

A Study of Performance of Regulated Market and Its Benefits

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ABSTRACT

The main objective of regulating the market is protecting the interest of producer, sellers increase the standards of the local Markets where the first exchange of the commodities take its place. In order to attain and reach the object of each regulated markets hence the establishment of Market committees are executed which is consisting of the representatives of the cultivators, dealers, locals' bodies, co-operative, shops, sellers, and the selected state government candidates. Producers are mostly considered in these committees. The committee of market, would consist of (12) to (18) members, subjected to the size of the market. Regulated Markets have many advantages and benefits such as the growers are encouraged to bring their produce straight to the markets, Growers are protected from the manipulation of market functionaries, Market costs are definite and obligatory, Growers are ensured with better prices, Obtainability of the staffs for the disbursement of disputes, Facilities like platforms for the sale transactions, parking storage facilities, rest houses, and etc. are made available, Growers have accessibility to up-to-date, market information and Marketing costs are lowered and the producer share in consumer will increase. The regulated market functions are to deliver marketing facilitates, marketing of notified crops regulation, as well as to create a yards of the required infrastructural facilities.

Keywords- Regulated Market, its benefits, management, function and source of revenue.

I. INTRODUCTION

A regulated market is one that is established by law for a single commodity or a group of commodities. Regulated markets are essential for regulating and monitoring the financial and economic system thereby reducing market charges and providing facilities to producers and sellers in the market. (Surender et al., 2021). Regulated market is, wholesale market where selling and buying is well regulated as well as controlled by the government by the market committee.

Its main aim is the elimination of unhealthy and unprincipled practices with reducing marketing charges

and also providing facilities to the producers and sellers of the market. The reduced standards of the primary and secondary, markets where the producer transform their produce into cash. The occurrence of numerous malpractice's such as excessive market charges, short-weights, adulteration of produce, unauthorized deduction, and the absence of machinery to resolve disputes between the sellers and buyers were acknowledged as the main interruptions in agricultural marketing. These failings and mismanagements can be recover by the establishment, of the regulated marketing. The regulation of market movement gained momentum only after 1930. The Agricultural produce market act (1939) Bombay was



passed in respect of all the agricultural produces like., fibers, cereals, fruits and etc. Regulated markets, regularly handle cotton, tobacco, grains, groundnut, coconuts, potatoes, arecanuts, and turmeric (Acharya & Agarwal, 1992). As farmers are facing major issues in the process of marketing, like low marketable surplus of agricultural goods, non-participants in market price determining, lack of proper storage facility, market infrastructure, problems in distance transportation, dominance of middlemen, lack of market information, inelastic demand, price difference in different market, lack of grading and bulky nature of agricultural produce often leads to wastage due to lack of processing facility and proper packaging (Acharya, 2006; Sandhu, 2020; Yogi, et.al., 2021). Another biggest issue of agricultural marketing is presence of market intermediaries, the shorted supply chain between farmer to consumer helps farmers to fetch larger profit share (Golay and Basanta, 2021). So, there is a need to strengthen agricultural marketing facilities by agribusiness service centers, improving better procurement and marketing structures etc. (Rehman et.al., 2012). Agricultural Produce Market Committees (APMC) is the showcasing board set up by the state governments to dispense with the misuse rates of the farmers by the mediators, where they are compelled to sell their produce at amazingly low costs. Regulated marketing structures especially e-tendering system can help farmers for better price realization (Vivek and Sahana, 2021).

1.1 Definition:

A regulated market is the one, which is aimed at the eradication of unhealthy and unprincipled practices and reducing charges as well as providing facilities to the producers (Acharya & Agarwal, 1992). A regulated market is one that is established by law for a single commodity or a group of commodities (Surender et al., 2021). A Regulated market is a wholesale market where buying and selling of the agricultural commodities is regulated, managed and controlled by the State Government through the Market or Mandi Committee (Chand, 2011).

1.2 Prime Objectives for Establishment of Regulated Market:

The main intention for the establishment of Regulated Market for Agricultural Product is to protect the farmers from deceitful and treacherous behavior of the traders and the commission agents. These committees for improving the marketing system induces on grading and standardization of crops, foster the open auction practices, discourages the conceal rates of agricultural produce below the cloth and etc. (Swamy, 2006).

1.3 Management of Regulated Market:

The management, of regulated market is assigned with the market committees, in which the members are growers, dealers, administrators of the marketing societies are the members, and officials of Agriculture Dept. etc. The responsibility of Market committee is the prosecution of the rules and regulations (Will, 2020).

1.4 Functions of Market Committee:

1. To deliver marketing facilities of the notified crops in the notified area.
2. To deliver regulation on the marketing of notified crops.
3. To establish marketing yards with the required infrastructural facilities.
4. To award or reject licenses to the market functionaries and renew, suspend and cancel such licenses.
5. To control and regulate market practices and market charges.
6. To provide services of the personnel to settle disputes.
7. To gather, maintain and disseminate the market information.
8. To avoid adulteration and to promote grading.
9. To levy market and licenses fees as entitled.
10. To employ required manpower for the operative use implementation of the act, rules.
11. To confirm correct weighing of the produce.
12. To apply the instructions given by the Government from time to time in the development and establishment of markets (Will, 2020).

1.5 Sources of Revenue:

Market committee, are independent, self-financing statutory institutions. Every market committee fetch its fund through licenses fees and market fees on the notified agricultural produce which is transacted in the market yard (Ramaswamy & Kumari, 1995).

II. FUNCTIONS AND ACTIVITIES OCCURRING AT REGULATED MARKET

At the RMs, agricultural marketing process involves a wide variety of functions that are interconnected with one another, they are stated below (Fig. 1):

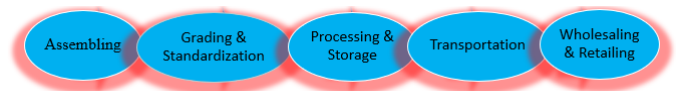


Figure 1: A Chain of Function Conducted at Regulated Markets

The process of agricultural marketing begins with the farmer and end up with the consumer. In between these two extreme ends there are many intermediaries like Assemblers, Processors, Warehouse Owners, Commission Agents, Wholesalers, Retailers and Transporters, etc. performing their duties to enable the agricultural marketing process to reach its completion (Jayasheela et al., 2012).

1. Assembling

Agriculture produce is collected in small lots and then assembled into large ones. This function becomes essential because of the small size of the farms and small quantity of production.

2. Grading and Standardization

Agricultural produce assembled is classified in different lots according to the buyer's tastes and needs difference. Classification is effected by certain specific characters and inherent qualities such as, colour, size, taste and utility codified into grades and then become standard by which assembled lots are judged.

3. Processing and Storage

Processing means transforming raw materials into a new form so as to increase their shelf life and to make them more acceptable to consumer than in their original form, for e.g. Wheat may be turned into flour. The manufactured goods may not however be immediately disposed of and may require space for storage. The needs of storage bring into the existence of warehouses and God owns.

4. Transportation

For final consumption agricultural produce has to be moved from storage point to the point of actual demand. This may require transportation over long distances and across many lands. It may be necessary to store them again for a while on arrival before they could be sold to wholesalers and through them to the retailers.

5. Wholesaling and Retailing

The final link and vital role in agricultural marketing is played by the wholesalers and the retailers that make the agricultural produce available to the consumers for the final consumption.

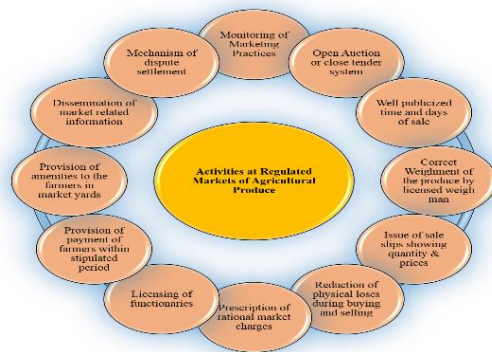


Figure 2: A List of Activities Operated at Regulated Markets of Agricultural Produce

These functions are performed by a group of people called as the functionaries who are responsible for carrying the Agri business activities at the Regulated Markets of Agricultural Produce.

III. BENEFITS OF REGULATED MARKET

1. The growers are encouraged to bring their produce straight to the markets.
2. Growers are protected from the manipulation of market functionaries.

3. Market costs are definite and obligatory for an organized marketing system.
4. Growers are ensured with better prices for their products.
5. Obtainability of the staffs for the disbursement of disputes between the producers and dealers.
6. Facilities such as platforms for the sale transactions, parking storage facilities, rest houses, and etc. are made available.
7. Growers have accessibility to up-to-date, market information.
8. Open auction process of sales transaction is common in the regulated market.
9. The marketable surplus of the growers will increase.
10. The village sales will be decreased.
11. Marketing costs are lowered and the producer share in consumer will increase (Edward et al., 1980).

IV. PLANNING AND DESIGNING LAYOUT FOR REGULATED MARKET

Like any other utility or facility are established and operated with the object of fulfilling certain needs and performing certain functions like service of orderly display and close connectivity. This is followed by the careful planning of the market lay-out and designing of individual structure and facility which together should create right environment for the market to perform its functions. Certain basic elements are considered while manufacturing of Regulated Market for Agricultural Products as follows (Gupta & Chaturvedi, 1975).

1) No standard lay out plan could be considered for each and every type of RMAP. As each type of regions have their own criteria and choices, like wise – commodities traded, volume of throughout periodicity of market operations, number and type of active sellers, buyers or agents in market and other functions such as, Wholesale, Transit or Retail Distribution.

2) During planning major elements studied are, classification of markets and its interrelated activities according to the functions, market user, distance from the city hubs or major agricultural producing villages, etc. So each individual markets whether Major or Sub Market Yard must be surveyed and designed as a separate entity.

3) Then comes the Market Yard. Market Yard planning activities can be grouped under:

- a) Pre Planning
 - b) Physical Planning
 - c) Functional Planning and
 - d) Financial Planning
- 4) For market yard, various considerations in market yard design include:

a) Location of Market Yard

All location factors influencing the cost of distribution must be taken into account:

- i. Access to the highway and the railway for incoming and outgoing traffic.

ii. Wholesale Assembling and Transit Markets are the best located away from population centers, while Retail Distribution are near located in the populated areas.

iii. Where several sites are available, a special comparative cost analysis will guide the final choice.

iv. Where only one choice is available, there is still a strong case for preparing a comparative cost of operating in old and new market.

b) Layout of Market Yard

It should optimize the dynamics of the trade operations in the market through improved accessibility for the market users:

i. Special attention to streamlining of internal flow pattern from the pre-sale operations to the storage or final dispatch.

ii. Storage location of the Trader's Shop-cum-God owns, display and sales areas and facilities and services required by market users.

iii. Priority in the space allocation should go to the structures and services directly connected with the trade operation.

iv. Choice of market space may be given to the supporting and complementary services (Banks, Post Office, Shops, etc.).

v. Choice may be kept for the administration, communication, supervision and the non-trade related functions.

vi. Several layout proposals may be prepared featuring the different spatial arrangements and commodity flow lines.

vii. The best spatial arrangement is the layout that minimized the cost of handling land and maximized convenience for the market users.

viii. Finally, layout plan must be discussed with the various market users (especially farmers) before final adoption.

c) Components and Designs of Market Yard

i. It aims at satisfying to the extent possible the reasonable needs, expectations and forecast of all main users of the market.

ii. Instructors and designers must have a thorough knowledge of the functions of market with immediate possibility of short & long term calculations and predictions due to fluctuations in market demand or market pattern, trends, dynamic nature of marketing systems and procedures, changes in production patterns, consumers' preferences, policy changes, etc. need to be cater the most.

iii. Appropriate plan designs a market for a life span of 20-25 years.

iv. Market yard design should aim at providing most comprehensive, functional and adoptable yard at the lowest possible cost.

d) Other considerations in market yard design are as:

i. Access to the railway/ rail side directly to the market if possible and necessary.

ii. Planning for the drainage, sewerage and waste disposal.

iii. Need based facilities and amenities.

iv. Use of the local construction material wherever possible.

v. Flexibility in the design (ample amount of space for future development, alteration, etc.).

V. CONCLUSION

Improving the marketing system of Agricultural products would help the farmers to better his economy. The primary object of regulating the market is to safeguard the interest of the producer sellers raise the standards of the local Markets where the first exchange of the goods takes place. With a view to achieve the object in each of the regulated markets. Market committees are established consisting of the representatives of the growers, traders, local bodies, sellers, co-operative shops and the state government nominees. Producers are generally in the majority on these committees. The market committee should consist of 12 to 18 members depending on the size of the market and other considerations, which are responsible for utilizing the fund for maintenance and improvement of the markets and its buildings, maintenance of standards of weights and measures, pay and pension of the staff and etc. The main intention for the establishment of Regulated Market for Agricultural Product is to protect the farmers from deceitful and treacherous behavior of the traders and the commission agents. In the regulated markets, the functions of the market committee are to deliver marketing facilities, to deliver regulation on the marketing of notified crops, to establish marketing yards with the required infrastructural facilities, to award or reject licenses to the market functionaries, to control and regulate market practices, to provide services of the personnel to settle disputes and etc. Source of Revenue for every market committee is to fetch its fund through licenses fees and market fees on the notified agricultural produce. Regulated Markets have many advantages and benefits such as the growers are encouraged to bring their produce straight to the markets, Growers are protected from the manipulation of market functionaries, Market costs are definite and obligatory, Growers are ensured with better prices, Obtainability of the staffs for the disbursement of disputes, Facilities like platforms for the sale transactions, parking storage facilities, rest houses, and etc. are made available, Growers have accessibility to up-to-date, market information and Marketing costs are lowered and the producer share in consumer will increase.

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