
CHAPTER – IV

STRUCTURE AND STATUS OF

AGRICULTURAL MARKETING IN INDIA

AND ANDHRA PRADESH

4.1. Introduction

The organizational structure of agricultural marketing in Andhra Pradesh has been broadly conforms to the all India pattern. The deficiencies in the present Indian agricultural marketing structure are lack of organisation among the farmers, sale of produce by farmers at an unfavorable time and terms and also the role of middlemen and their exploitation, existence of unregulated markets, payment of heavy market charges, lack of proper grading facilities, storage facilities and supply of accurate information of the present and future of price trends have been associated with the agricultural marketing system of India.

To overcome the above deficiencies in the process of agricultural marketing, the regulated marketing system was introduced in India. The first regulated market in India was established in 1886 in Kharanja with the object of regulating the activities of agricultural marketing. Some attempts were made by the erstwhile States of Hyderabad and Bombay in the direction of regulating the activities of agricultural marketing. But the appointment of the Royal Commission on Agriculture in the year 1926 gave a great movement for regulation of agricultural marketing in India.

4.2. Appointment of various Committees and Commissions on Agricultural Markets in India

To strengthen the agricultural marketing system for effective sales promotion and to provide remunerative prices to the farm products in India. The government of India appointed various commissions and committees and enacted the Acts. The Royal Commission on Agriculture was appointed by the Government of India in 1926 to examine the prevailing conditions of agriculture and rural economy in India and to make recommendations for the improvement of agriculture to promote the welfare and prosperity of the rural population and submitted its report in 1928. The India Central Banking Enquiry Committee was appointed by the Government of India in

July 1929. It endorsed the recommendations of the Royal Commission on Agriculture and the various provincial banking inquiry committees for improving and organizing agricultural marketing in India.

The Congress Agrarian Reforms Committee 1947 and Rural Marketing Commission of the Indian National Congress in 1948 were recommended in unequivocal terms, the establishment of regulated markets as a panacea for many of the ills of the cultivators in the field of rural marketing and financing for agriculture. Prof. Dantwala, in his report had observed that the regulation of markets alone in an isolated way cannot be expected to achieve the desired efficiency in marketing.

Another Committee was appointed by the Government of Bombay on June 22, 1955 under the Chairmanship of Dr. T.G. Shriname. The Committee submitted its report in January 1956. The Ford Foundation Team on Agricultural Production (1958) also highlighted the importance of regulated markets in India and suggested that the development of regulated markets be stressed specially in areas with large marketable surplus of food grains.

The National Commission on Agriculture (1976) submitted 15 voluminous reports on different aspects of agriculture. Due to the recommendations and suggestions of the above committees and conferences, regulated markets have been established and improved to eliminate malpractices and to provide orderly and competitive system of marketing for agricultural produce. The recommendations of the various commissions and committees on agriculture and agricultural marketing in India that have motivated a number of State Governments in India to enact necessary legislations to regulate agricultural marketing activities in their respective States and established the regulated markets in the respective States.

The Government of India enacted a model legislation to regulate the agricultural marketing activities. In its legislation it has given a number of guidelines to the State Governments. In the State Governments have taken up this model legislation as a basis for enacting a number of statutes to regulate the agricultural marketing activities in their States. In the year 1935, the Government of India appointed an Agricultural Marketing advisor.

In course of time, this office of the Agricultural Marketing advisor was transformed into the Directorate of Marketing and Inspection. By the end of the Second World War, the progress achieved in the matter of establishment of regulated markets, enactment of necessary legislation and implementation of the same in the sphere of regulating agricultural marketing activities was not satisfactory.

After the attainment of Independence, the Government of India decides upon a policy of expediting the whole process of regulation of agricultural marketing activities in the country. The Planning Commission had also urged upon the State Governments to pass the necessary legislation in the matter of regulating the agricultural market activities in their respective areas. By 1980, eighteen State Governments and four Union Territories had enacted necessary legislation to regulate the agricultural marketing activities in their respective States.

4.3. Evolution of Regulated Markets in Andhra Pradesh

In Andhra Pradesh the first regulated market was established at Kharanja in 1886. Though, the first regulated market in the State was established in 1886 itself, the real momentum for regulated markets in the State were traced back to 1930 only, when the Hyderabad Agricultural Market Act was passed. Most of the provisions of this legislation were based on the recommendations of the Royal Commission on Agriculture.

In the Year 1930 the erstwhile Madras State Government passed The Madras Commercial Crops Act 1930. The first regulated market that was established in pursuance of the Hyderabad Markets Act 1930 was in Warangal in the year 1933. In 1935, another regulated market was established in Adilabad of Telangana region. Subsequently, a number of regulated markets were established in the erstwhile Hyderabad State.

The first regulated market in the Andhra region of the erstwhile Madras State was established in 1939 in Guntur. A number of other regulated markets were established in the Andhra region of the erstwhile Madras State. As a consequence of the States' Re-organisation Act 1956, the Andhra region in the erstwhile Madras State and the Telangana region in the erstwhile Hyderabad State were merged and one unified State of Andhra Pradesh was emerged.

There were two separate legislative enactments in the matter of regulated markets in these two separate regions (The Andhra region of the Madras State and the Telangana region of the Hyderabad State). The Andhra Pradesh Agricultural produce and Livestock Markets Act was passed in 1966. This Act is now in operation throughout the State of Andhra Pradesh. The enactment of this legislation paved the way for implementing a uniform legislation throughout Andhra Pradesh State in the matter of regulation of agricultural marketing activities. A number of rules were also framed by the Government of Andhra Pradesh in the year 1969, which serve as supplementary and complementary safeguards or guidelines already provided in the Andhra Pradesh (Agricultural Produce and Livestock) Markets Act, 1966.

4.4. Regulated Agricultural Markets in Andhra Pradesh

Only 14 assembling markets were regulated on 15th August 1947 (twelve in Telangana and two in Andhra Region) during the period of 15 years of the

enforcement of legislation. But during the post-independence period, it was witnessed a rapid growth in the number of regulated markets enduring appreciable returns of the marketable surplus carried by the grower seller to the market centers for disposal.

In the year 1975, the Andhra Pradesh Marketing Advisory Board rightly recommended for the constitution of independent market committees for each taluk in the state to help the peasant society in the orderly disposal of the farm produce. With the adoption of this policy, the scope of the markets Act hitherto to extend to cover two or three taluks has been restricted to one taluk and this has resulted in a noteworthy progress in regulation of agricultural markets in Andhra Pradesh.

Table 4.1 indicates the growth of regulated agricultural markets in Andhra Pradesh during 1930-47 to 1994-2006. During Independence period, only 14 assembling markets were in force which increased to 88 by the end of the period 1956-61. In the year 1962 a separate department called “Directorate of Marketing” was established. Since then there has been a rapid growth in the regulated agricultural markets in the State of Andhra Pradesh. During 1966-69 a tremendous growth of regulated Agricultural Markets in Andhra Pradesh was witnessed.

Table – 4.1: Growth of Regulated Agricultural Markets in Andhra Pradesh (1930-2006)

Years	Total No. of Markets	% of increase
1930-47	14	*
1947-55	49	250.00
1956-61	88	79.59
1962-69	251	185.23
1970-77	477	90.04
1978-85	600	25.79
1986-93	817	36.17
1994-2006	867	6.12

Source: Marketing Department of Andhra Pradesh.

The Government of Andhra Pradesh also paid a lot of attention to all matters relating to the establishment and development of regulated agricultural markets in the

state. As shown in table 4.1, the number of regulated agricultural markets were increased sharply from 14 in 1930-47 to 867 by 1994-2006. Tremendous growth was noticed during 1962-69, accounting for 185.23 per cent of growth rate. The number, which was 251 in 1962-69 reached to 867 by the end of the period 1994-2006.

4.5. Functions of Regulated Markets in Andhra Pradesh

The market committee shall implement the provisions of the Act, the rules and byelaws made there in the market area. The important functions of the regulated markets are as follows:

- to implement the directions given by the government from time to time, in the establishment and development of markets,
- to maintain and manage the market yards,
- to provide necessary facilities for the marketing of notified agricultural produce, livestock or products of livestock in the market area ,
- to supervise the conduct of market functionaries,
- to regulate the opening, closing and suspending of transactions in a market yard,
- to enforce the conditions of a licence,
- to regulate the marketing, execution and enforcement or cancellation of agreement of sales, the weighing, delivery, payment and all other matters relating to the marketing of notified agricultural produce, livestock, and precuts of livestock,
- to provide for settlement of all disputes between the seller and the buyer and others arising out of any kind of transaction connected with the marketing of a notified agricultural produce, livestock or products of livestock and all matters ancillary thereto,

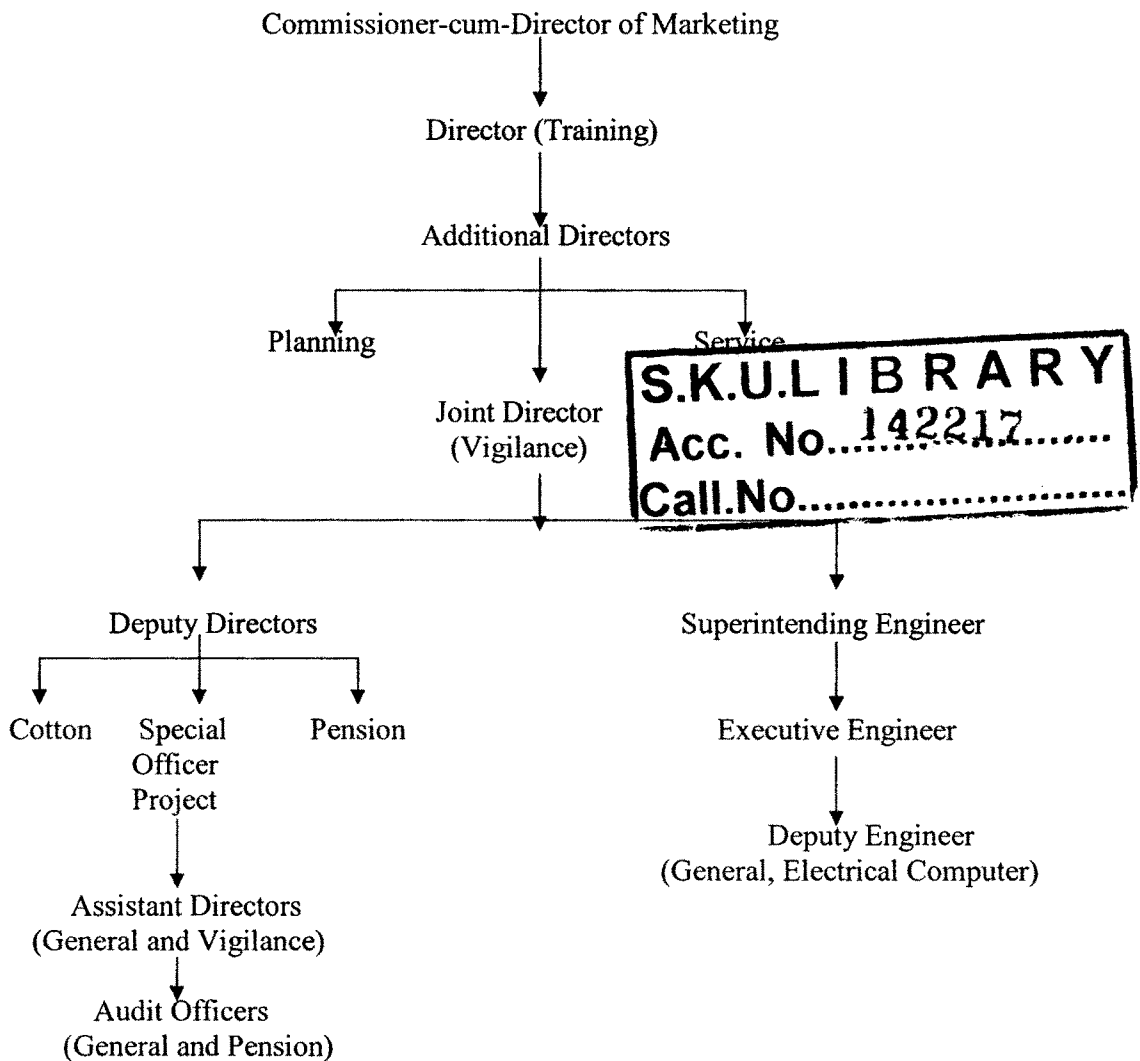
- to collect, maintain and disseminate information in respect of sale prices and movement of notified agricultural produce, products of livestock and production, processing and storage of notified commodities,
- to take all possible steps to prevent adulteration and to promote grading and standardization of notified commodities,
- to levy, recover and receive fees, subscriptions and other sums of money to which the market committee is entitled,
- to employ necessary number of officers and servants for the efficient implementation of the provisions of the Act and of the rules or bye-laws made there under,
- to conduct of auction of notified agricultural produce, livestock or products of livestock strictly in accordance with the procedure laid down thereof under these rules or the bye-laws of the markets committee,
- to ensure correct weighing of notified commodities ,
- to regulate the entry of persons and vehicular traffic into the market yard,
- to prosecute persons for violating the provisions of the Act, the rules and the bye-laws made there under,
- to acquire, hold and dispose of any movable or immovable property for the purpose of efficiently carrying out its duties,
- to institute or defend any suit, action, proceeding, application or arbitration and compromise any such suit, action, proceeding, application or arbitration, and
- to provide facilities, such as provision of adequate space for direct sales by a producer and assist a producer by preparing invoices and bills on this behalf when he sells his produce to a trader without employing a commission agent.

4.6. Organizational Structure of Regulated Markets in Andhra Pradesh

A properly designed and balanced organization facilitates both management and operation of the enterprise. Inadequate organization may not only discourage but also preclude effective administration. The organizational structure of the regulated agricultural markets in the state can be seen at two levels, viz.,

CHART 4.1

ORGANISATIONAL STRUCTURE OF AGRICULTURAL MARKETING AT STATE LEVEL IN A.P.



Source: Directorate of Marketing, Government of Andhra Pradesh, Hyderabad.

- at the department of marketing at state level, regional level, zonal level and district level, and
- at the market level. Here an attempt is made to show the organizational structure at the State level, Regional level, Zonal and District level, as the organizational structure at the market level is proposed to be shown.

It can be observed from the chart 4.1 that there is one commissioner cum Director of Marketing who is at the top level of the whole market organization. Under his immediate supervision and control there is one Director for training and in the next stage two Additional Directors for planning and service and one joint Director for vigilance.

Table – 4.2: District Wise Break Up of Regulated Markets in A.P. (2008)

S. No	Name of the District	No. of Regulated Markets	Percentage
1	Srikakulam	12	4.07
2	Vizayanagaram	9	3.06
3	Visakhapatnam	8	2.71
4	East Godavari	14	4.74
5	West Godavari	16	5.42
6	Krishna	17	5.76
7	Guntur	17	5.76
8	Prakasam	14	4.74
9	Nellore	11	3.73
10	Chittoor	17	5.76
11	Kadapa	12	4.07
12	Anantapur	12	4.07
13	Kurnool	12	4.07
14	Mahaboob Nagar	17	5.76
15	Ranga Reddy	9	3.05
16	Hyderabad	1	0.34
17	Medak	9	3.03
18	Nizamabad	9	3.05
19	Adilabad	16	5.42
20	Karimnagar	19	6.44
21	Warangal	13	4.41
22	Khammam	12	4.10
23	Nalgonda	19	6.44
	Andhra Pradesh	295	100.00

Source: Directorate of Marketing & Inspection, Faridabad, Govt. of, A.P.2008

The Joint Director of Marketing (Administration) has a Special Officer (Project) under his administrative control. An Assistant Director of Marketing – Statistics, and an Assistant Director of Marketing – Inspection, who assist him in his task. The Deputy Director of Marketing is assisted by five other officers like the Assistant Director of Marketing – Statistics, the Assistant Director of Marketing – Regulation, the Assistant Director of Marketing – Inspection, the Audit Officer, and the Assistant Director of Marketing – Market Intelligence. One Audit Officer is attached to the Deputy Director of Marketing (Pensions).

As shown in table 4.3. large number of Agricultural Market Committees have been constituted in Telangana than in Andhra and Rayalaseema region. However, the number of notified markets are high in Andhra region than in Telangana region. Regarding to the availability of infrastructure, 126 in Telangana region, 71 in Andhra region and 40 in Rayalaseema region have infrastructure facilities.

Table-4.3

Region-Wise of Regulated Markets in Andhra Pradesh (as on 31st March 2006)

Region	No. of AMCs Constituted	No of Markets Notified	No of MYs having sites	No of MYs Functioning	No of MYs Having Infrastructure
Telangana	123	321	212	157	126
Andhra	107	382	211	137	71
Rayalaseema	65	159	99	67	40
Total	295	867	522	361	237

Source: Directorate of Marketing & Inspection, Faridabad, A.P. (2006)

The district-wise break-up of Regulated Agricultural Markets / Agricultural Market Committees in Andhra Pradesh as on 31st March 2006 are presented in table 4.3. It is found that as many as 295 Regulated Agricultural Markets/ Agricultural Market Committees and 867 notified Agricultural Markets are there in Andhra Pradesh. The district-wise details shows that the highest Regulated Agricultural

Markets/Agricultural Markets Committees are found in the districts of Karimnagar, Nalgonda followed by Chittoor, Guntur, West Godavari and Mahaboobnagar districts. Small number of Regulated Agricultural Markets/ Agricultural Market Committees are seen in the districts like Hyderabad, Nizamabad, Ranga Reddy, Vijayanagaram and Visakhapatnam. The representation of Anantapur district over Andhra Pradesh is only 4.07 percent of the total Regulated Agricultural Markets/Agricultural Market Committees in the state of Andhra Pradesh.

4.7. Marketing Structure at Zonal Level in Andhra Pradesh

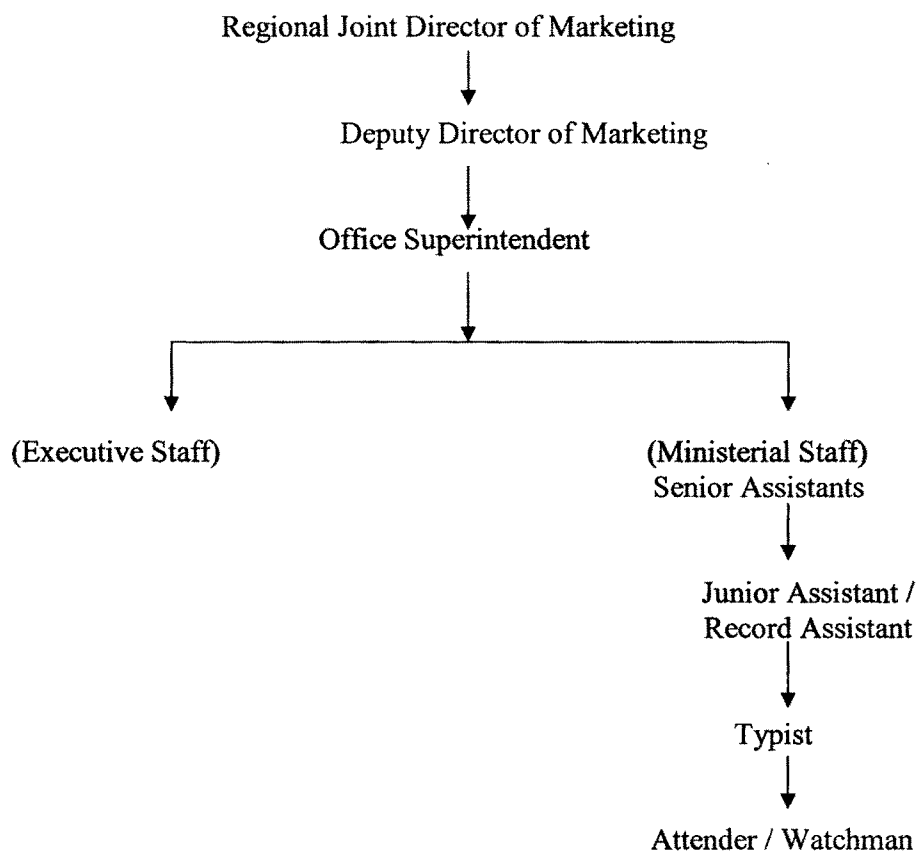
The Regional Joint director is in-charge of four districts, viz., Kadapa, Kurnool, Anantapur and Chittoor with his headquarters at kadapa. He is mainly responsible for the overall supervision of marketing activities in his zone. He deals with the land acquisition for the markets and conducts enquiries for disciplinary cases, if any. Apart from these he acts as a person-in-charge for selection grade secretary of markets. The Regional Joint Director of Marketing is assisted by one Deputy Director of Marketing, one Superintendent, one Senior Assistant, one Marketing Assistant, one Record Assistant and one Attender. The organizational structure for the Office of the Regional Joint Director of Marketing, Kadapa is shown in the chart 4.2.

4.8. Structural Organisational of Agricultural Marketing at District Level

The organizational structure for the office of the Assistant Director of Marketing, Anantapur is depicted in the Chart 4.3. The Assistant Director of Marketing is assisted by the Executive Staff and Ministerial staff. The executive staff consists of Senior Marketing Assistant and Junior Marketing Assistant.

CHART 4.2

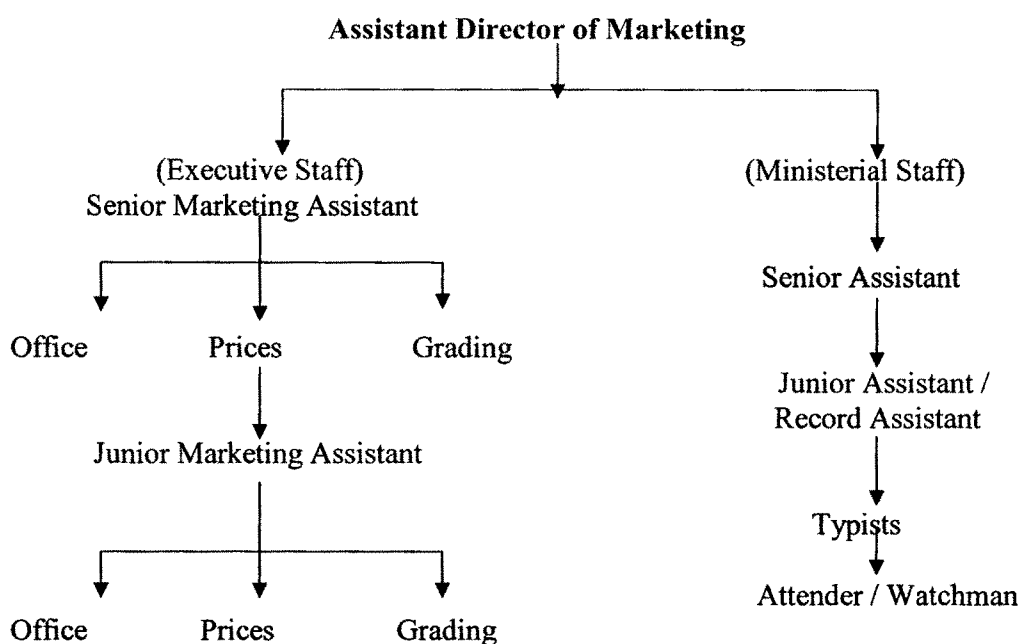
Organisational Structure of Marketing Department at Zonal Level



Source: Office of Deputy Director of Marketing, Govt. of A.P. Kadapa.

They execute the office, price structure and grading of agricultural produce in the Agricultural market. On the other side the ministerial staff consists of Senior Assistant, junior Assistant and other lower cadre staff. The Assistant Director of Marketing is in-charge of district level administration for agricultural marketing activities. His functions include the inspection and supervision of markets, assisting the Deputy Director of Marketing in the acquisition of land sites for markets in the district, scrutinizing the annual budgets of Agricultural Markets Committees, conducting market surveys, collection of price statistics, dissemination of market intelligence and organizing the grading activities in the district.

CHART 4.3: Organisational Structure of Marketing Dept. at District Level



Source: Office of Assistant Director of Marketing Govt. of A.P. Anantapur district.

4.9. Andhra Pradesh Agricultural Marketing Advisory Board

Advisory bodies are of much helpful in the enforcement of the Markets Act in the State. Such bodies not only provide a liaison between Market Committees and the administration, but also give their considered and unfettered opinion for the welfare and promotion of regulated markets in the State as a whole. In Andhra Pradesh, a sixteen member Agricultural Marketing Advisory Board was constituted in 1974. After the expiry of the term of the first body in 1977, the Board was not reconstituted for about two years. It was revived in 1980 with some modifications in the size of the Board and its composition. Accordingly, the strength of the Board was increased to 25 members. The members are from the various sections of government as follows.

4.10. Agricultural Marketing Advisory Board and its Functions

The major functions of Agricultural Marketing Advisory Board are:

- to advise the government in all matters relating to utilization of the Central Market fund for the general improvement of markets in the State
- to consider different problems of the market committees arising out of the enforcement of the Act and Rules and to render necessary advice from time to time
- to do all such acts as may be directed by the government from time to time
- to promote orderly marketing of commodities notified under the Act
- to review the working of regulated markets in general and suggest suitable measures to bring about uniformity in marketing practices in all the regulated markets in the state.

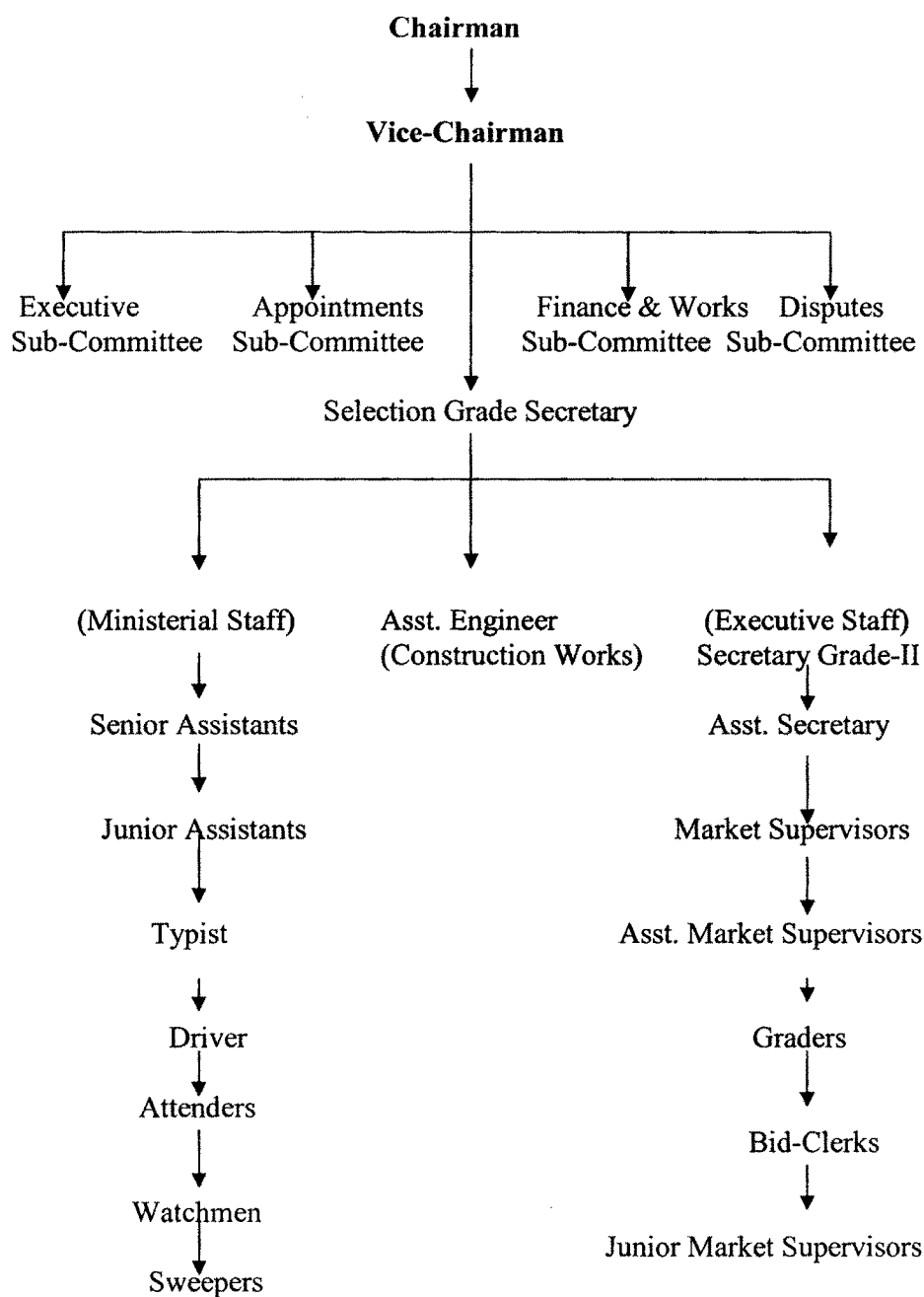
4.11. Organisational Structure of Agricultural Marketing Committees in Anantapur District

The pattern of organizational structure of Agricultural Market Committee in the district are more or less the same in all markets in the district. However, the staffing pattern differs from market to market depending upon its source of income. The committee as a whole is divided into two categories, i.e., official and non-official.

The chairman, vice-chairman and the committee members are nominated by the government as per the recent Amendment to the A.P. Market Act. The official set-up of market committee is further divided into two categories i.e., ministerial staff and executive staff. The chairman is assisted by the vice-chairman and sub-committees in discharging his duties. The vice-chairman will act and exercise such powers and duties which are delegated by the chairman.

In the absence of chairman, the vice-chairman acts as chairman and conducts the market committee meetings. The following chart 4.4 shows the organizational structure of agricultural marketing committee in Anantapur district of Andhra Pradesh.

CHART 4.4: Organisational Structure of Agricultural Market Committees of Anantapur District



Source: Compiled from the records of A.M.C, Anantapur

4.12. Management and Administration of Agricultural Market Committees of Anantapur district

The entire management and administration of a regulated market is vested with the market committee.

The composition of a market committee is presented in table 4.4. Prior to March 31, 2006, there were three categories of market committees and the number of members varied accordingly. The market committees with an annual income of over rupees two lakhs consisted of 16 members, committees with an income of over rupees one lakh had 14 members. Subsequently, the market committees were re-classified into two categories only.

Table – 4.4

Composition of Market Committee Prior to Re-Classification in A.P.

S. No	Group of Representation	Number of Representatives Each Committee Should Consist of it is		
		12 Member Committee	14 Member Committee	16 Members Committee
1	Growers of agricultural produce and owners of livestock and products of livestock	6	8	9
2	Persons / licenced under sub-section 1)of Section 7	3	3	4
3	Member of co-operative marketing societies section 5 (i) (ii)	1	1	1
4	Agriculture of Animal Husbandry Department	1	1	1
5	Municipality and Gram Panchayat as in Section 5 (i) (iii) (b)	1	1	1
	Total	12	14	16

Source: Directorate of Marketing, Government of Andhra Pradesh, Hyderabad.

They are the market committees with an annual income of over rupees two lakhs and those with less than rupees two lakhs. While the former consists of 18 members, the latter consists of 15 members. The details of the composition of the market committees prior to the re-classification is presented in table 2.4. In the market committees, so for composed the trader's representatives are elected and other members are nominated by the Government in consultation with the Director of Marketing.

With the reclassification of market committees, the composition of members has also changed with effect from December 2006, as shown in Table 4.5. It may be noted that all the members of the market committees are nominated by the government. According to the recent amendment of the Act, the Chairman and Vice-Chairman are also to be nominated by the State Government. The Chairman is to be nominated from among the grower members and the Vice-Chairman is to be nominated from among the trader members.

An important point to be noted in this connection is that the representation of grower members has been increased from less than 60 per cent to 66.66 per cent of the total members. Next highest representation in the committee is given to traders followed by one representative from each Co-operative Marketing Societies, Agriculture Department and the Municipality / Gram Panchayat.

Table 4.5: Composition of Market Committee After Re-Classification in A.P.

S. No	Group of Representation	Number of Representatives Each Committee Should Consist of	
		18 members committee	15 member committee
1	Growers of agricultural produce and owners of live-stock and livestock products	12	10
2	Persons licenced under sub-section (i) of Section 7 (i.e., traders)	3	2
3	President of Co-operative Marketing Societies as in Section 5 (i) (ii)	1	1
4	Agricultural Department / of Animal Husbandry Department	1	1
5	Municipality / Gram Panchayat as in Section 5 (ii) (iii) (b)	1	1
	Total	18	15

Source: Directorate of Marketing, Government of Andhra Pradesh, Hyderabad

The Chairman is the chief controlling and supervising authority of the market committee. All officers and servants of the market committee shall, subject to the provisions of the Act and of the rules and bye-laws and the directions, if any, given by

the market committee, be underlies administrative control. The quorum for the meeting of a market committee consists of ten members in the case of an eighteen member committee and nine members in the case of a fifteen member committee.

4.13. Financial Resources of Market Committees

A market committee has to be self-supporting in the matter of finances as it is an autonomous body. It has to evolve its own plans and schemes of mobilization of resources needed for conducting its activities, of course, subject to the framework of overall rules and regulations laid down in the A.P. (Agricultural produce and Livestock) Markets Act, 1966. There are several sources through which a market committee can raise the financial resources. They are;

- Membership fees,
- Market fees,
- Levies in the market,
- Licence fees, and
- Market charges

In addition to these, there are several other sources of income for a market committee. The different sources of income for a market committee are as follows.

- Property income in the form of rent on godowns, shop-cum-godowns, stalls, canteens, etc,
- Interest on surplus amount invested in Government and / or other securities
- Sale of forms and other literature prescribed by it
- Sale of property not required for use
- Sale of grass grown in the yards
- Sale of manures and cow dung collected in the yards, and

- Miscellaneous fees and charges like registration fees, transfer fees, certification fees, late licence fees, dispute fees, tender fees, water charges and weighment charges

4.14. Market Committee Fund

There is a separate Market Committee fund which all the money received by a market committee is deposited. The details of the operation of the Market committee fund are provided in Section 14 of the Andhra Pradesh Agricultural Produce and Livestock Market Act 1966. All receipts received by a market committee shall be paid into a fund to be called 'The Market Committee Fund' and the said fund shall be deposited in a single bank account with the Government treasury, or with the sanction of the government in a bank.

All expenditure incurred by the Market Committee for the purposes of this Act shall be defrayed of the said Fund, and any surplus, remaining after such manner as may be prescribed. Every Market Committee shall, out of its fund, pay to the government, the cost of any special or additional staff employed by the government in consultation with the market committee in the notified area for giving effect to the provisions of this Act.

There are several items of expenditure incurred by the Agricultural Market Committee for which sanction is accorded. The various purposes for which the market committee fund may be spent are listed out below. Subject to the provisions of Section 14, the Market Committee Fund shall be spent for all or any of the following purposes. they are :

- The acquisition of site for the market.
- The establishment, maintenance and improvement of the market.

- The construction and maintenance of buildings, necessary for the market and for the health, convenience and safety of the persons using the market and maintenance of buildings under the control of the market committee.
- The provision and maintenance of standard weights and measures.
- The pay, leave allowances, gratuities, compassionate allowances and contribution towards leave allowances, pensions or provident fund of officers and servants employed by the market committee.
- The payment of interest on loans that may be raised for purposes of the market and the provisions of a sinking fund in respect of such loans.
- The collection and dissemination of information regarding all matters relating to crop statistics and marketing in respect of notified agricultural produce, livestock and products of livestock.
- Schemes for extension of cultural improvement of notified agricultural produce, livestock and products of livestock within the notified area, including the grant, subject to the approval of the government for financial aid to the scheme for such extension or improvement within such area, undertaken by other bodies or individuals.
- Propaganda for the improvement of agriculture, livestock and products of livestock and thrift.
- The expenses of, and incidental to the conduct of elections of market committees.
- The promotion of grading services.
- Measures for the preservation of food grains.
- Such other purposes as may be specified by the government by general or special order.

4.15. Central Market Fund

In addition to the Market Committee Fund stated above, there is also another fund known as the Central Market Fund formed for the whole of the State. Every market committee shall contribute ten percent of its annual income to the central Market Fund and the contribution so paid shall be placed to the credit of the said Fund. The Central Market Fund shall be vested in the government treasury in Hyderabad. It shall be administered and applied by the Director of Marketing for all or, for any of the following purposes.

- Grants-in-aid of the market committees for the first year after its constitution under this Act.
- Grants-in-aid of a deficit market committee for periods not exceeding three years.
- Grant of loans to market committee at such rates of interest as charged on loans granted by the government for development purposes, and
- Such other similar purposes as may be specified by the government that the Director of Marketing shall obtain the approval of the government before sanctioning any grants-in-aid or loans exceeding a sum of Rs. 5000.

Some of the other important aspects of the administration of finances of market committees and their funds are discussed below.

4.16. Budget of the Market Committee

The market committee shall meet annually not later than two months preceding the commencement of its official year to prepare and adopt the budget of income and expenditure for the next year in the form specified by the Director and shall submit to the Director for sanction before 45 days of the closure of the year, provided that the market committee shall be competent to incur expenditure

provisionally as per budget passed by the committee in case the sanction of the Director is not received within 30 days from the date of submission of the budget to him.

4.17. Surplus Fund

All unspent balances on the last working day of the committee's official year shall be invested in such banks or in such interest bearing securities with the sanction of the government or of an officer authorized by the government in this behalf.

4.18. Central Market Fund

The market committee at the end of every month shall assess the amount of contribution on the basis of all revenues received by it and credit the same to the Central Market Fund.

4.19. Contribution to the Central Market Fund

Every market committee shall contribute 10 percent of its income derived in the previous year to Central Market Fund on 20th April, of the subsequent year. Every market committee shall maintain a separate register showing the income of every year and remittance to the Central Market Fund every year. In case any market committee fails to remit the contribution to the Central Market Fund within the time prescribed, the said amount with simple interest at six percent per annum shall be recoverable from the market committee by the Director.

4.20. Developmental Works in Regulated Markets

To provide facilities to the producer/Seller and other Market functionaries in the Market Yards owned by the Committees is obligatory on the part of the Market Committees under the provisions of Markets Act. Due emphasis is laid for acquisition of sites and constructions of Market Yards. Land at as many as 497 centres has been acquired while steps are being taken to finalise sites in respect of the remaining

centres in the state. The necessary infrastructure in the form of sheds, godowns, platforms, rest houses, canteen etc., have been created as many as 341 Market Centers while at the remaining 156 centres the construction works are in progress. Apart from basic amenities, such as drinking water, lighting, roads etc., due emphasis is given to keep the Market Yards clean and Green with tree plantation and land seeping. Development works in Market Yards are taken up with the funds of Market Committees and loans from Central Market Fund. During the financial year 1998-99, a provision of Rs. 63.55 crores was made for execution of developmental works in the Market Yards in the State of Andhra Pradesh.

4.21. Storage Facilities in the Market Yards

The Market Committees have provided storage facilities to the farmers in the Market Yards from their own funds as well as grants obtained from Government of India. There are 1076 godowns with storage capacity of 5.02 lakh M.T. So far 389 Market Centres have been provided with godown facilities while work is in progress to create an additional storage space of 0.03 Lakh M.T. by constructing 28 godowns.

4.22. Sale of Agricultural Inputs in the Market Yards

To supply the various agricultural inputs like quality seeds, pesticides and fertilizers to the farmers in the market yards, the Agricultural market committees have been permitted to take up the sale of quality seeds, pesticides and fertilizers on 'no loss no profit' basis. In the first phase, 200 Agricultural market committees have been covered in the state. The scheme will be extended in course of time to all other centers of Andhra Pradesh.

4.23. Rythu Bazars under Agricultural Market Committees

To avoid middlemen from the system of sale of commodities in between producers and consumers, the Government of A.P. was introduced Rythu Bazars

during the regime of N. Chandra Babu Naidu's government for direct sale by farmers to the consumers. So far 95 Rythu Bazars have been established in the State. The Market Committees have spent an amount of Rs. 1.85 Crores towards erection of Temporary / Semi Permanent sheds, providing facilities and purchase of Weighing scales etc., An amount of Rs. 95/- lakhs has been released from each CMF of the Marketing Department government of Andhra Pradesh, at a cost of Rs.1.00 lakh for each Rythu Bazar towards the salaries of the staff concerned.

The government of Andhra Pradesh has approved 34 centers in different districts of Andhra Pradesh for construction of Pucca Rythu Bazars. The Construction of Pucca Rythu Bazars has been entrusted to APIIC. The funds for construction of Pucca Rythu Bazars are being released from CMF of the Marketing Department. An amount of Rs. 252/- lakhs has so far been released to APIIC towards 30% of estimate as 1st installment. A Pucca Rythu Bazar at Erragadda has been constructed with a total cost of Rs. 63.75 lakhs which was inaugurated by Sri.N.Chandra Babu Naidu the then Chief Minister of Andhra Pradesh in 2000.

4.24. Development of Link Roads through Market Committees

To enable farmers to bring their produce to the Market Yards, a scheme called 'Village Link Roads' is in operation from 1992-93 onwards. For this purpose a 20 percent of the Market Fee income from every Market Committee in all over the state can be spent for link roads every year. So far 1175 link roads have been formed at a cost of Rs. 31.46 crores. The Agricultural Market Committees can take up the formation of link roads worth Rs. 52.50 crores during the financial year 2001-2002 and 2002-2003. This amount may be increased from time to time subject to the need of the link roads at various places in the state.

4.25. Farmers Training Centers at the Agricultural Market Yards

The training classes to the farmers are organised at all market yards to educate the farmers on the crops to be raised, application of fertilizers and pesticides, the storage problem of food grains and other allied subjects with the cooperation of other concerned departments such as Agricultural Department, Andhra Pradesh Agriculture University (APAU) and Horticulture Department. Agricultural Market Committee level farmer training programmes have been conducting in all the Agricultural Market Yards from the last several years.

These programmes are being conducted very frequently to educate the farmers on cropping pattern with the help of Department of Agriculture to impart training for 300 farmers in the jurisdiction of each market yard in the state. It has also been proposed to impart training to all Chairmen of the Agricultural market committees in the State.

4.26. Cold Storage Units in Market Yards

The cold storage units are planned to be set up in major market yards in the state. The Agricultural Market committees in the state have been permitted to lease out land to private entrepreneurs for a period of 25 years for setting up such cold storage units. Two such units were already established in the state. They are one at Hyderabad of Telangana region and another at Guntur of coastal Andhra region. It is planned to set up such units at 75 market centers in the state for which necessary action has already been initiated. Out of 75 centers identified nine centers have been finalized.

The Department of Marketing has been taken up several schemes in order to meet the post harvest credit of the farmers through Agricultural Market Committees. This Scheme is in operation where Market Committees are having their godowns. To

prevent the farmers from resorting to distress sale whenever there is a fall in agricultural prices and to make them wait for better prices, a scheme called Rythu Bandhu Pathakam was introduced in the year 1993-94 under which the market committees provide finances to the farmers against the pledge of their produce to the extent of Rs.50,000/- to each farmer or up to 75% of the value of the produce pledged whichever is less.

Agricultural Market Committees are permitted to provide short term advances to farmers in regulated market yards against pledge of stocks of market godowns. A share of 25 percent of Market Fee revenue is earmarked for this purpose. So far 57.95 Crores have been given as advance covering the farmers of 19,668 in all the districts of Andhra Pradesh.

4.27. Conclusions

The Agricultural marketing structure of Andhra Pradesh is broadly confined to the All India pattern of Agricultural marketing. The first regulated market in India was established in 1886. The government of India appointed various committees and commissions to strengthen the agricultural marketing system in rural India. They are Royal Commission on Agriculture 1926, The Indian Central Banking Enquiry Committee, the Bombay Agricultural Produce Market Act 1939, The Dantwala Committee, the Ford Foundation Team on Agricultural Production and the National Commission on Agriculture.

With the recommendations of the various committees and commissions and committees several governments of India have enacted necessary legislations to regulate agricultural marketing activities in their respective states and established the regulated markets. The Planning Commission of India also emphasized the vital role played by the regulated markets in promotion of an orderly and systematic marketing.

In Andhra Pradesh, the first regulated market was established in 1886 and the real momentum for regulated markets in the state was traced back to 1930 only, when the Hyderabad Agricultural Market Act was passed. By the 15th August 1947, only 14 assembling markets were regulated in the state and this figure increased to 88 by the end of the period 1956-61. During 1966-69 a tremendous growth of regulated Agricultural Markets in A.P. was witnessed. By the end of 2006, 867 such agricultural markets were established in the state.

The number of regulated markets are high in Nalgonda and Karimnagar districts (19 each) of Telangana region and low in Visakhapatnam district (8 only) of Andhra region. The number of market yards are functioning in Telangana region are 157, in Andhra region 137 market yards and in Rayalaseema region 67 are in functioning.

The entire management and administration of a regulated market is vested with the market committee. The number of members for each agricultural market committee are 12, 14 and 16 on the basis of the size of the market yard. It may be noted that all the members of the market committee are nominated by the government. The term of nominated members is three years from the date of appointment. The nominated members committee shall have absolute control over the market subject to the rules framed under the A.P. market rules 1969.

The agricultural market committee has to be self-supporting in the matter of finances as it is an autonomous body. The major financial resources to them are membership fee, market fee, Levies in the market, Licence fees and market charges. Along with these resources several other financial resources are there to the market committees. Those are property income, interest, sale of property, sale of grass grown

in the market yards, sale of manures and cow dung collected in the market yard areas, registration fee, transfer fee, late licence fee etc.

To provide facilities to the producer / seller and other market functionaries in market yards, the committee has obligatory powers. The necessary infrastructure in the form of sheds, godowns, platforms rest houses, canteen etc are provided in various regulated markets in the state. The storage facilities are provided with their own funds and the grants from the government. The market committees have given permission to sale various agricultural inputs like quality seeds, fertilizers, pesticides and other agricultural inputs to the farmers in the market yard area.

Soil testing laboratories were established in 54 agricultural market yards in the state in its first phase programme. To enable farmers to bring their produce to the market yards, a village link roads scheme was started in the year 1992-93. The training classes to the farmers have been organizing at all market yards to educate the farmers on the crops to be raised, application of fertilizers and pesticides etc.

With all the above objectives and functions, the government of Andhra Pradesh has established 867 market yards in the state with sufficient financial resources to them. The existing market yards in the state are functioning properly in some areas and in many other areas, the market yards are not functioning properly for the welfare of the farmers due to political and financial reasons.

4.28. References

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