the candy used for lint consists of 800 lbs. instead of the usual candy of 784 lbs. It may be noted that the small variations are more dangerous than the wider ones because they generally go unnoticed, but the total loss suffered on that account by the producers as a whole is huge.

From what has been said above, it is clear that there is not much use in standardising only the basic units of weight unless and until their multiples and sub-multiples are also standardised and enforced.

8.4. *Designations of weights used.*—Designations of weights used both in the Avoirdupois and the Indian series are in many cases common. For example, the words '*seer*' and '*maund*' are commonly used in both the series.—While in the case of Avoirdupois weights the maund generally consists of 24 to 28 lbs., in the *seer* series it consists of 82 $\frac{2}{7}$ lbs. Similarly, the word '*Mani*' is commonly used in different parts to denote varying weights equal to 3 maunds, 6 maunds 8 maunds and 12 maunds. As it is, it would appear necessary that the designations of weights should also be prescribed by law so that a particular designation may denote only a particular weight.

8.5. *Basis of price quotations.*—Prices of *kapas* and loose lint are quoted in the different parts of the country on the basis of local weights. The names of the weights used and the weights which each one of them indicates vary from market to market. The quotations are not, therefore, understandable excepting by those in close touch with the markets concerned. For developing a useful system of price intelligence it is necessary that the prices should be quoted on the basis of standard weights and in well-defined terms commonly understood.

8.6. *Enforcement of standard weights.*—The question of introducing standard weights and measures has been engaging the attention of both the Central and State Governments for more than 70 years. The position, however, remains as unsatisfactory as ever. The Central Government passed the Standard Weights Act in 1939, laying down the standards of weights for use in different parts of the country. Since the enforcement of weights was a Provincial responsibility under the Government of India Act, 1935, several Provincial Governments passed legislations for enforcing standard weights and measures in their areas. These include Bihar, Bombay, Madhya Pradesh, Madras, Punjab, U.P. Hyderabad, Mysore and a number of other States. All the Acts prescribe both the systems of weights referred to above. Further, they also recognise their multiples and sub-multiples as common in their own parts. As it

is, the multiples of weights recognised as standards under the law of even neighbouring States differ widely as shown below :—

Mysore.		Coorg.	
Mysore	seer=24	Coorg	seer =27 $\frac{2}{9}$ tolas.
Mysore maund=40	seers of	Coorg maund=40	seers of
	24 tolas.		27 $\frac{2}{9}$ tolas.

It is obvious from the data given above that even if the weights recognised by different State Governments as standard are strictly enforced in the areas concerned, there would not be anything like standardisation on a countrywise basis and a good deal of confusion which is prevailing now would continue to exist. Under these circumstances the Committee recommends that

- (a) only Indian series of weights should be used for the trade within the country, and the use of Avoirdupois or Metric weights should be allowed only in the export trade ;
- (b) the units of weights and their multiples and sub-multiples should be prescribed and designated by law and these should be the same for the country as a whole ;
- (c) *kapas* should be quoted on the basis of a standard maund, and the lint for a bale of 4 mds. 30 seers nett instead of 392 lbs. For export purposes, bales of 400 lbs. gross weight as in vogue at present can continue to be used.

8.7. *Central legislation.*—For giving effect to the above recommendations it would be necessary to pass a suitable Central legislation. Since cotton is a Central subject, and the trade in this product is better enlightened than in many other less important products, a start could be made with cotton. This would pave the way of enforcing standard weights for other important commodities.

Before concluding the subject, the Committee would like to note that enforcement of standard weights has been found to be rather a paying concern to the local Government in Bombay State as the total expenditure incurred on the enforcement of the standard weights and measures is more than offset by the profit made on sales of prescribed standards. There would appear to be no doubt that the standardisation of weights can be undertaken in parts, where it has not yet been done, without any cost to the public exchequer. The difficulties of arranging supply of standard weights should not also stand in the way as there is plenty of scrap iron available in the country. It may also be noted that this reform should not be held up pending the introduction of the Metric system as the Committee is afraid that the introduction of that system, if it can ever be effectively done, will take a long time to come into force.

CHAPTER IX.—SUMMARY OF RECOMMENDATIONS

I.—Cotton in India—Its Production and Consumption

(1) The official estimates of cotton production of several States are gross under-estimates. Consumption quotas fixed for such States are, therefore, comparatively large which, besides other things, result in unduly depressing cotton prices. To save this uncalled for loss to the cultivator, the Government of India should take very early steps to extend the crop cutting experiments, which are being conducted in certain parts on 'random sampling' basis, to determine the correct yields of various varieties of cotton to all cotton growing States (para. 1.3).

(2) In view of the special demand for short staple cotton for use in rural areas, for export, and for mixing with wool, their production should not be cut beyond the desired limit. The Indian Central Cotton Committee should determine the demand for short staples for different purposes and give a clear guidance as to the extent to which the cultivation of short staples need be discouraged in different tracts (para. 1.6).

(3) Indian Central Cotton Committee should arrange to open a number of regional and sub-regional research stations in different cotton-growing zones, and early steps should be taken to evolve and propagate right types of strains most suited to the areas concerned, and also to withdraw the unsuitable varieties from cultivation (para. 1.6).

(4) Efforts should be made to use short staples for spinning higher counts as is being done in Japan. This aim should particularly be kept in view while installing new plants or replacing old machinery (para. 1.9).

II.—Assembling of Cotton—Regulation of Markets

(5) Cotton-growers lose 5 to 10 per cent. of the value of their crop by selling in villages which they are obliged to do owing mainly to their weak financial position. To save this loss to the cultivator, and to eliminate unnecessary middlemen, provision should be made for short term finance on the security of the crop through village co-operative credit societies, or multi-purpose societies, or sales societies, as may be found feasible in each area (para. 2.4).

(6) The State Governments concerned should arrange with the help, and in consultation with the Indian Central Cotton Committee and the Agricultural Marketing Adviser to the Government of India for a quick survey of all unregulated important markets for cotton, and take early steps for the regulation of such markets so that the cultivator may be able to sell his produce without fear of his being cheated, and profitably (para. 2.4).

(7) Representation of growers on Regulated Market Committees be kept in a statutory majority, and the representatives should be so

selected or elected that they may be able to get all possible improvements introduced in the interest of the grower. The Chairman of the Market Committee as far as possible should be a grower, and the persons selected for working as Superintendents or Secretaries of Market Committees should have a rural outlook and possess necessary knowledge and practical experience of the marketing of agricultural produce (para. 2.8.).

(8) Market areas should be clearly defined and no attempts should be made to regulate sales or license functionaries in distant areas where no supervisory staff can be provided (para. 2.8).

(9) Steps should be taken by the State Governments concerned to ensure that in all their wholesale assembling markets cotton is sold by auction; if necessary, pending their complete regulation at a later date (para. 2.5.1).

(10) The systems of sale, weighment, sampling, delivery, payment, etc., adopted by a Market Committee, should be such as to leave no room for suspicion or malpractice. Sales should be restricted to common market yards, and as far as possible deliveries should also be arranged in such yards (paras. 2.5.2, 2.5.4 and 2.5.5).

(11) Merchandising charges should be laid down on a uniform and rational basis, and under a few specified heads. These should be made payable by the seller upto a particular stage in all markets, and after that by the buyer. Unwarranted deductions for *batta* (quality allowance), *karda* (additional weight), *bardana* (tare weight), *namuna* (sample) and *muddat* (discount for cash payment) as also for all other charges, e.g., charity which are not levied on the basis of any service rendered should be prohibited (paras. 2.5.6 to 2.5.9 and 2.6.1 to 2.6.3).

(12) Market Committees should not license more functionaries than what are considered necessary for the proper operation of the market. Working of various functionaries should be effectively controlled and supervised, and the licenses of undesirable ones should be unhesitatingly cancelled (para. 2.6.3).

(13) Market Committees should also take steps to stop mixing of different varieties, and where possible arrange for grading of improved varieties on purity basis before sale (para. 2.8.1).

(14) Arrangements should be made by the Market Committees to obtain and exhibit each morning the previous evening's closing price of relevant key markets, together with price parities for the local market (para. 2.8.1).

(15) To ensure necessary technical guidance and supervision, local marketing staff should be made responsible, where it has not yet been done, for the administration of the local Market Acts. A Marketing Inspectorate should be organised under the control of the Chief Marketing Officer in each State for the proper supervision and control of regulated markets. The necessary executive powers should also be given to the marketing staff under the Markets Act (para. 2.8).

(16) Each market should have an arbitration sub-committee, and all cases of disputes should be referred to such committees for their immediate decision. (para. 2.7).

(17) Marketing Committees not found working satisfactorily should be suspended or superseded and proper arrangements made for the working of the market under the supervision of the Local Marketing Officer. (para. 2.8.1).

(18) Arrangements should be made for organising an All-India Advisory Service under the auspices of the Agricultural Marketing Adviser to the Government of India with a view to giving all possible assistance to State Governments for an early regulation of all important markets as also for making available the results of experience gained and the developments made in different States to each other. (para. 2.9).

(19) To ensure increased income, the markets regulated for cotton can also be regulated for other important agricultural products handled in such markets and *vice versa*. Besides other things, this would enable the Market Committees to employ trained and efficient supervisory staff. (para. 2.8).

III.—Ginning and Pressing

(20) Pooling among ginning and pressing factories should be allowed only under a permit from the Director of Industries of the State concerned, and that in all such cases the rates for ginning and pressing fixed should be subject to the approval of such officer. (para. 3.5).

(21) Watering of cotton at all stages should be prohibited under the Ginning and Pressing Factories Act in all States. State Governments should take steps to license the ginning and pressing factories and require the mill-owners to keep their gins in proper order so that no undue proportion of crushed or cut seed gets mixed with the lint. Provisions should also be made for effective supervision of these factories with a view to ensuring enforcement of the measures suggested. (para. 3.6).

IV.—Distribution

(22) Standard samples should be prepared for all important varieties of cotton. Sets of Standard samples of the varieties concerned should be kept in all regulated markets so that the sellers in the primary markets may also be able to take advantage of such samples and trade on the basis of the Standard Contract. (para. 4.3).

(23) Standard Contracts should be prescribed to cover all important types of cotton, and their use should be made compulsory by legislation. These could be enforced through the local trade associations. Arrangements for arbitration, which are particularly lacking in most of the markets, should also be provided under the terms of such Standard Contracts. (para. 4.4).

(24) Hedging facilities are not available for all important varieties at the East India Cotton Exchange, Bombay, as the types

L442Mof&A

of cotton which can be tendered against the contract of this exchange are limited. Cotton exchanges should, therefore, be organised at one centre each in Southern India, Central India and Northern India. Since cotton has now been brought within the purview of the Centrally Reserved Subjects, the existing State enactment should be replaced by a uniform Central legislation, and all the cotton exchanges in the country should be regulated in accordance with the provisions of such enactment. (para. 4.6).

V.—Working of Cotton Control

(25) The Government of India should take steps to ensure that the State Governments or Associations of trade or textile mills do not adopt measures which go against the accepted policy of the Central Government in regard to enforcement of cotton price and cause losses especially to the helpless cotton-growers. (para. 5.2).

(26) In order that cultivators may be able to get due premium for their superior quality produce and also that there may not be any mixing of superior cotton with inferior types, it is important that the varieties for which no ceiling prices are fixed should be allowed to be sold and moved from one zone to another only under the Agmark or a certificate of purity from the local agricultural authorities. (para. 5.4.).

(27) In allotting areas of production to textile mills in various zones for purchasing their requirements, special consideration should be paid to ensure that long and medium cottons are not allotted to textile mills which cannot make proper use of such types. (para. 5.5).

(28) Cotton cultivators are not able to get competitive price for their kapas if purchases are confined to Government nominees. If, however, it is considered necessary to continue purchases through Government nominees to enable textile mills to get their cotton within the prescribed ceilings, steps should be taken to appoint sufficient number of nominees for each area and to disallow them from coming to any common agreement to restrict their purchases to any particular salezone, or upto a particular limit. (para. 5.7.2).

VI.—Propagation of Improved Varieties & Grading

(29) The work of seed multiplication should be expanded to at least four times its present extent so that seed of approved quality may be available at least for sowing such lands where improved varieties are being grown. (para. 6.4).

(30) Use of cotton seed not duly approved by the Agriculture Department should be prohibited for sowing purposes by law. (para. 6.4).

(31) Arrangements should be made to grade all improved types under the Agmark. Laying down of Grade specifications for varieties for which the same have not yet been prescribed under the Agricultural Produce (Grading and Marketing) Act should be expedited. Besides securing a premium to the producers, standardisation of grades will encourage direct marketing and thereby help in eliminating a large number of middlemen. (paras. 6.6.3 and 6.6.4).

(32) Grading under Agmark should be continued on the basis of purity as it is not considered feasible nor necessary to introduce grading on the basis of staple length or colour. The areas of production should, however, be clearly marked as staple lengths and other quality characteristics of the same variety may differ to a certain extent when grown in different areas. (para. 6.6.1).

VII.—Co-operative Marketing

(33) Co-operative Sales Societies should be organised in all important cotton zones under the patronage of the local agricultural officers for the supply of seeds of improved varieties and to advance loans for the cultivation of such cotton. Propagation of improved varieties should as far as possible be arranged on fields of members of Co-operative Societies. Such societies should also arrange for the controlled ginning of their members' cotton and its grading under the Agmark before sale. The desirability of grading and marking pure cotton seed of different improved varieties under the Agmark should also be examined. (paras. 7.3.4 and 7.3.5).

(34) Registrars of Co-operative Societies should arrange to establish at least one co-operative sales society in each important market, particularly with a view to setting up standards of trade conduct and introducing an element of competition among the buyers even where there number is not sufficiently large. (paras. 2.5.3 and 7.3.4).

(35) State Governments should help Cotton Co-operatives as and when necessary in securing gins and presses which are lying idle at an economic price. (para. 7.3).

(36) Steps should be taken to organise distribution of cotton assembled by sales societies in Gujarat on co-operative basis direct to textile mills and exporters. (para. 7.3.6).

VIII.—Weights and Measures

(37) Only Indian series of weights should be used for the trade within the country, and the use of Avoirdupois or Metric weights should be allowed only in the export trade. (para. 8.6).

(38) The units of weights and their multiples and sub-multiples should be prescribed and designated by law, and these should be the same for the country as a whole. (para. 8.6).

(39) Suitable Central legislation should be enacted for standardising weights and basis of price quotations, and this should not be postponed pending introduction of Metric system of weights, the position about which is very uncertain. (para. 8.7).

Chairman.

Member.

Member.

Secretary.

NEW DELHI :
The 12th June, 1951.

APPENDICES.

APPENDIX I-A

Copy of letter No. F.21/193/49-G., dated the 21st June, 1949 from the Secretary, Cotton Marketing Committee, to all State Governments calling for information on various aspects of Cotton Marketing.

I am directed to invite a reference to letter No. F.10-99/49-Co., dated the 14th June 1949 from the Ministry of Agriculture, Government of India, informing about the appointment of this committee. The committee is required to suggest ways and means of improving the marketing of cotton with a view to benefiting the cultivators by reducing the intermediate links between them and the textile mills. The committee proposes to visit certain important cotton areas with a view to studying the systems of marketing in vogue and the working of co-operative marketing and processing societies and see what advantages could be secured by organising trading and processing on co-operative basis. Before they do so it is considered desirable to have information in respect of the following items. The committee will be, therefore, grateful if your Government would kindly arrange to supply the required information together with such other information as may be considered useful for the work of the committee.

A. A list of (i) regulated and (ii) unregulated cotton markets giving for each market (a) average annual quantity of cotton sold, (b) number of ginning factories, (c) number of pressing factories, (d) names of cotton sale and/or processing co-operative societies and (e) number and names (where possible) of important buyers operating.

B. A note on the marketing practices in vogue in one typical unregulated market and one regulated market, giving the system of grading, if any, sale, weighment, delivery and payment of price to the seller, arrangement for arbitration, functionaries involved and the total marketing charges paid by the seller and the buyer both in kind and cash from the stage the seller enters the market until he leaves it. A special note to be made of the malpractices, if any.

C. A statement showing the total cost incurred in moving cotton from the grower to the textile mills through (a) usual trade channels and (b) co-operative organisations, pointing out in both cases the intermediaries taking part in the movement and the cost incurred on account of each of them.

D. A list of ginning factories giving the average annual number of days each worked during the three years, i.e., 1946-47 to 1948-49 together with their (a) location, (b) capacity, (c) type of machinery used and (d) pressing arrangements, if any. The names of ginning factories lying idle during the said period or in one or more years should also be included with particulars as in (a) to (d).

E. A list of different types of co-operative societies concerned in the production, sale and processing of cotton giving (a) name of society, (b) location, (c) number of members, (d) share capital, (e) reserve and other funds, (f) annual quantity of cotton handled and (g) dividends declared, with a note on the system of working of each type, and

F. A detailed note on the working of Government or semi-Government agencies, if any, engaged in the pooling and marketing of cultivators' cotton with or without grading.

2. I am also to request that if there is no objection, the committee may be supplied with a copy each of all the acts and rules passed by the local Government in connection with production, movement, ginning, pressing, marketing, etc. of cotton.

3. The committee are anxious to obtain and study information on the points mentioned in para. 1 of this letter, before the beginning of the forthcoming cotton season and I am, therefore, to solicit that the information may be kindly supplied before the 5th August 1949 at the latest.

APPENDIX I-B

Copy of letter No. F.21/216/49-G., dated the 24th September, 1949 from the Secretary, Cotton Marketing Committee, to all Cotton Co-operative Societies, calling for information on certain aspects of Cotton Marketing.

I am directed to state that the Government of India in the Ministry of Agriculture have appointed this committee to suggest ways and means of improving the marketing of cotton with a view to benefiting the cultivators, particularly by reducing the costs of distribution from farms to textile mills or shippers. In this connection, the committee would like to have a detailed information about the working of your society/union as per proforma questionnaire attached herewith and they would be grateful if you kindly arrange to complete and return the same at an early date.

2. I am also to request you kindly to supply a copy of your working bylaws and statements of receipts and expenditure for the past three years.

3. The committee are anxious to obtain and study the required information before the beginning of the forthcoming cotton season which starts in October and I am, therefore, to solicit that the completed proforma with such other information as you may consider useful for the work of the committee may kindly be sent to me before the 15th October, 1949, at the latest.

COTTON MARKETING COMMITTEE

Questionnaire for co-operative cotton sale & processing societies/unions.

Note.—Where space provided is not sufficient, separate sheets may be attached.

1. Name of the society/union.....
2. Location
3. Date of establishment.....
4. Objects of the society/union.....
5. Area of operation.....
6. Commodities other than Cotton handled.....
7. Number of members and other particulars.....

Item	1944-45	1945-46	1946-47	1947-48	1948-49
(i) Number of members—					
(a) Growers.					
(b) Merchants.					
(c) Societies.					
(d) Others.					

- (ii) Share capital.
- (iii) Deposits.
- (iv) Borrowings from Central Bank.
- (v) Working capital.
- (vi) Advances—
 - (a) Against stocks.
 - (b) For cultivation expenses.
 - (c) For purchase of seeds.
- (vii) Reserve fund.
- (viii) Profits.
- (ix) Dividend per cent. on shares.

8. Does your society/union operate any ginning and/or pressing factory? If so, please give quantities of *kapas* handled during the past 5 years, rate of hire charged by the society and other ginneries.

9. Whether any grading of cotton/lint is done by the society. If so, please give (a) Basis of grading and grades prescribed for (i) *kapas* and (ii) lint.

(b) Quantity sold under different grades during past five years.

Variety	Grade	1944-45	1945-46	1946-47	1947-48	1948-49
(i) <i>Kapas</i>						
(Mds)						
 (ii) Lint						
(Bales)						

10. Are the methods of business or sale adopted by the society/union different from those adopted by merchants? If so, in what respects.

11. Market charges : (a) as charged by the society, (b) as charged by the merchants and commission agents in the market.

12. Quantities of kapas and lint marketed.

Crop year (September-August).	Important varieties						Other varieties		Total quantity handled		Proportions of cotton brought by different classes of members				Value of cotton sold (Thousand rupees)				
	As Kapas		As lint		As Kapas		As lint		Kapas		By growers		By itinerant merchant			By others		Total	
	Mds	Bales	Mds	Bales	Mds	Bales	Mds	Bales	Mds	Bales	%	%	%	%		%	%	%	
1937-38	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
1938-39	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
1939-40	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
1940-41	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
1941-42	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
1942-43	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
1943-44	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
1944-45	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
1945-46	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
1946-47	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
1947-48	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
1948-49	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	

13. A brief note indicating as to in what ways and to what extent the members gain by selling their cotton through the society/union.

14. Remarks (if any).

APPENDIX I-C

Copy of letter No. F.21/214/49-G., dated the 13th September, 1949 from the Secretary, Cotton Marketing Committee, to Secretaries, All Regulated Market Committees, calling for information on certain aspects of Cotton Marketing.

I am directed to state that the Government of India in the Ministry of Agriculture have appointed this Committee to suggest ways and means of improving the marketing of cotton with a view to benefiting the cultivators, particularly by reducing the costs of distribution from farms to textile mills. In this connection, the Committee would like to have a detailed information about the working of your market as per proforma questionnaire attached herewith and they would be grateful if you kindly arrange to complete and return the same at an early date.

2. I am also to request you kindly to supply a copy of your working bye-laws and statements of receipts and expenditure for the past three years.

The Committee are anxious to obtain and study the required information before the beginning of the forthcoming cotton season which starts in October and I am, therefore, to solicit that the completed proforma with such other information as you may consider useful for the work of the Committee may kindly be sent to me before the 3rd October, 1949, at the latest.

COTTON MARKETING COMMITTEE

Questionnaire on the working of regulated markets for cotton.

(Where space provided is not sufficient, separate sheet may please be attached).

1. Name of market.....
2. District
3. Area of operation & date of regulation.....
4. Names of other Commodities whose sales are regulated.....

5. Have market yards for centralised sales of cotton been provided? If so please give particulars regarding their location, etc. If not, the number of premises licensed for conducting sales may be given indicating the nature of supervision exercised by the market committee on such sales.

8. Annual market arrivals.

Crop year*	Of Important varieties giving names						of Other varieties		Total		Total in terms of seed cotton.
	1		2		3		Seed cotton	Lint	Seed cotton	Lint	
	Seed cotton	Lint	Seed cotton	Lint	Seed cotton	Lint					
	Mds	Bales	Mds	Bales	Mds	Bales	Mds	Bales	Mds	Bales	Mds
1944-45 ..											
1945-46 ..											
1946-47 ..											
1947-48 ..											
1948-49 ..											

* Please mention the crop year adopted by you.

9. Number of functionaries licensed for cotton and licence fees payable by them.

Name of functionary	Rate of licence	Number licensed in				
		1944-45	1945-46	1946-47	1947-48	1948-49

10. A detailed note on the systems of classification and grading followed in your market.

11. Number of ginning and pressing factories operating in your area giving their capacities and quantities actually handled during the past 3 years and also pointing out the malpractices, if any, indulged in by them.

12. Names of co-operative marketing societies operating in the market indicating whether they undertake pooling, grading, ginning, etc. of the cotton sold through them.

**Average monthly prices of.....variety of seed cotton (kapas)/lint at.....per standard maund
of 82-2½ lbs.**

Month	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50
	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.
September	..	..	..	..	..	..	..	..	..	..	..	..	..	..
October	..	..	..	..	..	..	..	..	..	..	..	..	..	..
November	..	..	..	..	..	..	..	..	..	..	..	..	..	..
December	..	..	..	..	..	..	..	..	..	..	..	..	..	..
January	..	..	..	..	..	..	..	..	..	..	..	..	..	..
February	..	..	..	..	..	..	..	..	..	..	..	..	..	..
March	..	..	..	..	..	..	..	..	..	..	..	..	..	..
April	..	..	..	..	..	..	..	..	..	..	..	..	..	..
May	..	..	..	..	..	..	..	..	..	..	..	..	..	..
June	..	..	..	..	..	..	..	..	..	..	..	..	..	..
July	..	..	..	..	..	..	..	..	..	..	..	..	..	..
August	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Average	..	..	..	..	..	..	..	..	..	..	..	..	..	..

*Average monthly prices of.....variety of seed cotton (kapas)/lint at.....per standard mawad
of 82-2/7 lbs.*

Month	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50
	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.
September	..	..	..	..	..	..	..	..	..	..	..	..	..	..
October	..	..	..	..	..	..	..	..	..	..	..	..	..	..
November	..	..	..	..	..	..	..	..	..	..	..	..	..	..
December	..	..	..	..	..	..	..	..	..	..	..	..	..	..
January	..	..	..	..	..	..	..	..	..	..	..	..	..	..
February	..	..	..	..	..	..	..	..	..	..	..	..	..	..
March	..	..	..	..	..	..	..	..	..	..	..	..	..	..
April	..	..	..	..	..	..	..	..	..	..	..	..	..	..
May	..	..	..	..	..	..	..	..	..	..	..	..	..	..
June	..	..	..	..	..	..	..	..	..	..	..	..	..	..
July	..	..	..	..	..	..	..	..	..	..	..	..	..	..
August	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Average	..	..	..	..	..	..	..	..	..	..	..	..	..	..

APPENDIX I-D

Copy of letter No. F.21/192/49-G., dated the 13th September, 1949 from the Secretary, Cotton Marketing Committee, to the Secretary, Indian Central Cotton Committee, Bombay, calling for information on certain aspects of Cotton Marketing.

I am directed to state that the Government of India in the Ministry of Agriculture have appointed this Committee under the chairmanship of Dr. P. S. Deshmukh, Member Constituent Assembly to suggest ways and means of improving the marketing of cotton with a view to benefiting the cultivators, particularly by reducing the costs of distribution from farms to textile mills. In this connection my Committee shall be grateful if you will kindly arrange to supply us with a note detailing, particularly, the schemes financed by your Committee on various aspects of cotton marketing. You may also kindly supply a copy each of the reports on the following investigations which seem to have been undertaken by your Committee :—

- (i) Working of regulated cotton markets in Berar ;
- (ii) Investigations into conditions under which the cotton crop is financed and marketed in seven important tracts of India ;
- (iii) Cotton marketing survey in undivided Punjab ; and
- (iv) Investigations into ginning, pressing and marketing charges.

I am also to request you kindly to arrange to supply us with 3 sets of the 'Indian Cotton Growing Review' (January 1947 to July 1949) for the use of the members of the Committee together with such other publications issued by your Committee which you think will be of interest to us.

My Committee proposes to be in Bombay from 8th to 16th October 1949 and at that time they would be glad to meet you and some of your members who may be interested in marketing problems.

The Committee are anxious to obtain and study the information before they leave Delhi in the first week of October. I shall, therefore, be grateful if you will kindly arrange to supply the necessary information before the 3rd October 1949.

APPENDIX I-E

Copy of letter No. F.21/193/49-G., dated the 12/15th October, 1949 from the Secretary, Cotton Marketing Committee, to the East India Cotton Association Ltd., Bombay, calling for information on certain aspects of Cotton Marketing.

I am directed to state that the Government of India in this Ministry of Agriculture have appointed this Committee to suggest ways and means of improving the marketing of cotton with a view to benefiting the cultivators by reducing the costs of distribution from farms to textile mills and shippers. In this connection the Committee would like to have information particularly on the following items and would be grateful if you would kindly arrange to supply the same together with such other information as may be considered useful for the work of the Committee.

- (a) A note on the working of the Cotton Exchanges organised by your association covering both the futures transactions and delivery contracts.
- (b) In what respects the working of your exchange has been affected by the enforcement of the Bombay Forward Contract Control Act, 1947.
- (c) Approximate statistics of volume of business transacted at your exchange for different delivery months during the period 1936-37 to 1948-49.
- (d) Quantities of different types of cotton delivered against each delivery months during the period mentioned in (c) above.
- (e) A note on the classification and grading of cotton as is being done at present giving your views for improvement in this respect and particularly regarding the grading of cotton on the basis of its staple length, colour, ginning and spinning performances etc.
- (f) A note on the contracts used by merchants, textile mills and shippers for purchasing their requirements of cotton and as to how they differ from the contract prescribed by your association for ready transactions.
- (g) A note on the working of (i) the Cotton Transport Act, 1923 and (ii) the Cotton Ginning and Pressing Factory Act, 1925 and as to how far they have been helpful in maintaining the purity of improved varieties.
- (h) Daily prices for the important types of cotton handled by you for the period from September 1948 to date.
- (i) A note on the fixation of floor and ceiling prices by the Government pointing out effect of the same on trade margins and growers' interest.

2. I am also to request you kindly to arrange to supply the Committee three copies each of the publication on cotton issued by your Association including copies of your constitution, rules and bye-laws.

3. The Committee are anxious to obtain and study information on the various points mentioned above before the beginning of the forthcoming cotton season and I am, therefore, to solicit that the required information with your views and suggestions for improving the position may kindly be supplied to me before the 12th November, 1949.

APPENDIX I-F

Copy of letter No. F.21/215/49-G., dated the 13th September, 1949 from the Secretary, Cotton Marketing Committee, to all Textile Mill owners Associations, calling for information on certain aspects of Cotton Marketing.

I am directed to state that the Government of India in the Ministry of Agriculture have appointed this Committee to suggest ways and means of improving the marketing of cotton with a view to benefiting the cultivators by reducing the costs of distribution from farms to textile mills. In this connection the Committee would be grateful if you would kindly arrange to supply the necessary information in respect of the following items, together with such other information as may be considered useful for the work of the Committee.

- (a) A list of textile mills which are members of your association ;
- (b) Varieties of cotton grown in the areas covered by your member mills giving (i) the extent to which such local varieties are utilized by them and (ii) sources of supply from which the rest of their requirements of cotton, particularly of long staple, are met ;
- (c) Approximate proportion of cotton purchased by your member mills during the three years from 1946-47 to 1948-49 (i) directly from ginneries, (ii) through their specially appointed agents, (iii) through usual trade channels and (iv) from co-operative organisations ;
- (d) A comparative statement showing the total expenses incurred in moving cotton from ginning factories to textile mills through the agencies mentioned in (c) above—pointing out in each case the functionaries taking part in the movement and the cost incurred on account of each of them ;
- (e) A note on the classifications and grading of cotton as is being done at present giving your detailed views for improvement in this respect and particularly regarding the grading of cotton on the basis of staple length, colour, ginning and spinning characteristics ;
- (f) A note on the malpractices, if any, resorted to by the ginneries and market functionaries ;
- (g) Copies of contract forms according to which cotton is purchased from (i) home markets and (ii) foreign markets, pointing out the arrangements made for arbitration in each case ;
- (h) Are your members satisfied with hedging facilities in existence at present, if not, suggest improvements ? Please also give a rough proportion of the local requirements of your mills purchased through the hedge market ;

- (i) A note on the working of (i) the Cotton Ginning and Pressing Factories Act, 1925 and (ii) the Cotton Transport Act, 1923, indicating as to how far they have been helpful in maintaining the purity of standard varieties of cotton ;
- (j) A note on transport, handling and packing of cotton giving your suggestions for improvement ;
- (k) Average monthly prices of important varieties of cotton consumed by your mills for three important centres for the period from April 1937 to date.

I am also to request you kindly to arrange to supply my Committee 4 copies each of your constitution and the annual reports for the past 3 years.

The Committee are anxious to obtain and study information on the points mentioned above before the beginning of the forthcoming cotton season which starts in October and I am, therefore, to solicit that four copies of the required information may kindly be supplied before 3rd October 1949, at the latest.

APPENDIX II

<i>List of Markets visited by the Cotton Marketing Committee.</i>			
<i>Date.</i>			<i>Markets visited.</i>
<i>October 1949.</i>			
13th to 16th	...	...	Bombay.
<i>January 1950.</i>			
17th	...	...	Jullundur.
18th	...	...	Khanna.
19th	...	...	Abhor and Fazilka.
20th	...	...	Amritsar and Kahangarh.
<i>February 1950.</i>			
10th & 13th	...	...	Nagpur.
11th & 12th	...	...	Amraoti.
14th & 15th	...	...	Hyderabad.
16th	...	...	Aurangabad.
17th	...	...	Dhulia. (Only Secretary).
<i>March 1950.</i>			
21st	...	...	Surat and Broach.
22nd	...	...	Indore.
23rd	...	...	Dewas, Ujjain, Pirkaraka & Mangalia.
24th	...	...	Gwalior.
<i>May 1950.</i>			
24th & 25th	...	...	Madras.
26th	...	...	Virudhunagar and Shiverkotai.
27th & 28th	...	...	Coimbatore and Tirupur.
29th & 30th	...	...	Bangalore.
31st	...	...	Chitaldrug.
<i>June 1950.</i>			
1st	...	...	Davangere.
2nd	...	...	Hubli.
3rd	...	...	Annigeri and Gadak.
4th to 7th	...	...	Bombay.
<i>September 1950.</i>			
14th to 17th	...	...	Bombay.

APPENDIX III

World Acreage and Production of Cotton (Ginned).

Country	AREA (THOUSAND ACRES)								PRODUCTION (THOUSAND BALES OF 400 LBS. EACH)							
	Average 1934-35 to 1938-39	Average 1939-40 to 1941-42	Average 1942-43 to 1944-45	1945-46	1946	1947	1948	1949	Average 1934-35 to 1938-39	Average 1939-40 to 1941-42	Average 1942-43 to 1944-45	1945-46	1946	1947	1948	1949
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Anglo-Egyptian Sudan	439	412	335	332	336	363	403	428	301	303	317	241	265	259	309	303
Argentina ..	770	742	877	813	979	1038	1149†	1211	329	385	551	340	375	491	502	513
Belgian Congo	813	954	828	870	771	741	754	766	171	242	203	215	209	215	259	265
Brazil ..	5562	5631	6083	5000	5500	4500†	4700†	5301†	2142	2478	2635	1703	1554†	1450†	1824†	2034†
Burma ..	428	258	194	226	134	178	188	173†	114	69	24	39	28	44	44	44†
China ..	7038	5712	4193	6300	6500†	10019†	6277†	5283†	3472	2646	1551	1984	2315†	2590†	2535†	2039†
Egypt ..	1821	1714	786	1020	1259	1302	1497	1754	2206	2165	1027	1293	1499	1576	2205	2034
French West Africa.	346	320	433	324	109	173	..	..	20	25	41	33	17†	22	28†	44†
French Equat. Africa.	381	..	..	..	600†	600†	67†	..	42	65	74	110	88	127	132	143†
India ..	20969*	19477	15020	11360	11671	10655	11293	11793	4063*	4144	2967	2124	2125	2144	1732	2911‡

Iran	..	442	511	295	303	198¶	205	259†	272†	184	127	57	85	77	94	110†	99†
Korea	..	564	712	787	705	311	301	282	329	223	226	249	195	94	72	88	99
Mexico	..	725	685	984	843	843	865†	1050†	1446†	362	394	635	547	485	579†	683†	1185†
Pakistan	..	3698*	3525	3358	3319	323¶	3091	2703	2812	1590*	1593	1546	1406	1478¶	1064	1075	1146
Peru	..	428	434	340	346	334	334	358	..	452	434	356	393	386	369	353	358
Tanganyika	..	220	305	209	143	193	138	138	..	45	68	38	42	39	39	50	55
Turkey	..	667	777	699	572	690	600	670	875	301	377	342	198	243	259	369	535
Uganda	..	1477	1280	1067	1146	1233	1100	552	1628	324	301	191	250	231†	160†	369	309†
United States	..	27788	23302	21421	17241	17615	21268	22821	26898	15192	13992	14529	10773	10367	14170	17775	19158
U. S. S. R.	..	5009	4942	2553	2965	..	..	..	..	3711	4152	1561	1984	..	..	..	..
Total	..	79585	71693	60433	53828	52506	57471	55161	60949	35244	34186	28894	23955	21875	25724	30442	33274

*Average for 1936-37 to 1938-39. †Unofficial figures. ‡Area planted.

§Provisional based on the revised method of estimation of the cotton yields and therefore not comparable with the figures for previous years.

||South Korea. ¶Average figures for 1943-44 to 1945-46.

SOURCE.—International Year Book of Agricultural Statistics. From 1946 onwards figures are from the Year Book of Food and Agricultural Statistics. Figures for India upto 1945-46 have been adopted from the "Estimates of area and Yield of principal crops" for undivided India and minor changes have been made in the totals for adjustment.

APPENDIX IV(A)
Imports of Cotton by Principal Importing Countries.

(Thousand bales of 478 lbs. each)

Countries	YEAR BEGINNING AUGUST 1.				
	1938-39	1946-47	1947-48	1948-49	1949-50(a)
Australia	25	68	70	74	70
Austria	175	36	58	105	91
Belgium†	296	329	405	350	455
Canada	253	390	350	357	414
China‡	774	824	767	550	450
Czechoslovakia	225	267	215	275	275
Fed. Rep. of Germany	(c)1,178	350	350	527	978
Finland	73	48	30	60	43
France	1,029	863	816	1,121	1,334
Greece	10	50	12	25	41
Hungary	140	71	130	135	140
India	352	561	(b) 567	(b) 839	(b) 450
Italy†	574	1,130	610	897	911
Japan	2,757	718	665	926	961
Korea	75	10	65	50	40
Netherlands†	252	217	208	239	328
Poland†	340	295	400	375	375
Portugal	99	149	169	154	156
Spain	200	353	327	392	270
Sweden	192	89	123	107	117
Switzerland	138	127	134	103	155
United Kingdom	2,198	1,819	1,322	2,256	,883
United States*	132	270	234	163	245
Others (South Africa & Africa)	57	251	193	238	256
Others incl. U. S. S. R.	356	403	705	528	645
Others	102	124	117	179	234
Total ..	12,002	9,812	9,072	11,025	11,317

(a) Preliminary.

(b) Including imports from Pakistan.

(c) All Germany.

(*) Running bales of 500 lbs. each.

(†) Excludes 'temporary' imports.

(‡) Includes Manchuria.

APPENDIX IV(B)
Exports of Cotton by Principal Producing Countries.
 (Thousand bales of 478 lbs. each)

Country	YEAR BEGINNING AUGUST 1,				
	1938-39	1946-47	1947-48	1948-49	1949-50(a)
Anglo-Egyptian Sudan	341	250	221	334	326
Argentina	116	36	13	28	45
Belgian Congo	175	203	211	235	217
Brazil	1,609	1,524	1,054	953	595
China*	273	..	..	..	..
Egypt	1,764	1,489	1,577	1,700	1,647
French Equatorial Africa ..	39	86	127	110	120
India*	2,685	834	707	263	212
Iran	48	8	6	16	29
Mozambique	34	80	130	105	120
Mexico	62	204	359	232	533
Nigeria	24	30	29	36	60
Paraguay	25	39	30	41	48
Pakistan*	..	..	980	680	864
Peru	351	361	279	232	224
Tanganyika	45	29	35	45	45
Turkey	87	1	5	135	218
Uganda	300	194	187	250	320
United States†	3,325	3,544	1,968	4,748	5,771
Others	393	677	763	665	823
Total ..	11,696	9,589	8,681	10,808	12,217

(a) Provisional.

(*) Pakistan is included in India except for 1947-48, 1948-49 and 1949-50. China includes Manchuria.

†Running bales of 500 lbs. each.

APPENDIX V

Acreage under Cotton in the main Producing States of the Indian Union.

(Thousand acres)

States 1	1936-37 to 1938-39 average 2	1939-40 3	1940-41 4	1941-42 5	1942-43 6	1943-44 7	1944-45 8	1945-46 9	1946-47 10	1947-48 11	1948-49 12	1949-50 Provi- sional 13
Assam	39	34	41	38	32	32	31	36	30	34	31	27
Bihar	39	42	40	41	41	40	40	39	39	44	44	17
Bombay	6,878	6,001	6,581	6,989	4,789	4,850	2,665	2,521	2,750	2,091	2,142	2,352
Madhya Pradesh	3,884	3,270	3,572	3,805	3,273	3,203	2,803	2,956	2,967	2,910	3,044	2,841
Madras	2,344	2,222	2,441	2,556	2,231	2,210	1,686	1,623	1,579	1,308	1,633	1,652
Punjab	765	598	593	663	454	546	443	386	347	294	236	322
Uttar Pradesh	654	496	402	439	317	380	207	200	172	154	119	111
Hyderabad	3,377	3,188	3,458	3,283	2,973	4,105	1,957	2,155	2,236	1,906	2,048	2,122
Madhya Bharat	1,939	1,553	1,700	1,717	1,359	1,402	934	878	964	830	1,043	1,096
Vindhya Pradesh		85	84	88	93	86	78	61	47	53	64	69
Mysore		379	312	337	355	206	222	190	214	231	193	188
P. E. P. S. U.	379	312	337	355	206	222	190	214	231	193	181	188
Rajasthan	509	362	433	424	285	377	366	247	263	207	167	282
Saurashtra	..	..	..	..	..	..	..	..	..	533	433	608
Bhopal	..	..	..	..	..	..	..	..	..	27	20	21
Cutch	..	..	..	..	..	..	..	..	..	24	24	25
Tripura	32	27	27	26	27	27	25	26	26	26	25	23
Others	45	24	42	39	22	28	23	18	20	21	39	37
Total	20,969	18,213	19,755	20,464	16,102	17,508	11,449	11,360	11,671	10,655	11,293	11,793

NOTE.—Figures given against Bombay include old Bombay States i.e., Saurashtra, Deccan and Gujerat States and Baroda upto 1946-47.

Figures for Bhopal are included in those for Madhya Bharat and Vindhya Pradesh upto 1946-47.

Source.—“ Estimates of area and yield of principal crops in India ” and the crop forecast reports issued by Directorate of Economics and Statistics, Ministry of Agriculture.

APPENDIX VI

Production of Cotton in the main Producing States of the Indian Union

(Thousand bales of 392 lbs. each).

States	1936-37 to 1938-39 Average	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	Revised* 1949-50
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Assam	17	14	16	13	10	11	13	15	12	15	10	8	11
Bihar	7	8	8	8	8	9	8	7	7	9	3	3	4
Bombay	1,331	1,051	1,101	1,185	786	1,028	420	349	409	425	280	444	636
Madhya Pradesh ..	679	736	919	1,008	550	637	476	546	471	576	346	298	298
Madras	458	464	545	576	487	495	391	370	344	273	342	313	448
Punjab	300	258	289	205	162	180	183	151	126	59	78	165	222
Uttar Pradesh ..	185	153	162	109	95	115	64	59	46	43	24	31	44
Hyderabad	526	513	558	551	498	577	258	266	301	263	234	253	382
Madhya Bharat ..	261	172	341	288	225	288	154	150	153	262	197	233	334
Vindhya Pradesh ..	†	3	3	1	1	2	1	1	1	(N)	(N)	(N)	(N)
Mysore	11	12	13	13	14	13	11	13	14	16	17	19	27
P. E. P. S. U. ..	181	154	214	152	79	102	83	80	102	69	61	80	114
Rajasthan	88	56	106	108	74	79	70	45	56	65	64	99	168
Saurashtra	..	128	185	236	151	151	77	103	113	92	90	203	245
Bhopal	..	2	3	3	3	4	1	1	1	8	7	9	13
Kutch	..	..	2	6	4	3	3	3	4	5	5	5	7
Tripura	5	4	4	4	4	4	4	4	3	3	3	5	7
Others	15	5	12	11	4	7	5	4	5	5	6	7	10
Total	4,063	3,733	4,471	4,477	3,155	3,705	2,222	2,167	2,168	2,188	1,767	2,165	2,970

(*) Provisional based on the revised method of estimation of cotton yields and, therefore, not comparable with the figures for previous years.

(†) Included under Madhya Bharat.

(N) Less, than 500 bales.

NOTE.—Figures given against Bombay include old Bombay States i.e., Saurashtra, Deccan and Gujerat States and Baroda upto 1944-47.

Figures for Bhopal are included in those for Madhya Bharat and Vindhya Pradesh upto 1946-47.

Source.—“ Estimates of area and yield of principal crops in India ” and the crop forecast reports issued by Directorate of Economics and Statistics, Ministry of Agriculture.

APPENDIX VII

Area, production and yield per acre of different varieties of cotton according to revised trade descriptions in the Indian Union.

	AREA (THOUSAND ACRES)					PRODUCTION (THOUSAND BALES OF 392 LBS. EACH)					YIELD PER ACRE (LBS.)		
	Average 1938-39 to 1940-41	1946-47	1947-48	1948-49	1949-50	Average 1938-39 to 1940-41	1946-47	1947-48	1948-49	1949-50 *	Average 1938-39 to 1940-41	Average 1946-47 to 1948-49	1949-50 *
<i>Bengal</i>													
U. P. Deshi	577	224	208	190	153	175	55	53	29	51	118	86	131
Punjab Deshi	952	501	445	374	413	419	199	119	122	257	173	131	244
Rajasthan Deshi ..	385	198	193	163	271	86	59	65	66	170	88	134	246
Total ..	1,914	923	846	727	837	680	313	237	217	478	139	120	224
<i>American</i>													
Punjab Americans ..	24	77	43	44	97	5	29	9	17	79	82	131	319
Buri	26	154	99	171	196	6	25	19	20	26	90	59	52
Total ..	50	231	142	215	293	11	54	28	37	105	86	79	140
<i>Oomras</i>													
G. P. Oomras	1,239	664	817	870	853	221	94	145	94	73	70	53	34
Berar Oomras	1,790	359	284	288	254	401	58	54	36	28	88	62	43
Nimar Oomras	234	24	68	62	57	62	4	12	7	8	109	58	55
Madhya Pradesh Verum ..	219	1,766	1,642	1,653	1,481	44	290	346	189	163	79	64	43
Khandesh Oomras ..	1,027	213	207	228	189	230	47	50	52	44	91	90	91
Khandesh Banilla ..	113	31	23	39	35	20	7	5	9	16	101	88	179
Barsinagar Oomras ..	231	29	36	32	33	47	4	5	4	6	80	53	71
Hyderabad	1,776	1,180	949	895	998	288	167	141	117	198	64	55	78
Total ..	6,619	4,266	4,026	4,067	3,900	1,331	671	758	508	536	79	61	54

<i>Hyderabad Gaorani</i> ..	881	552	480	473	441	141	77	73	57	66	63	54	59
<i>Central India</i>													
Malvi	965	547	505	561	629	141	80	114	105	207	57	73	129
C. I. & Others ..	726	429	373	514	508	123	75	160	101	145	66	100	112
Total ..	1,691	976	878	1,075	1,137	264	155	274	206	352	61	102	121
<i>Broach</i>	870	528	508	512	548	244	120	140	63	221	110	82	159
<i>Surti</i>	658	340	373	384	441	164	75	83	54	146	98	76	130
<i>Dholleras</i>													
Gujarat Dholleras ..	620	361	293	271	376	110	89	65	18	100	69	73	104
Gujarat (short staple) ..	20					4					78		
Kathiawar Dholleras ..	751	417	280	401	530	94	76	44	86	227	49	75	168
Kathiawar short staple ..	542	158	279	36	88	80	30	49	5	21	58	70	96
Kutch Dholleras ..	16	22	24	24	25	2	4	5	5	7	49	78	110
Total ..	1,949	958	856	732	1,017	290	199	163	114	355	58	73	137
<i>Southern</i>													
Kumpts and Uplands ..	1,358	745	770	922	885	220	90	164	95	169	64	56	75
Bijapur and Bagalkot Jowari ..	548	179	176	157	216	58	15	12	28	21	41	42	38
Westerns	1,150	847	739	1,003	1,040	161	95	88	106	162	55	44	61
White and Red Northern ..	187	83	63	108	118	24	8	8	12	19	50	43	63
Warangal and Coconadas ..	221	118	98	94	103	31	16	15	14	22	55	57	84
Chinnapathi (short staple) ..	10	6	6	7	7	1	(N)	1	(N)	(N)	39	21	..
Total ..	3,474	1,978	1,852	2,291	2,369	497	224	228	255	393	56	45	65
<i>Tinnevellies</i>													
(Including Karungannies)	660	463	417	534	493	152	92	87	127	147	90	85	117
Cambodias	401	387	202	213	251	157	170	97	113	149	153	186	233
Salems	54	15	15	14	16	5	3	2	3	4	36	71	98
Comillas	65	56	60	56	50	19	15	18	13	18	115	105	141
Miscellaneous	14	..	..	..	..	..	..	..	..	..	..	..	..
Grand Total ..	19,300	11,671	10,655	11,293	11,793	3,955	2,168	2,188	1,767	2,970	80	48	99

(*) Provisional based on the revised method of estimation of cotton yields and, therefore, not comparable with the figures for previous years.

(N) Less than 500 bales.

APPENDIX VIII

Targets of additional production of cotton in different States in 1950-51.

(Figures in bales)

States (1)	Expansion of Area				By inter-cropping of other crops with cotton (6)	Irrigation schemes (7)	Intensive Cultivation			Grand Total (11)
	By reclama-tion of fallow land (2)	By replace-ment of food crops (3)	By replace-ment of other crops (4)	Total (5)			Manuring (8)	Use of improved seed (9)	Total (10)	
Punjab	..	51,020	..	51,020	..	..	1,905	6,530*	8,435	59,455
P.E.P.S.U.	8,000	24,000	..	32,000	..	6,000	350	1,500	6,450†	38,450
Madras	..	37,500	..	37,500	50,000	..	7,500	4,390	61,890	99,390
Hyderabad	67,000	33,000	..	100,000	18,000	..	..	6,000	24,000	124,000
Mysore	..	..	..	..	3,600	..	150	6,400	19,150	10,150
Uttar Pradesh	..	18,437	..	18,437	745	..	1,377	120	2,242	20,679
Madhya Pradesh	..	40,000	..	40,000	1,000	..	550	1,600	3,150	43,150
Bhopal	..	10,600	..	10,000	..	..	..	200	200	10,800
Saurashtra	..	25,000	12,500	37,500	625	..	625	144	1,394	38,894
Bombay	..	69,500	..	69,500	4,000	1,700	15,000	..	20,700	90,200
Madhya Pradesh	17,000	30,000	13,000	60,000	..	..	2,000	..	2,000	62,000
Total	92,000	339,057	25,500	456,557	77,970	7,700	29,457	25,384	140,611	597,168

* Includes 408 bales additional production due to treating seed with Mythal Bromide against pink bollworm.

† Includes 100 bales additional production due to interculturing and hoeing operations on 3,920 acres.

APPENDIX IX
Imports of Cotton Lint into India.*

(Thousands Tons)*

Country	Average 1936-37 to 1938-49	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50
Through main ports—												
Anglo-Egyptian Sudan ..	12	12	18	30	17	12	4	1	(a)	15	8	5
Egypt	22	26	22	34	37	43	50	39	44	60	51	76
Kenya Colony ..	47	32	32	63	24	11	31	38	31	31	22	36
Pakistan Western ..	..	..	..	..	..	..	..	..	..	(a)	62	22
Tanganyika Territory ..	5	4	7	9	8	9	5	7	5	4	5	6
United States of America ..	11	9	8	(a)	(a)	..	..	(a)	4	1	5	4
Other countries ..	2	1	2	2	2	1	(a)	2	15	2	9	10
Total ..	99	84	89	138	88	76	90	87	99	113	162	159
Share of Bengal	5	3	2	3	1	(a)	(a)	1	2	4	7	8
Bombay	92	78	84	132	86	76	90	87	93	99	140	128
Sind	(a)	..	(a)	(a)	..	(a)	..	3	1	..	..	..
Madras	2	3	3	3	1	..	..	..	3	10	15	23
Through Saurashtra Ports ..	(a)	(a)	(a)	(a)	(a)	1	..	1	3	(a)	(a)	..
Through Land Frontier Routes ..	1	5	6	5	2	3	3	2	2	N.A.	N.A.	N.A.
GRAND TOTAL ..	100	89	95	143	90	80	93	94	104	113	162	159

* From 1948-49 figures are for the Indian Union only and prior to that for undivided India.

(a) Less than 500 tons. N.A. Not available.

Source: (1) Annual Statement of the Seaborne Trade of British India, (2) Accounts relating to the sea-borne trade and navigation of India, (3) Trade statistics relating to the Maritime States in Kathiawar and the State of Travancore. (4) Trade at stations adjacent to land Frontier Routes.

APPENDIX X

. Exports including re-exports of Cotton Lint from India.*

(Thousand Tons)

Country	Average 1936-37 to 1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1945-47	1947-48	1948-59	1949-50†
Through main ports—												
Belgium	38	12	1	..	..	..	..	3	..	32	1	15
China (excluding Hongkong & Macao)	20	122	135	25	..	..	..	13	..	39	13	1
France	25	41	22	..	..	..	..	6	..	..	..	..
Germany	34	9	..	..	..	..	..	..	..	..	..	..
Italy	24	9	1	..	..	..	..	..	..	..	..	..
Japan	292	189	126	69	..	..	..	..	..	..	14	18
United Kingdom ..	84	84	52	98	41	32	42	39	19	30	8	1
United States of America ..	13	22	22	40	1	10	12	46	27	14	4	11
Other countries	40	38	28	25	12	8	3	29	116	94	30	10
Total	570	526	387	257	54	50	57	136	162	209	76	56
Share of Bengal	10	14	8	24	1	1	1	3	4	3	2	1
Bombay	294	274	204	102	22	16	7	37	63	141	74	54
Sind	235	209	149	125	30	33	49	94	95	58	..	..
Madras	31	29	26	6	(a)	(a)	(a)	2	(a)	7	..	..
Through Saurashtra ports ..	11	10	(a)	(a)	1	3	1	(a)	..	(a)	2	1
Re-exports	2	3	2	3	..	..	..	..	(a)	..	..	..
GRAND TOTAL	583	539	389	260	55	53	58	136	162	209	76	56

* From 1948-49 figures are for the Indian Union only and prior to that for undivided India.

† From 1st April 1949 these accounts include the foreign Seaborne trade of Travancore, Saurashtra with the sea-borne trade of India.

Source:—Annual statement of the Sea-borne trade of British India (ii) Accounts relating to the Sea-borne Trade and navigation of India (iii) Trade Statistics relating to the maritime States in Kathiawar and the State of Travancore.

APPENDIX XI

List of certain important Assembling Markets of Cotton in India.

Name of market	District	Name of market	District
BOMBAY		BOMBAY—contd.	
<i>Regulated markets</i>		<i>Regulated markets—contd.</i>	
Viramgam	Ahmedabad.	Athani	Belgium.
Sanand	Do.	Bijapur	Bijapur
Bavla	Do.	Bagelkot	Do.
Talod	Do.	Hubli	Dharwar.
Kapadwanj	Kaira.	Gadag	Do.
Dakore	Do.	Nargund	Do.
Thasra	Do.	Dharwar	Do.
Derol	Panchmahals.	Annigeri	Do.
Jalgaon	East Khandesh.	Bodoli	Baroda.
Pachora	Do.	<i>Unregulated markets</i>	
Amalner	Do.	Dholka	Ahmedabad.
Chalisgaon	Do.	Halo	Panchmahals.
Chopda	Do.	Dohad	Do.
Dhulia	West Khandesh.	Baroach	Baroach.
Nandurbar	Do.	Jambusar	Do.
Shahada	Do.	Ankleshwar	Do.
Dondaicha	Do.	Hansot	Do.
Shirpur	Do.	Paly	Do.
Malegaon	Nasik.	Nabipur	Do.
Satana	Do.	Wagra	Do.
Nandgaon	Do.	Amod	Do.
Baramati	Poona.	Bulsar	Surat.
Pandharpur	Sholapur.	Olpad	Do.
Bareil	Do.	Madhi	Do.
Karmala	Do.	Bardoli	Do.
Bailhongal	Belgaum.	Kim	Do.
Gokak	Do.	Ahmednagar	Ahmednagar.

APPENDIX XI—contd.

Name of market	District	Name of market	District
BOMBAY—contd.		BOMBAY—contd.	
<i>Unregulated markets—contd.</i>		<i>Unregulated markets—contd.</i>	
Wambori	Aamdnagar.	Jetpur	Baroda.
Sheegaon	Do.	Chapaner Road ..	Do.
Pethardi	Do.	Jarod	Do.
Faispur	East Khandesh.	Jojawa	Do.
Bodwad (Bhusawal) ..	Do.	Bejawa	Do.
Nawapur	West Khandesh.	Baroda	Do.
Sholapur	Sholapur.	Bhaili	Do.
Kurduwadi	Do.	Mobha Road	Do.
Natepute	Do.	Ranu Pipri	Do.
Talikot	Bijapur.	Desar Road	Do.
Bagawadi	Do.	Wejpur	Do.
Ron	Dharwar.	Makan	Do.
Haveri	Do.	Dhokalia	Do.
Rannebennur	Do.	MADHYA PRADESH	
Naregal	Do.	<i>Regulated markets</i>	
Dabhoi	Baroda.	Wardha	Wardha.
Sadhali	Do.	Hinganghat	Do.
Karjan	Do.	Darwah	Yeotmal.
Samlaya	Do.	Pusad	Do.
Badharpur	Do.	Digras	Do.
Kaledia	Do.	Umerkhed	Do.
Itola	Do.	Ghatanji	Do.
Karawn	Do.	Panderkawda	Do.
Mass Road	Do.	Wun	Do.
Savan	Do.	Akola	Akola.
Tankhala	Do.	Basim	Do.
Antola	Do.	Akot	Do.
Tilkwada	Do.	Murtizapur	Do.

APPENDIX XI—contd.

Name of market	District	Name of market	District
MADHYA PRADESH—contd.		MADRAS—contd.	
<i>Regulated markets—contd.</i>		<i>Unregulated markets—contd.</i>	
Amraoti	Amraoti.	Vridunagar	Ramanad.
Dattapur	Do.	Tinnevelly	Tinnevelly.
Warud	Do.	Tuticorin	Do.
Daryapur	Do.	Rajapalayam	Do.
Anjangaon	Do.	Koilpatti	Do.
Katol	Nagpur.	Bellary	Bellary.
<i>Unregulated markets</i>		Guntakal	Anantapur.
Nagpur	Nagpur.	Tadpatri	Do.
MADRAS		Anantapur	Do.
<i>Regulated markets</i>		Kurnool	Kurnool.
Tirupur	Coimbatore.	Cuddapah	Cuddapah.
Adoni	Bellary.	Madras city	Madras.
Nandyal	Kurnool.	Guntur	Guntur.
<i>Unregulated markets</i>		Settenaspalle	Do.
Coimbatore	Coimbatore.	Narasaraopet	Do.
Palladam	Do.	PUNJAB	
Avanashi	Do.	<i>Regulated markets</i>	
Erode	Do.	Moga	Ferozepore.
Follachi	Do.	Abohar	Do.
Udumalpet	Do.	Gidderbaha	Do.
Salem	Salem.	Bhucchehu Mandi	Do.
Madura	Madura.	Malout	Do.
Palni	Do.	Fasilka	Do.
Dindigul	Do.	Mukatsar	Do.
Srivilliputtur	Ramnad.	Hansi	Hisar.
Sattur	Do.	Hisar	Do.
		Uklana	Do.

APPENDIX XI—contd.

Name of market	District	Name of market
PUNJAB—contd.		HYDERABAD—contd.
<i>Regulated markets—contd.</i>		<i>Regulated markets—contd.</i>
Jagraon	Ludhiana.	Nizamabad
Khanna	Do.	Warangal
Ludhiana	Do.	Peddapalli
Amritsar	Amritsar.	Jammikunta
Tarn Taran	Do.	Rai hur
Patti	Do.	Udgir
Butari	Do.	Gangakher
Rohtak	Rohtak.	Lasur
Panipat	Karnal.	Karkheli
Kaithal	Do.	Selam
Hodel	Gurgaon.	Yadgir
HYDERABAD (DECCAN)		Kopbal
<i>Regulated markets</i>		Bir
Aurangabad		Bhalki
Jalna		Tandur
Partur		Deglur
Sailu		
Manwath		
Parbhani		<i>Unregulated markets</i>
Purna		Nirmal
Hingoli		Ambad
Purli		Badnapur
Latur		Madhool
Nander		Mulkhed
Umri		Naigaon
Dharmabad		Basmat
Bhainsa		Satona
Adilabad		

APPENDIX XI—concl'd.

Name of market	Name of market		
MADHYA BHARAT	MADHYA BHARAT—contd.		
<i>Regulated markets</i>	<i>Regulated markets—contd.</i>		
Indore	Dewas		
Badwaha	Narsinggarh		
Sanawad	Kannod		
Bhicangaon	Khategaon		
Khargone	<i>Unregulated markets</i>		
Sendhwa	Maheshwar		
Anjad	Susari		
Dhamnod	Segaon		
Dhar	Nisarpur		
Badnawad	Kukshi		
Ratlam	Gunwani		
Mahadpur	Vidya-khedi		
Tarana	Tonki		
Unhel	Dharamपुर		
Shamgarh	Name of market	District	
Garoth	MYSORE		
Jaora	<i>Regulated markets</i>		
Rajgarh	Chitaldrug		Chitaldrug.
Manawar	Davangore		Do.
Sarangpur	Arsikere		Haasan.

APPENDIX XII

Merchandising charges payable by sellers & buyers in certain important Assembling Markets for Cotton.

Items	Madhya Pradesh		Madras		Bombay		Hyderabad		Punjab	
	Nagpur	Akola*	Pollachi* (Coimbatore)	Tirupur† (Coimbatore)	Shegaon (Ahmednagar)	Bailhongal* (Belgaum)	Nander*	(B)	Fazilka (before re- gulation)	Fazilka* (after re- gulation)
<i>Payable by Seller</i>										
1. Terminal Tax or Market Cess	Re. 1-0-0 per cart.	Re. 1-0-0 per cart.	Re. 1-0-0 per cart. or Re. 0-2-0 per pothi of 250 lbs. Kapas.	..	..	Re. 0-0-6 per Dokra of 12 Mds. (each md. of 28 lbs.)	Re. 0-4-0 per Rs. 100-0-0 worth of produce	..	..	Re. 0-1-3 per maund.
2. Commission (Adet)	..	Re. 1-0-0 per Rs. 100-0-0 worth of Kapas.	..	Re. 1-4-0 per Rs. 100-0-0 worth of Kapas.	Re. 1-0-0 per Rs. 100-0-0 worth of produce.	Re. 0-6-0 per Dokra of Kapas.	Re. 1-8-0 per Rs. 100-0-0 worth of produce.	..	..	Re. 1-0-0 per Rs. 100-0-0 worth of Kapas.
3. Brokerage (Dakali)	Re. 0-10-6 per cart.	..	..	..	..	..	..	..	1½ Ch. per maund.	Re. 0-3-6 per Rs. 100-0-0 worth of Kapas.
4. Handling and Weighment (Hamali).	..	Re. 0-7-0 per cart.	..	Re. 0-4-0 per pothi (Kalesi Charges).	Re. 0-2-0 per palla of 3 standard mds.	Re. 0-2-6 per Dokra.	Re. 0-1-0 per dak.	..	3 Ch. per maund.	Re. 0-3-6 per Rs. 100-0-0 worth of Kapas.
5. Extra allowance weight de- ductions).	2-3 lbs. from each cart.	..	4-08 lb. per pothi.	..	½ seer per cart (as sample).	..	1 seer per dak.	..	1 seer per maund (Karda).	..
6. Charity	..	..	Re. 0-4-0 per pothi.	..	Re. 0-1-3 per Rs. 100-0-0 worth of produce.	..	Re. 0-0-2 per Rs. 100-0-0 worth of produce.	..	..	Re. 0-2-6 per Rs. 100-0-0 worth of Kapas (Chaugas).

1. Loss by fraudulent weighing	..	..	5 % or 14 lb. per pothi.	..	3 aces per cart.	..	..	..	..	..
2. Insurance Charges	..	..	Re. 0-2-0 per Ra. 100-0-0	..	..	..	..	..	1 Ch. per maund (Dhanak)	Re. 0-2-6 per maund. Rola.
Total Charges per Ra. 100-0-0 worth of Kapes. ‡	0 13 9	1 7 6	6 14 3	1 5 0	6 5 0	0 9 0	4 6 9	..	3 4 0	3 5 3
<i>Payable by Layer</i>										
1. Market Fee	..	..	..	..	..	..	..	..	Re. 0-0-6 per maund.	Re. 0-0-6 per maund.
2. Commission (Adat)	..	..	..	Re. 1-4-0 per Ra. 100-0-0 worth of kapes.	..	Re. 0-5-0 per Dokra of Kapes.	..	..	Re. 0-8-0 per Ra. 100-0-0.	Re. 0-8-0 per Ra. 100-0-0.
3. Brokerage (Dahall)	..	Re. 1-8-0 per cart.	..	..	..	..	..	..	..	..
4. Handling & weightment (Hamali)	..	..	..	Re. 0-4-0 per pothi Kalesi Charges.	..	..	..	..	Re. 0-1-0 per md. (Darakarni)	Re. 0-1-0 per md. (Dara Karni)
5. Charity	..	..	..	..	..	..	..	..	Re. 0-2-0 per Ra. 100-0-0.	Re. 0-2-0 per Ra. 100-0-0.
Total charges per Ra. 100-0-0 worth of kapes ‡	0 8 0	..	..	1 5 0	..	0 6 0	..	..	0 14 0 [†]	0 18 0 ^{††}
Grand Total	1 5 9	1 7 6	6 14 3	2 10 0	6 5 0	0 15 0	4 6 9	..	4 2 0	3 1 3

*Regulated market, period 1946-47 to 1948-49.

†Shandies. (B) All important cotton markets are regulated.
‡To be verified.

‡‡ Calculated on the basis of average prices of Kapes during the

APPENDIX XIII

Statement showing the comparative costs of Marketing Cotton (per candy) through the usual trade channels and the co-operative organisations in Surat District.

	Usual trade channels	Co-opera- tive orga- nisation	Remarks
	Rs.	Rs.	
(1) Cartage on seed cotton from village to gin.	..	..	Transactions are generally made for gin delivery and the cultivator himself arranges for the necessary cartage.
(2) Dalali charges on seed cotton ..	2 8 0	..	
<i>Expenses from Gin to Mills</i>			
(1) Ginning charges	30 0 0	30 0 0	
(2) Clerical establishment	1 0 0	1 0 0	
(3) Vassallas hire charges	2 0 0	2 0 0	
(4) Insurance charges	1 0 0	1 0 0	
(5) Pressing charges	20 0 0	20 0 0	
(6) Dalali on lint	1 0 0	1 0 0	
(7) Weighing charges Dharmada etc. ..	1 5 0	1 5 0	
(8) Commission charges @ 0.8-0 per Rs. 100 produce.	4 0 0	4 0 0	
(9) Carting from press to nearest Railway station.	1 8 0	1 8 0	
(10) Railway freight —			
(a) from Surat to Bombay	8 0 0	8 0 0	
(b) Carting charges from Bombay station to Bombay Mill.	5 0 0	5 0 0	
Total ..	77 5 0	47 13 0	

APPENDIX XIV

Schemes of seed multiplication and distribution financed wholly or partly by the Indian Central Cotton Committee.

(Up to August 1950).

Tracts for which Schemes have been sanctioned	Total cost of the Scheme	Funds allotted by the I.C.C.C.	Remarks
1	2	3	4
<i>Punjab</i>	Rs.	Rs.	
1. Scheme for multiplication and distribution of L. S. S. American cotton seed in Ferozepore district, Punjab.	94,804	94,804	..
2. Scheme for multiplication and distribution of 216-F American cotton in Haryana tract of Punjab.	152,235	59,135	Towards cost of staff and technical contingencies..
<i>Bombay</i>			
3. Jarilla seed distribution scheme in Khandaesh district.	828,261	284,750	..
4. Revised Jayawant and Gadag No. 1 seed distribution scheme in Dharwar, Bijapore and Belgaum districts.	885,360	410,828	..
5. Scheme for multiplication and distribution of Suyog cotton seed in Surat tract (south of river Narbadda).	118,380	52,080	..
6. Scheme for cultivation of 1027 A. L. F. in Nawapur taluka in West Khandesh district.	35,217	10,794	..
7. Scheme for multiplication and distribution of Kalyan (K-72-2) cotton seed in Wagad tract of Ahmedabad district.	207,367	88,052	On account of contingencies.
8. Scheme for multiplication and distribution of Vijay cotton seed in middle Gujerat.	730,321	159,871	..
9. Scheme for multiplication and distribution of Vijay cotton seed in Baroda district, Baroach tract.	786,637	328,597	..
10. Scheme for distribution and multiplication of Suyog cotton seed in Navsari district (Surat tract of former Baroda State).	2,04,584	73,577	Terminated on 31-3-1949.
11. Scheme for multiplication and distribution of K. 72-2 cotton in Wagad tract of Mhasana district of former Baroda State.	1,19,028	28,350	On account of net cost of contingencies.

APPENDIX XIV—contd.

Tracts for which Schemes have been sanctioned	Total cost of the Scheme	Funds allotted by the I.C.C.C.	Remarks
1	2	3	
	Rs.	Rs.	
<i>Madras</i>			
12. Scheme for multiplication and distribution of C. 11-2 cotton seed in Coimbatore district.	..	26,926	On account of loss and maintenance of nucleus and purchase of dead stock.
13. Scheme for multiplication and distribution of G-1 cotton in Guntur district (Cocanada tract).	57,117	24,361	
14. Scheme for multiplication, distribution and marketing of CO-4 cotton in summercrop tract of Ramnad district.	1,09,948	39,111	
<i>Madhya Pradesh</i>			
15. Scheme for seed distribution and marketing of Jarilla cotton in Madhya Pradesh.		65,289	
16. Scheme for extension of area under Buri and Cambodia cotton in Nimar tract.	34,505	17,252	
<i>Madhya Bharat</i>			
17. Scheme for distribution of pure American cotton (Buri) seed in Nimar tract.	50,465	50,465	
<i>Rajasthan</i>			
18. Scheme for multiplication and distribution of Indore-1 cotton seed in well irrigated tract of Mewar State.	1,72,124	79,686	
<i>Mysore</i>			
19. Scheme for multiplication and distribution of Sel. 69 and M. A. V. in Irwin Canal irrigated and black-soil tracts of Mysore.	27,922	5,550	

APPENDIX XV

Particulars regarding number of members, share capital, working capital, reserve fund, quantity of kapas handled and dividend declared in 1947-48 of Co-operative Societies handling Cotton.

Serial No.	Name of Society and location	District	No. of members	Share capital (in thousand Rupees)	Reserve fund (in thousand Rupees)	Dividend declared (in %)	Remarks
1	2	3	4	5	6	7	8
	BOMBAY						
1	Dhansura Group Co-operative Cotton Sale Society Ltd., Dhansura.	Ahmedabad.	..	5.7	1.4	..	
2	Dakore Co-operative Cotton Sale Society Ltd., Dakore.	Kaira	175	13.3	1.2	6	
3	Thasra Co-operative Cotton Sale Society Ltd., Thasra.	Do.	135	3.0	3.8	5	
4	Kapadvanj Co-operative Cotton Sale Society Ltd., Kapadvanj.	Do.	168	15.9	.8	6½	
5	Soneek Cotton Sale Society Ltd., Sandhiar.	Surat	743	22.6	14.1*	5	
6	Pal Cotton Sale Society Ltd., Jahangirpura.	Do.	744	15.6	7.2*	5	
7	Talod Cotton Sale Society, Ltd., Sansek.	Do.	533	24.7	6.9*	5	
8	Asnad Cotton Sale Society Ltd., Pardi Zankhri.	Do.	511	14.8	7.1*	3½	
9	Olpad Cotton Sale Society Ltd., Asnad.	Do.	251	11.2	3.1*	5	
10	Jahangirpura, Cotton Sale Society Ltd., Sandhiar.	Do.	319	12.3	2.0*	5	
11	Chhupasa Bhuthu Cotton Sale Society Ltd., Kosad.	Do.	206	4.2	1.3*	3½	
12	Nanavarachha Cotton Sale Society Ltd., Surat.	Do.	410	13.1	7.2*	5	
13	Farmers' Cotton Sale Society Ltd., Bodhuri.	Do.	183	4.2	1.1*	5	
14	Gothan Cotton Sale Society Ltd., Gothan.	Do.	264	7.5	8.1*	6½	
15	Sandhiar Cotton Sale Society Ltd., Mandhar.	Do.	123	2.98	1.1*	3½	
16	Kudsad, Cotton Sale Society Ltd., Kumyasi.	Do.	77	1.7	.4*	..	
17	Mulad Cotton Sale Society Ltd., Kim.	Do.	215	4.9	2.6*	5½	
18	Moti Falod Cotton Sale Society Ltd., Bubingir.	Do.	236	3.9	.3*	..	

Includes other funds also.

APPENDIX XV—contd.

Serial No.	Name of Society and location	District	No. of members	Share capital (in thousand rupees)	Reserve fund (in thousand rupees)	Dividend declared (in %)	Remarks
1	2	3	4	5	6	7	8
19	Panveri Cotton Sale Society Ltd., Ramkuwa.	Surat	203	4.7	4.9*	3½	
20	Chikhli Cotton Sale Society Ltd., Chikhli.	Do.	139	2.9	2.7*	2½	
21	Vans Cotton Sale Society Ltd., Vanz.	Do.	..	..	..	..	Not working.
22	Kusanj Cotton Sale Society Ltd., Kusanj.	Do.	72	1.8	4.1*	..	Loss.
23	Nagadhra Multi Purpose Society, Nagadhra.	Do.	165	3.6	.4*	..	
24	Astagam Multi Purpose Society, Astagam.	Do.	167	3.9	.2*	..	
25	Purshotam Co-operative Ginning Society, Jahangirpura.	Do.	573	44.2	170.9*	6½	
26	Farmers Co-operative Ginning and Pressing Society, Surat.	Do.	946	46.0	189.9*	6½	
27	Valod Group Cotton Sale Ginning and Pressing Society, Madhi.	Do.	524	88.2	.5*	..	Loss.
28	The Mosali Co-operative Cotton Society Ltd., Mangrol.	Baroda	133	3.4	.9*	..	
29	The Velachha Group Co-operative Cotton Society Ltd., Mangrol.	Do.	117	2.3	.1*	..	
30	Shree Shethi Co-operative Cotton Society Ltd., Mangrol.	Do.	470	8.8	3.7*	4½	
31	Shree Kosamba Centre Co-operative Cotton Society Ltd., Mangrol.	Do.	114	1.7	.5*	..	
32	Shree Kunvarda Co-operative Cotton Society Ltd., Mangrol.	Do.	53	1.6	13.6*	6½	
33	Shree Hathuran Co-operative Cotton Society Ltd., Mangrol.	Do.	123	2.4	.16*	..	
34	The Nani Naroli Co-operative Cotton Society Ltd., Mangrol.	Do.	114	2.8	078*	..	The work of seed cotton was not done during season.
35	The Antroli Pardi Co-operative Cotton Society Ltd., Katurej.	Do.	283	5.6	1.1*	6½	
36	The Unbher Co-operative Cotton Society Ltd., Palsana.	Do.	121	2.5	.20*	4½	

Includes other funds also

APPENDIX XV—contd.

Serial No.	Name of Society and location	District	No. of members	Share capital (in thousand rupees)	Reserve fund (in thousand rupees)	Dividend declared (in %)	Remarks
1	2	3	4	5	6	7	8
37	The Kadodra Co-operative Cotton Society Ltd., Palsana.	Baroda	39	0.2	0.59*	..	
38	The Parab Co-operative Cotton Society Ltd., Palsana.	Do.	105	2.1	0.5	..	
39	The Nansad Bharthana Co-operative Cotton Society Ltd., Kamrej.	Do.	63	1.3	0.3	..	
40	The Kim Khadi Co-operative Cotton Society Ltd., Mangrol.	Do.	75	1.3	0.49	..	
41	The Pipodra Centre Co-operative Cotton Society Ltd., Mangrol.	Do.	92	..	..	..	
42	Shree Dhaman Group Co-operative Cotton Sale Society Ltd., Palsana.	Do.	140	19.4	..	..	
43	Haladar Co-operative Multi-purpose Society, Ltd.	Broach	205	35.9	4.2	7½	
44	Haladarva Co-operative Multi-purpose Society, Ltd.	Do.	75	7.6	0.2	..	
45	Gajera Co-operative Multi-purpose Society, Ltd.	Do.	211	11.7	0.37	7½	
46	Janirav Co-operative Multi-purpose Society, Ltd.	Do.	56	4.1	0.2	6½	
47	Kalak Co-operative Multi-purpose Society, Ltd.	Do.	148	9.2	2.0	7½	
48	Nobar Co-operative Multi-purpose Society, Ltd.	Do.	246	8.5	0.5	7½	
49	Panoli Co-operative Multi-purpose Society, Ltd.	Do.	295	14.0	2.8	6½	
50	Kavi Co-operative Multi-purpose Society, Ltd.	Do.	143	7.2	10.5	7½	
51	Samni Satrul Co-operative Multi-purpose Society, Ltd.	Do.	47	4.7	4.8	7½	
52	Sarthan Co-operative Multi-purpose Society, Ltd.	Do.	214	5.7	0.2	..	
53	Amod Group Co-operative Cotton Sale Society, Ltd.	Do.	372	18.0	5.8	..	
54	Hansot Group Co-operative Cotton Sale Society, Ltd.	Do.	255	5.2	7.4	..	
55	Vilzat Group Co-operative Cotton Sale Society, Ltd.	Do.	192	3.8	2.9	..	

* Includes other funds also.

APPENDIX XV—contd.

Serial No.	Name of Society and location	District	No. of members	Share capital (in thousand rupees)	Reserve fund (in thousand rupees)	Dividend declared (in %)	Remarks
1	2	3	4	5	6	7	8
56	The Laxmipura Co-operative Cotton Sale Society Ltd., Tuwa.	Panch-mahal.	121	19.4	2.3	..	
57	Hirapur Group Co-operative Cotton Sale Society, Hirapur.	East Khandesh.	101	3.5	2.1*	..	Not declared.
58	Mehunbare Group Co-operative Cotton Sale Society, Mahunbare.	Do.	134	4.9	7.5*	..	Not declared
59	Wobhli Group Co-operative Cotton Sale Society, Wobhli.	Do.	94	3.1	2.0*	..	Do.
60	Kajgaon Group Co-operative Cotton Sale Society, Kajgaon.	Do.	138	4.4	.7*	..	Do.
61	Nagardeola Group Co-operative Cotton Sale Society, Gagardeola.	Do.	164	6.1	1.6*	..	Do.
62	Amadadhe Group Co-operative Cotton Sale Society, Anjanvibere.	Do.	279	12.2	12.1*	5	
63	Nandre Group Co-operative Cotton Sale Society, Nandre.	Do.	150	5.5	12.6*	5	
64	Mhaswad Group Co-operative Cotton Sale Society, Mhaswad.	Do.	216	32.9	18.0*	7½	
65	Kanalde Group Co-operative Cotton Sale Society, Kanalde.	Do.	235	8.7	3.2*	..	Not declared.
66	Bhadli Group Co-operative Cotton Sale Society, Bhadli.	Do.	94	2.5	1.0*	..	Do.
67	Bhusawal Group Co-operative Cotton Sale Society, Bhusawal.	Do.	106	2.4	13.3*	6	
68	Varangaon Group Co-operative Cotton Sale Society, Varangaon.	Do.	265	7.4	6.2*	5	
69	Edlabad Group Co-operative Cotton Sale Society, Edlabad.	Do.	119	3.0	6.8*	5	
70	Savda Group Co-operative Cotton Sale Society, Thoragavan.	Do.	190	4.6	1.6*	6½	

*Includes other Funds also.

APPENDIX XV—contd.

Serial No.	Name of Society and location	District	No. of members	Share capital (in thousand rupees)	Reserve fund (in thousand rupees)	Dividend declared (in %)	Remarks
1	2	3	4	5	6	7	8
71	Parola Group Co-operative Cotton Sale Society, Parola.	East Khandesh.	246	6.0	11.6*	..	Not declared.
72	Erandol Group Co-operative Cotton Sale Society, Erandol.	Do.	157	5.1	1.5*	..	Do.
73	Chalisgaon Purchase & Sale Society, Chalisgaon.	Do.	34	11.2	1.9*	7½	
74	Chopda Cotton Purchase & Sale Society, Chopda.	Do.	150	10.9	7.8*	7½	
75	Jamner Tal Purchase & Sale Society, Shendurni.	Do.	33	2.3	.4*	7½	
76	Amalner Purchase & Sale Society, Amalner.	Do.	845	14.0	3.0*	..	Has done negligible business.
77	E.K. District Agril. Purchase & Sale Society, Jalgaon.	Do.	640	11.2	3.0*	..	Loss.
78	Sakri Group Co-operative Cotton Sale Society, Sakri.	W. Khandesh.	210	24.1	3.1*	3	
79	Wirdel Group Co-operative Cotton Sale Society, Sindkhed.	Do.	213	11.9	0.3*	..	
80	Shirud Group Co-operative Cotton Sale Society, Dhulia.	Do.	423	3.3	2.2*	..	
81	Kusumbe Group Co-operative Cotton Sale Society, Dhulia.	Do.	57	1.5	.05*	..	New.
82	Vikhran Group Co-operative Cotton Sale Society, Shirpur.	Do.	222	3.0	2.2*	..	
83	Morane Group Co-operative Cotton Sale Society, Dhulia.	Do.	267	1.3	1.0*	..	
84	Khakurdi Group Co-operative Cotton Sale Society, Malegaon.	Do.	132	1.8	.5*	..	
85	Dabhadi Group Co-operative Cotton Sale Society, Malegaon.	Do.	347	5.7	.7*	..	
86	Pathardi Taluka Agril. Requisite Supply of Purchase and Sale Society Ltd., Pathardi.	Ahmednagar.	834	14.1	33.5	..	

*Includes other Funds also.

APPENDIX XV—contd.

Serial No.	Name of Society and location	District	No. of members	Share capital (in thousand rupees)	Reserve fund (in thousand rupees)	Dividend declared (in %)	Remarks
1	2	3	4	5	6	7	8
87	Sheogaon Taluka Agril. Requisite Supply of Purchase and Sale Society Ltd., Sheogaon.	Ahmed-nagar	635	15.7	19.2	..	
88	Gokak Agril. Produce Sale Society, Gokak.	Belgaum	420	7.5	6.8*	2½	
89	Sankeshwar Agril. Purchase & Sale Society, Sankeshwar.	Do.	931	12.1	17.4*	3	
90	Athani Agril. Purchase & Sale Society, Athani.	Do.	226	14.7	17.2*	..	Not yet declared.
91	Belgaum District Co-operative, Purchase & Sale Union Society, Belgaum.	Do.	478	43.3	42.2*	6½	
92	Bhubli Co-operative Cotton Sale Society, Ltd., Bhubli.	Dharwar	3,771	22.9	34.5	..	Not declared.
93	Dharwar Agril. Produce Sale Society Ltd., Dharwar.	Do.	649	6.6	5.8	4	
94	Godag Co-operative Cotton Sale Society Ltd., Godag.	Do.	2,689	44.6	104.6	6½	
95	Mundargi Agril. Produce Sale Society Ltd., Mundargi.	Do.	122	2.3	.5	..	
96	Ron Taluka Agril. Produce Sale Society Ltd., Naregal.	Do.	704	13.1	12.3	..	
97	North Ron Taluka Agril. Produce Sale Society Ltd., Ron.	Do.	325	15.0	.3	..	
98	Cadag Betigari Co-operative Ginning Society Ltd., Cadag.	Do.	97	17.7	6.0	..	
99	Nargund Co-operative Cotton Sale Society Ltd., Nargund.	Do.	179	6.9	52.1	4	
100	Annigari Agril. Produce Sale Society Ltd., Annigari.	Do.	582	13.2	20.9	..	
101	Kundagol Agril. Produce Sale Society Ltd., Kundagol.	Do.	349	9.9	4.3	5	
102	Cotton Branch of Byndgi Co-operative Chilly Sale Society, Ranebennur.	Do.	453	8.6	26.5	6½	
103	Haveri Branch of the Distt. Purchase and Sale Union Ltd., Dharwar, Haveri.	Do.	..	..	..	..	Not an independent Branch.

* Includes other Funds also.

APPENDIX XV—concl'd.

Serial No.	Name of Society and location	District	No. of members	Share capital (in thousand rupees)	Reserve fund (in thousand rupees)	Dividend declared (in %)	Remarks
1	2	3	4	5	6	7	8
MADRAS †							
1	Koilpatti Co-operative Society, Koilpatti.	Sale	Tinnevely.	1,356	23.8	11.1	6½
2	Pudur Co-operative Society, Pudur.	Sale	Do.	602	15.8	4.0	..
3	Tuticorin Sale Society, Tuticorin.	Sale	Do.	1,043	12.4	5.3	..
4	Tirupur Co-operative Society, Tirupur.	Sale	Coimbatore.	3681	53.9	100.9	6½
5	Adoni Sale Society, Adoni	Sale	Bellary	505	8.5	.28	.. Not declared.
6	Harpanahalli Sale Society Harpanahalli.	Sale	Do.	1,081	32.2	12.1	.. Not declared.
7	Bellary Sale Society, Bellary	Sale	Do.	391	7.0	2.9	.. Not declared.
8	Kottur Sale Society Kottur	Sale	Do.	862	10.1	.4	.. Not declared.
HYDERABAD (DECCAN)†							
1	Sales Society Raichur, Ltd., (1933).	Sale	Raichur	563	2.7	20.8	..
2	Central Co-operative Cotton Union, Nanded, Ltd., Nanded (1934).	Cotton	Do.	7,394	2.0	6.4	..
3	Sale Society Sailu, Ltd., Sailu (1933).	Sale	Do.	439	.94	10.9	..
4	Sale Society, Kopbal Ltd., Kopbal (1932)	Sale	Do.	321	2.8	1.79	.. Dormant.
5	Sale Society Kastgi, Ltd., Kastgi (1941)	Sale	Do.	342	1.3	1.1	.. Dormant.
6	Sale Society Aurangabad, Aurangabad (1934).	Sale	Do.	123	.7	4.1	.. Dormant.
7	Sale Society Jalna, Ltd., Jalna (1933).	Sale	Do.	1,851	11.5	14.5	.. Dormant.
MYSORE †							
1	Davangore Agricultural produce Marketing Co-operative Society, Chitaldrug.	Agricultural	Chitaldrug	655	10.6	.87	.. Not declared.
2	Chitaldrug Agricultural Produce Marketing Co-operative Society, Chitaldrug.	Agricultural	Do.	192	2.5	..	..
3	The Araikere Cotton Marketing Society, Araikere.	Cotton	Hassan	469	10.6	2.3	6½

† Figures for Madras, Hyderabad (Deccan), Mysore relate to 1948-49.