

Bihar Agricultural Produce Market Committee: Origin and Growth

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Abstract

The adoption of scientific technology in the field of agricultural production by the farmers has created a great demand for better and improved inputs in greater quantity. The investment in new technology largely depends upon the gains of the farming community. It has, therefore become imperative that arrangements should exist for efficient movement of the farmers produce to the consumers and for adequate and timely supply of superior inputs to the farmers. In this transitional stage, state regulation of marketing becomes an essential part of the state policy for improving the agricultural marketing system.

The state regulation of the marketing system was developed in India in the beginning of the twentieth century in order to protect the farmers from being helpless before the commission agents who operate in towns and mandis. Unless the farmers are assured of receiving appropriate returns for their labor, no amount of incentive will encourage them to take up new plans for agricultural production and improvement of soils. The importance of such markets lies not only in the functions they fulfil, but in their reactions upon production. Well regulated markets create in the mind of a farmer a feeling of confidence and of receiving a fair play, and this is the mood in which he is the most willing to accept new ideas and to strive to improve his agricultural production. Unless the cultivator can be certain of securing adequate value for the quality and purity of his produce, the efforts required for an improvement in those will not be fruitful.

If the agricultural markets are expected to function smoothly and efficiently without jolts and jerks, they must have a firm grip over the wide range of activity covering all the stages. The genesis of a regulated market is that the market must afford facilities for trading, regulate it in an impartial manner, and facilitate speedy settlement of disputes associated with the trading activity at the place of disposal of the buyer

and the seller, a mechanism under which bargains can be strict and completed without causing any loss to anyone.

Keeping this idea in mind, the Royal Commission on Agriculture (1928) recommended the establishment of such regulated markets throughout the length and breadth of the country in the following ways. “The establishment of properly regulated markets would confer an immense boon on cultivating classes of India. It must indeed, in our view, form essential part of ordered plan of agricultural development in this country, for only in this way the work of agricultural development can be brought to fruition”.

In Bihar, it was considered worthwhile that, “For achieving overall efficiency in marketing, attack should be made on the fronts and the various aspects of marketing should be billed together to minimize and reduce marketing cost.” With this in view, programs were formulated for the establishment of regulated markets. But in Bihar, during this plan also, no significant progress could be made for the establishment of regulated markets.

The third five-year plan contemplated the regulation of markets in different parts of the country. As a matter of fact, it was during this agriculture oriented plan that the drawbacks of the existing agricultural markets-shortage of space, poor lay-out, unfair prices, inadequacy of marketing facilities, etc. came to surface. It was recognized that regulated markets could play a valuable role in the marketing process as the nerve-center of marketing is the agricultural produce.

The state regulation of the marketing system was developed in India in the beginning of the twentieth century to ensure protection of the farmers from the commission agents who operate in towns and mandis. Unless the farmers are assured of the return for their labor, no amount of incentive will encourage them to take up new plans for agricultural production and improvement of soils.

The genesis of a regulated market is that the market must incorporate facilities for trading, regulate it impartially, and ensure speedy settlement of disputes related to the trading activity at the place of disposal of the buyer and the seller, a mechanism under which bargains can be strict and complete without causing any loss to anyone.

In order to make market functions and practices amenable to control and to protect the interests of the farmers in the markets, the Government of Bihar enacted the Bihar Agricultural Produce Markets Act (1960) and the rules for regulation of markets were framed in the year 1962.

The Act is detailed in seven chapters. Chapter I deals with the title, extent, and commencement of the Act, definitions of agricultural products, agriculture, Bihar State Agricultural Marketing Board, by-laws, commission agent, market committees, principal of market yard, license, market, market area, retail sales etc. Chapter II deals with the constitution of markets and market committees. Chapter III is about incorporation of market committee, its objects, powers and duties, appointment of such committees and joint committees, salaries of officers and servants of the market committees, powers and duties of the officers and servants of the market committees, responsibilities of the chairmen of the market committee, quorum of meeting, appeal against the order passed by the chairman, power to levy fees, account of purchase and sale and assessment of market fee, power of revision or appeal, examination and record, power to borrow, market committee fund, application of market committee fund, execution of contract, power over production of accounts, and power of entry, inspection and seizure, and the matters related to these subjects. Chapter IV deals with supersession of market committee. Chapter IV A deals with the establishment of Bihar State Agricultural Marketing Board, incorporation of marketing board, board's fund, audit of accounts of the board, supervision and control of the chairman, authentication of orders and other instruments of the board, and the delegation of powers.

Chapter V deals with miscellaneous issues related to the marketing of agricultural produce, agricultural marketing committees, and the Bihar State Agricultural Marketing Board. Chapter VI is related to the rules and by-laws concerning the Agricultural Produce Market Act (1960).

The Government of Bihar constituted the Bihar State Agricultural Marketing Board in July 1972, to supervise and control the functioning of the agricultural produce market committees. Subsequently, the International Development Association sanctioned a project for the development of 50 agricultural markets in the state at an estimated cost of \$14 million.

In view of the supervision and control of the Board over market committees, various assumptions and assertions under the Regulation Act, and substantial investment in market development activities therein, it is beyond doubt that the development strategies in improving agricultural marketing system in Bihar are considerable. The past experience of development strategies indicates significant improvement in the structure and performance of agricultural markets, particularly after the launching of the market construction project.

Among the various benefits of the market development programs, higher degree of marketing efficiency during post-market yard period, holds a significant place. The market performance has also been reflected in terms of its pricing efficiency, flexibility to adapt to new and changing situations, and low seasonal fluctuations of prices and arrivals. The

range of fluctuations has smoothened. The seasonal fluctuations in important food grains have shown overall stabilizing tendencies.

One of the objectives of the Bihar Agricultural Produce Markets Act (1960) is the constitution of Agricultural Produce Market Committees or 'Krishi Utpad Bazar Samities, which were felt necessary within the jurisdiction of the state. Chapter II of the Act deals with the various aspects of the agricultural produce market committee.

In almost all the markets constructed in the state, platform weighing machines have been inducted, gradually replacing the scales. A set of test weights have also been provided to such market committees for a frequent and random inspection and checkup. This one small measure towards career and quick weighing by impartial and licensed weights has been able to eliminate improper and under-weighting of the commodities brought in the market yards.

As a result of the provision for correct weighing, the percentage of producers-sellers visiting the market has risen from 10 percent to 40 percent by the year 1979-80, gradually eliminating the village and itinerant merchant middlemen.

For the commodities like ghee, edible oils, butter, atta, spices, honey etc., the purity and quality of which cannot be evaluated merely by visual inspection, taste or smell, chemical laboratories have been set up to determine the quality and purity of the products under A-Mark scheme in order to inculcate and inspire confidence among producers and consumers as an impartial agency.

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