



## Evolution of Regulated Markets in Indian Agriculture

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### KEYWORDS

The paper stresses on the regulation of markets and how it has helped the farmers by reducing their exploitation. The regulated markets have helped the Farmers to realize better prices and have provided tangible and intangible benefits to farmers.

#### Objectives-

The main objective of this paper is to understand the evolution of regulated markets for farmers and the role of regulated markets in the Agricultural sector in India with specific reference to the State of Maharashtra. The expansion of Regulated markets in India have been analysed from the Post Independence era.

In India agricultural market came under regulation mainly after independence, although some steps had been taken in that direction during British rule. Regulated market came into being because the British rules wanted to make available pure cotton at reasonable prices to British textiles mills. The cotton and Grain Market Law was enacted in Berar in the last decade of 19<sup>th</sup> century. The Bombay Cotton Market Act was enacted in 1927. This was first law in the country that attempted to regulate the market with view to bring sound and healthy market practices that would be fair to buyers and producers

The First Five- year Plan stressed on the regulation of markets and emphasized the need for introducing market legislation by the states.

A regulated market can be defined as one that aims at eliminating unhealthy and unscrupulous practices, reducing marketing charges and providing facilities to producer-sellers practices, reducing marketing charges and providing facilities to producer- seller in the market. Any legislative measure designed to regulate the marketing of agricultural produce in order to establish, improve and enforce standard marketing practices and charges may be termed as one that aims at establishing regulated markets.

Regulation of markets has really helped farmers in cutting down marketing charges and also reduces their exploitation to an extent. Studies conducted on the impact of regulated markets have revealed that the number of farmers selling their produce in such markets has increased. Farmers are now able to realize better prices. Thus, regulated markets have provided tangible and intangible benefits to farmers.

Regulation of agricultural markets was suggested as early as in 1928 by the Royal Commission on agriculture in India. Legislation for this purpose was initiated in the 'thirties' by a few States. For instance, the Madras commercial Crops Market Act, 1933, the Central Provinces Agricultural Produce Markets Act, 1935 and Agricultural Produce market Acts in Punjab, Mysore and Bombay were enacted. However, up to

1951-52 such legislation was in force only in Andhra Pradesh, Maharashtra, Gujarat, Madhya Pradesh, Madras, Mysore, Punjab and the erstwhile Malabar district transferred to Kerala. As there were many states in which there was no legislative provision for regulation of markets, the first five year plan recommended that early steps should be taken in this direction. During the first plan period, three more Acts, namely, The Madhya Bharat Agricultural Produce Markets Act, 1952, the Co-org. Agricultural Produce markets Act, 1956 and the Orissa Agricultural Produce Markets Act, 1956, were passed. Still there were five states, namely, Assam, Bihar, Rajasthan, Uttar Pradesh and West Bengal, in which no such legislation was enacted till 1955-56.

The second five year plan also had emphasized the need for taking early steps in this direction. Accordingly, during the second plan period, marketing legislation was enacted in the states of Bihar and Rajasthan. Consequent to the reorganization of states in 1956, some states, Viz., Andhra Pradesh, Maharashtra, Madhya Pradesh, Mysore and Punjab, took steps to consolidate various Acts in force in different areas within their jurisdiction.

In today's scenario, marketing legislation is in force in all the major states except West Bengal, Uttar Pradesh and Assam where bills for regulation of markets are under consideration (Table 2.2.1). In Manipur, it is proposed to adopt either the Bombay or the Bihar Act.

**Table No- 2.2.1 Regulated Markets in India**

State/ Union territories	Regulated markets before commencement of the first five year plan	Regulated markets during first five year plan (1951-52 to 1955-56)	Regulated markets during the second five year plan (1956-57 to 1960-61)	Total no of regulated markets on 31 march 1962
Andhra Pradesh	35	27	24	93
Assam				
Bihar				
Gujarat & Maharashtra	127	47	127	326
Jammu & Kashmir				
Kerala	1		3	4
Madhya Pradesh	3	56	27	91
Madras	11	8	18	37
Mysore	23	24	25	72

Orissa			15	15
Punjab	92	22	18	132
Rajasthan				
Uttar Pradesh				
West Bengal				
Andaman & Nicobar				
Delhi			3	3
Himachal Pradesh				
Manipur				
Pondicherry				
Tripura				
Total	286	184	260	773

Source: office of the Agricultural Marketing Advisor to the Govt, of India

Of about 1,800 markets in the country, only 286 markets were regulated up to the beginning of the first five year plan. During the first and the Second Plan periods, 184 and 260 additional markets were regulated respectively. Including 43 markets, which were regulated during the year 1961-62, the total number of regulated markets as at the end of March 1962, stood at 773. Inclusive of about 109 sub-market yards in some States such as Gujarat, Maharashtra and Mysore about 882 markets out of 1,800 have so far been regulated.

The progress in regards to regulation of markets has, however, been uneven between different states. While, there is a marked progress in Gujarat, Maharashtra, Punjab and Hyderabad of Andhra Pradesh. And to some extent in Madhya Pradesh, Mysore and Madras, in Assam, Uttar Pradesh and West Bengal regulation is yet to be introduced. In Kerala and Orissa, only 4 and 15 markets, respectively, have been regulated. Though in a few states expert committees have examined the working of the regulated markets; adequate information in this regard is not available in respect of other states.

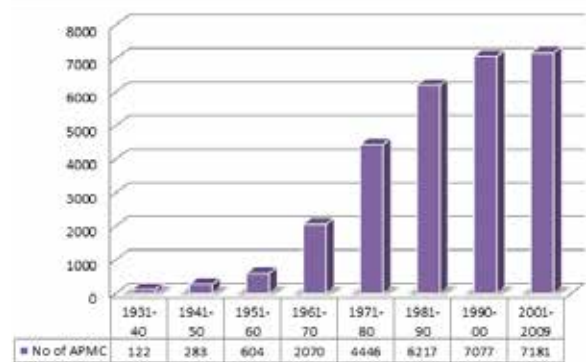
The researcher would like to provide the position of Agricultural Produce Market Committees in India as on 31-3-2009. The information in Table-No 2.2.2 makes aware of the growth of Agricultural Produce Market Committees in India and their relative positions. It would be more advantageous to offer the growth of Agricultural Produce Market Committees from the historical period of about 50 years in India.

**Table No 2.2.2- Growth of Agricultural Produce Market Committees in India**

Sr no	Year	No. Of .A.P.M.Cs
1	1931-40	122
2	1941-50	283
3	1951-60	604
4	1961-70	2070
5	1971-80	4446
6	1981-90	6217
7	1991-2000	7077
8	2008-2009	7181

(Source: Statistical Abstract Of India)

**Fig: 2.2.1:- Growth of Agriculture Produce Market Committees in India**



**Table No: 2.2.3 -No of wholesale, rural, primary & regulated markets in India**

Sr. No.	STATE/U.TS	NO OF MARKETS			REGULATED MARKETS		
		Whole -Sale	Rural Primary	Total	Principal	Submarket Yards	Total
1	Andhra Pradesh	317	577	894	317	577	894
2	Arunachal Pradesh	6	57	63	16	53	69
3	Assam	405	735	1140	20	206	226
4	Bihar *	325	1469	1794	* APMR	Act	Repealed
5	Jharkhand	205	603	808	28	173	201
6	Goa	4	24	28	1	7	8
7	Gujarat	207	129	336	196	218	414
8	Haryana	284	189	473	106	178	284
9	Himachal Pradesh	42	35	77	10	32	42
10	Jammu & Kashmir	26	8	34	APMR	Act not yet implemented	
11	Karnataka	499	730	1229	146	353	499
12	Kerala	348	1014	1362	APMR	Act not enacted	
13	Madhya Pradesh	238	1321	1559	238	271	509
14	Chhattisgarh	2	1132	1134	73	111	184
15	Maharashtra	880	3500	4380	296	609	905
16	Manipur	20	98	118	APMR	Act not enacted	
17	Meghalaya	35	84	119	2	-	2
18	Mizoram	10	105	115	APMR	Act not implemented	
19	Nagaland	8	144	152	---	Nil	-----
20	Orissa	398	1150	1548	45	269	314
21	Punjab	488	0	488	139	349	488
22	Rajasthan	430	312	742	125	305	430
23	Sikkim	7	12	19	1	-	1

24	Tamil Nadu	300	677	977	277	15	292
25	Tripura	84	564	648	21	-	21
26	Uttar Pradesh	584	3244	3828	251	371	622
27	Uttarakhand	36	30	66	25	33	58
28	West Bengal	279	2925	3204	46	641	687
29	A & N Island	0	0	0	APMR	Act not enacted	
30	Chandigarh	1	0	1	1	-	1
31	D & N Haveli	0	0	0	APMR	Act not enacted	
32	Daman & Diu	0	0	0	Reported	Nil	
33	Delhi	30	0	30	9	12	21
34	Lakshadweep	0	0	0	APMR	Act not enacted	
35	Puducherry	9	0	9	4	5	9
	Total	6507	20868	27375	2393	4788	7181

(Source: Statistical Abstract of India)

### 2.3 Regulated markets in the Maharashtra state:

The origin and its number of wholesale, primary and secondary regulated markets in India along with discussion on evolution, organization and working of regulated markets in Maharashtra are covered here.

Profile of Maharashtra state Consequent upon the re-organization of states, Maharashtra state came into existence on 1st May 1960. The state is divided into 35 districts, composed of 353 Talukas, 378 towns and 43,722 villages, and has population of 9.67 crores. The per capita income of Maharashtra in 2000-2001 at current prices was Rs.22.179 and state ranks 5<sup>th</sup> place in the country. The literacy rate was 77.27 per cent. The net area shown as percentage of total area comes to 84.88 per cent. Food crops occupy a major share (62.57 per cent) in the total cropped area, while wheat, jawar, bajra are important food crops and cotton, groundnut and sugarcane are important commercial crops. In the production of agricultural commodities Maharashtra ranks first in onion and cotton, second in soybean, sunflower and sugarcane and third in pulses and oilseeds.

### Evolution and progress of regulated markets in Maharashtra:

The evolution and progress of regulated markets in Maharashtra is closely related to development of regulated markets at the national level. The history of regulated markets in the state can be traced back to 1930, when the Hyderabad Agricultural Market Act was passed in pursuance of recommendations of the Royal Commission on Agriculture, which was in operation in Maharashtra region. After giving due consideration to various committees recommendations and study groups, some important changes have been made in this act in the year 1987 and thereafter. An attempt is made below to provide salient features of the Maharashtra State Agricultural Produce Marketing Act (Regulation), 1963.

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