



ROLE OF AGRICULTURAL MARKETS IN DEVELOPMENT AND PLANNING OF ARID RAJASTHAN

Praveen Rani, Ph. D.

Principal SDS College for Woman. Lupon Distt Moga



Scholarly Research Journal's is licensed Based on a work at www.srjis.com

Modern economic development involves a high degree of functional and location specialization and therefore requires an efficient marketing system of agricultural products, that has been provided through regulation and establishment of regulated markets. Although, regulated markets are set up, to start with, to ensure fairer market practices in purchase and sale of agricultural produce and to provide physical prerequisites for efficient and orderly marketing, yet these markets act as controlling centers of economic activity. Apart from the facilities of credit, marketing, storage, etc..., a number of agricultural input supply establishments and agro processing industries are also coming up in these focal points. These regulated markets are also becoming important centers of business and points for distribution of consumer goods and farm inputs. Therefore, regulated markets also provide vast employment opportunity both directly and indirectly.

In Rajasthan, regulated markets (known as Krishi Upaz Mandi) are doing various developmental work, some of them are related to markets development, while others are with regional development and rural welfare. Before we discuss the role of regulated markets in development, it is necessary to have knowledge of the financial aspect, because every development work needs finance

DEVELOPMENT FUNDS:

The main source of income of regulated markets in the State is the market fee. Every regulated market is authorized to charge market fee 1.25% of the cost of produce sold, from the buyers in addition to it they are also entitled to charge license fee from traders. The following table indicates the total markets fee collected by all the regulated markets in the region.

It becomes clear that the main source of income of HOMS is the market fee. The total income from markets fee in the region in year 1984-85 was Rs.732.53, which has reached up to Rs. 2885.7 in year, which has reached up to Rs.2855.7 in year 1992-93. The State

government, Central government and other funding agencies also provide grants for specific development works. Out of this total income from mandi fee 10% of it contributed toward Board's finance as markets development fund. In addition to it, supervision charges are levied on the construction cost undertaken by the Board to meet the establishment need. Central government also provides subsidy for various development work such as rural godwns, construction of fruits and vegetable markets, rural markets, etc. Till 1988-89 a sum of Rs.992.74 lakh has been received as central assistance, NABARD has so far (up to 1988-89) has sanctioned loan of Rs.4001.765 lakh for construction of markets yards. The income derived from various sources has been utilized in development works.

ROLE IN DEVELOPMENT:

The main objective of the introduction of regulation in agricultural marketing in Rajasthan was not only to safe guard the economic interest of the producer sellers bur also to develop systematic agricultural markets as well as to help in rural development. During last 25 years the state Agricultural Marketing Board, Directorate Agricultural Marketing and Krishi Upaz have done a considerable work in direction. The role of regulated markets in the region under study can be explained under the following heads:

- Development of market yards,
- Development of rural markets,
- Development of rural go downs,
- Construction of rural link roads,
- Quality control ,grading and standardization,
- Rural welfare schemes, and
- Regional development;

1. Development of markets Yards

One of the most important works done by regulated markets or by State Marketing Board is the development of planned and systematic markets yards for the marketing of the main achievement of market regulation in the State.

Most of the markets yards have been constructed with financial help from NABARD in the form of loan, while some yards have been constructed by Mandi Committees by their own financial resources or by Board loan. So far 108 projects of market yard have been sanctioned by NABARD and the work has been completed in 62 mandi yards and 9 sub yards, while work is in progress in the remaining 37 projects. In addition to it 6 mandi yards and 11 sub yards have been constructed by liandi Committees.

In addition to it fruit and vegetable terminal markets have also been development under the central assistance programme. So far 13 F& V markets have been identified, these are Ajmer, Beawar, Bikaner, Sikar, Ftlwar, Jodhpur, Sriganganagar, Bhilwara, Jaipur, Kota Pali, Bharatpur and Udiapur, So far central assistance worth Rs. 120 lakh has been received for 8 markets, proposals for Pali and Bharatpur have also been submitted. But for Kota, Jaipur(F&V), nad Udaipur the same could not be forwarded due to non availability of land.

In brief, regulated markets where yards have been constructed are having all agricultural marketing at one place. Since all basic infrastructure like auction and display platforms, shops, godowns, office, drinking water, cattle sgeds, canteen, etc. are available at one place, which provide proper marketing environment both to traders and producer sellers and their management has also become systematic.

1. DEVELOPMENT OF RURAL MARKETS:

Towards the end of seventies, it was realized that the development of regulated whole sale Markets was not enough to help the small and marginal farmers. These farmers bring their produce to the nearest rural marklets I like hats (weekly markets).

Therefore, a new scheme has been launched by government of India in 1977-78, under this scheme granted to the extent of Rs. 50 lakhs for wholesale rural markets in backward areas and Rs. 1.5 lakh per primary rural market has been provided.

In Rajasthan, a massive programme of the development of rural markets has been taken up by the Board. Under the scheme of the development of rural wholesale markets, following markets have been developed.

JHUNJHUNUN: The Govt, of India has sanctioned 427 rural primary markets in the State. In these markets primary infrastructures such as auction platforms, godowns, drinking water, etc. have been provided. In the region under study so far 68 rural markets have been developed.

The development of rural regulated, markets is quite beneficial to small and marginal farmers.

2. DEVELOPMENT OF RURAL GODOWNS

Proper storage facility is a prerequisite for the smooth marketing of agricultural products. The storage facilities are more important in rural areas, because farmers are not in a position to store their produce even for few weeks. With this objective a scheme for the establishment of National Grid of Rural Godowns' has been formulated for creating a network of rural godowns in rural areas to avoid distress in sale and to eliminate loss is in

storage immediately after the harvest when the prices are low. In these godowns farmers can hold his stock and can sell his produce as and when prices are high and he can even take loan by placing his produce in such godowns.

The Rajasthan State Govt has also adopted the scheme of construction of rural godowns in 1980-81 with subsidy 25% of the total construction cost from Central Government. The capacity of these godowns varies from 250 to 1000 Metric Tonns. In the region under study 35 rural godowns have been completed. After completion of network of rural godowns in the State, a new era of agricultural marketing will start, provided farmers adopt this new facility.

3. CONSTRUCTION OF RURAL LINK ROADS:

The construction of rural link roads is also an important development work done by Marketing Board/ Mandi Committees in the State. These roads have been constructed in order to provide transportation facilities to the farmers of potential villages, so that they may bring their produce to market. Not only the construction but their maintenance is also done by the concerned markets.

The rural road construction work has also been done under special programme such as famine relief and NREP. In Jan, 1987, 115 roads measuring 305 kms. have been sanctioned to Board under famine relief programme, while 39 link roads were sanctioned to 20 Mandies. In 1984-85, under NREO scheme 195 roads measuring 580kms. Costing Rs. 565 lakhs were allotted by special scheme organization to construct in the region. In addition to it earth work in 288kms. Length has also been done.

For construction of new roads the revised guideline states that only those roads be constructed which are covered under the master plan prepared by the P.W.D, the funds available with Krishi Upas Mandies for construction of roads will be spent as under: (1) 25% on special repair of roads, (2) 25% for completion of works in hand and (3) Balance 50% is to spent on construction of new roads.

The link roads constructed by regulated markets and Board have given facilities to many farmers to bring their produce in regulated markets.

4. DUALITY CONTROL, GRADING AND STANDARDISATION:

The promotion of grading and standardization and exercising quality control on agricultural commodities has been one of the principal functions of the market regulation. Its primary aim is to protect producer from exploitation. By knowing the quality and grade of his produce he is in a better bargaining position against the trader. This also protects the

consumer by ensuring the quality of products by purchase... In Rajasthan Agricultural Marketing Board has taken some steps. The establishment of Agmark' laboratories in the State located at Jodhpur, Sumerpur, Bikaner, Srigangangar, Sikar, Herta city, Hanumangarh, Pali and Nagour.

The grading of agricultural produce is carried on under the provisions of the Agricultural Produce (Grading and Marketing) Act, 1937 and rules framed there under, although it is voluntary in the Act. For export items compulsory grading is necessary, but for internal consumption voluntary grading practice is carried on two levels, viz at producers' level and at traders' level. The Directorate of Agricultural Marketing Rajasthan has directed its efforts to popularize the grading and standardization practice both at producers' level as well as at traders' level. For the improvement of the quality of produce commercial grading has been introduced in 20 regulated markets in the Region arid the crops covered are Wheat, Gram, Mustard in Rabi season and Jowar, Bajra, and Cotton in Kharif. There are also 15 cotton grading centers in the region. It has been observed during field work that the practice of grading has so far been not adopted by farmers and even at traders level only 20 percent have stated this practice that too with their own norms.

5. RURAL WELFARE:

Though the regulation of agricultural produce marketing has been done primarily to safeguard the economic interest of the producer-sellers as well as of the consumers. But the regulated markets (Krishi Upaz Handies) also play a vital role in rural welfare.

Some of the specific programmes have been launched not only in the region but in State as a whole for the farmer's welfare. These are (1) loan against agricultural produce, (2) pay-back of mandi fee to small farmers, (3) free transportation facility, and (4) assistance for mini kits'.

(1) LOAN TO FARMERS AGAINST PLEDGING AGRICULTURE PRODUCE:

In order to benefit small and marginal farmers, a scheme has been introduced in 1989-90 which has authorized the Krishi Upaz Handi to provide short term advance to the genuine small producers against the pledge of their produce on easy terms without much documentation. This will not only fetch more money to the cultivator but will encourage them to sell their produce in the market yards. The loans will be given to actual producers by respective regulated market. The advance will be to the extent of 60% of the value of the produce pledged with maximum limit of Rs. 15000/-, an concessional rate of interest of 9% for

the first 60 days and IE 7. for the next 90 days. The scheme is a new beginning and its success can be judged after few years.

(2) PAYBACK OF HANDI FEE TO SMALL FARMERS:

The major portion of agricultural produce of small farmers find its way into the hands of village money lenders and whatever remains in his hand is sold at a low price to petty traders who collect the agricultural produce from various such farmers and bring the same to the mandi for sale in his own account. Therefore, for small and marginal farmers, who bring their produce to Mandi for direct sale, a scheme of 'Hundred Percent PayBack' has been introduced. Under this scheme market fee collected from such farmers will be paid back to the farmer in the form of rebate on purchases of agricultural inputs like fertilizers, seed, pesticides, etc.

(3) FREE TRANSPORTATION FACILITY

The small and marginal farmers at the most having a bullock or camel cart and they are not able to bring their produce to market yard either because of lack of transport facility or because of higher cost and dispose of his produce to the local trader at a lower price. With a view to overcome this difficulty regulated markets have been directed to start collection centres at appropriate places in the irnotified areas. From these centers the concerned mandi committee will transport their produce free of cost to main yard for open auction. The auction of the produce is done in the presence of concerning farmer.

(4) ASSISTANCE FOR MINI KITS

The Marketing Board has provided Rs.50000 lakhs as financial assistance for the supply of miniskirts of agricultural inputs to the SC/ST farmers of small and marginal category and marketing board and regulated markets are doing good work for rural welfare.

But still there is a long way to go, because the benefits of above mentioned schemes have not yet reached to proper persons, The efforts are good enough but there is a need to intensify them

(5) ROLE OF REGULATED MARKETS IN REGIONAL DEVELOPMENT:

Regulated markets are the collecting centres of agricultural produce, thus reflects the regional development in general and agricultural development in particular. These places or Mandi is a contact point of rural people to the urban or economically developed places. When farmers sold their produce in used to make purchases either of agricultural inputs or other items of daily necessities. Thus, they support a wide range of retail shops in the town. In fact, these markets are the symbol of regional or spatial unity.

The hierarchy of regulated markets in the region in the form of various categories of markets reflects the regional pattern of development.

In fact modern regional development requires a high degree of functional, originational and locational specialization and therefore. Required a wide spread network of regulated markets, so that proper integration in regional development can be achieved.

PLANNING

The main aspects, related with future planning, which emerged to the agricultural marketing in Arid Rajasthan, are as follows:

The new market yards should be planned according to the site, accessibility, nature of terrain/ground and also with provision for further extension. In the region all the market yards are having rectangular pattern of market yards. Whenever necessary circular or semicircular pattern be developed and proper attention should be given an environmental conditions. The parks and lawns be developed properly and agreeen belt for developed along the boundary of markets yards.

The region there is markets which can be developed as specialized markets for particular agricultural products. Srigananagar, Hanumangarh, Suratgarh, Karanpur, Ghar sana, Anoopg are specialized in cotton, wheat and mustared. Similarly Nohar and Bhadra in Gram, Bikaner in wool and Groundunt etc. if such markets, declared as specialized markets it will boost not only the marketing operations but also beneficials both to farmers and traders.

In agricultural marketing mechanization may be introduced at three stages i.e. movement of goods from the production point to the market, buying and selling operations; and movements of the produce from market to consumer.

The use of mechanical desire and cleaners should be popularized among producers for quick drying and cleaning of the produce at farm itself. For weighing, loading and unloading mechanization devices should be installed at market yards. The mandi committee may impose a small level for such elevators, belt conveyors, mechanical graders, etc.

(iv) In order to attract more sellers and buyers in regulated markets some incentives be given to them. A few suggested incentives are as follows

(a) Lower market charges may be levied on small and marginal farmers whose produce constitutes a major portion of total produce.

The Mandi Committees have to provide agricultural inputs such as High Yielding Variety Seeds, pesticides, fertilities, etc at subsidized rate to those farmers who sell their produce through regulated markets.

Transportation, storage facilities to farmers be provided and loan against crop be given to them. if required.

Regulated market should attract outside buyers, who will bid more price. The public sector agencies like MARKFED, Oil Corporation of India, Cotton Corporation of India, Cotton Corporation of India should participate in the market yards transactions. Some concessions may be given to those traders who come from outside but not at the cost of local traders.

Deduction programmes should be linked with measures for the development of marketing facilities. The time lag between actual increase in production and provision of Marketing facilities designed to cope with the increased production, should be minimized. The greater the timelag, larger will be the size of the marketing problems.

Year to year fluctuations in production arising out of wide fluctuations in prices need to be prevented. There is therefore, need for the Government to guarantee minimum support prices for all the agricultural commodities and a suitable agency be established for purchases whenever necessary.

(v) The necessity of creating adequate storage facilities in the producing areas needs to be looked into.

(vi) It is necessary that before new crops are introduced in any area, development of marketing facilities should be and this work should be given urgent consideration with the marketing of the agricultural produce.

(vii) Here are difficulties in getting finance for the development of markets with proper ancillary facilities. Therefore, a need for setting up a market development finance corporation for which funds be provided by the Central and State Government.

(viii) Location of markets needs to be decided having regard to the development of transport facilities.

(ix) There is a need for publication of outlook reports in Hindi or regional language mainly to help the farmers in deciding their cropping programs.

(x) There is a need to educate farmers in the proper methods of preparing the produce for the market, including grading.

(xi) In Rajasthan State including the region under study Rajasthan State Agricultural Marketing Board is doing a very good work. For further growth and development of agricultural marketing a Master Plan be prepared. So far no efforts have been done in this direction. The master plan should be directed for (i) Selection of new sites for the establishment of regulated markets, (ii) development of marketing infrastructures, (iii) improvement in functioning, (iv) identification of areas in which market institution can play positive role specially in socio-economic development. Similarly, development plans per individual market centers should be prepared keeping in view of the present and prospective problems and the availability of resources.

In the region under study more regulated markets will be needed, especially in the Canal Irrigated areas of Indira Gandhi Nahar Project (IGNP). The identification of new mandis be done with due consideration of (i) location of existing markets, (ii) volume of production (existing and potential) (iii) number of villages to be served by them and (iv) financial resources, etc.

The existing settlements be selected and development as market centers in a planning way.

There is a need for integrated approach in planning of the agricultural marketing in the region. This can be done with coordination of several departments like agriculture, irrigation, rural development, command area development and public works, etc. and of course marketing. There is a scope of the development of agricultural marketing in the region; therefore, efforts should be done for long term planning based on integrated approach.