

INCENTIVE FOR INFRASTRUCTURE DEVELOPMENT/MARKETING AND MODUS OPERANDI ON MARKET OPERATION

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The increasing trend of agricultural production has drawn the attention of marketing due to its pivotal role. The new challenges as emerged out due to present day W.T.O. regime has also necessitated the strengthening of agricultural marketing sector of our country. Further, the country apart from production, needs an efficient market strategies of agricultural produce for the upliftment of our agrarian economy too. But infrastructure development in a market is the pre-condition of an efficient marketing system. It is needless to say here that unconducive market environment exploits the producer. The efficient marketing system of agricultural produce coupled with the provisions of marketing infrastructures creates an environment which is conducive to the farming community for getting good return of their produces. Marketing infrastructures, considered to be essential in a market giving incentive to the producers by strengthening their bargaining capacity for receiving higher return, are detailed below:

Principal market infrastructures

- a). Market-linked communication
- b). Assembling and selling facilities
- c). Drying facilities of produces
- d). Cleaning facilities
- e). Grading and standardization facilities
- f). Packaging facilities
- g). Storage facilities
- h). Transportation facilities.
- i). Facility for weighing
- j). Infrastructures for Market price dissemination

Ancillary infrastructures

- a). Parking facilities
- b). Lodging & hoteling facilities
- c). Drinking water & lightening facilities
- d). Sanitation facilities
- e). Banking facilities etc.

- a) **Market-linked communication**: Market linked up with Road ways, River Ways, Railways and Air ways can attract the large number of producers to come up with their produces for sale. Normally our markets called 'Haats' are located in such a place to where it is difficult for bringing the produces due to lack of good market linkage by road within its hinterland. The itinerant traders/middlemen take the advantage of such infrastructural deficiencies and purchased the produces at farm gate level. Thus market arrival of marketable surplus in a market suffers. In Assam, percentage of market arrival of marketable surplus varies from commodity to commodity. About 70% in case of fibre crops, 40% in case of cereals, 50% in case

of pulses, oil seeds etc. rotates through the markets. It is also to be mentioned here that the unawareness to the market of our farmers also play a great role in less market arrival. However, good linked roads to the market will definitely increase the participation of producer sellers in market. In this connection the investment of Rs.475.52 crores for the period from 2000-01 to 2004-05 made by Madhya Pradesh State Agricultural Marketing Board towards development of Rural roads under KISHAN CHARAK NIDHI may be mentioned. Further linkage of village to the nearest market by metalled road in Haryana may also be referred to. There is a statutory provision in the Karnataka Agricultural Produce Marketing (Regulation) Act, 1966 and Rules 1968 under which the state develops rural link roads.

b) **Assembling and selling facilities:** Covered auction platforms protect produces from the natural disadvantages and facilitate assembling and selling of agricultural Produces. Producers and other market functionaries can take part in auctioning freely without any fear from sun or rain or from muddy environment. But designing of construction of auction platform is to be looked in to considering all points such as nature of produces, mode of arrival, mode of transport, costing of loading and unloading etc. of produces. Same design of auction platform neither suits for all types of produces nor give incentive to the producers. It may be referred here that auction method of sale either open or tendered system is the best solution to get higher return by the producers due to existence of competitive environment and transparency in the method. But unfortunately our state is lagging behind the other states in this respect and Mutual negotiation method of sale is still prevails in our existing traditional markets. The Assam State Agricultural Marketing Board has made several attempts to introduce the auction method of sale. But due to existence of the prevailing practices under lessee dominated existing traditional market the efforts has not attained success. However, under Regulated market scheme, mechanism for regulation of buying and selling agricultural produces so that producers get their actual dues in market set up with the provisions of marketing facilities for open auction and storage coupled with all other required facilities, large number of auction platforms are created by the Assam State Agricultural Marketing Board in different market yards and existing markets under different Regulated Market Committees of Assam. The details are given below:-

Sl.No.	Name of District	Name of RMC	PMY	SMY	Traditional markets
1	Barpeta	Baharihat	1	2	
		Howly	1	7	
2	Bangaigaon	Bangaigaon	-	4	
3	Cachar	Cachar	-	7	
4	Darrang	Darrang	1	21	5
5	Dhemaji	Dhemaji	3	2	
6	Dhubri	Dhubri	5	17	6

7	Dibrugarh	Dibrugarh	-	4	
8	Golaghat	Golaghat	1	7	
9	Goalpara	Goalpara	-	11	
10	Hailakandi	Hailakandi	-	2	
11	Jorhat	Jorhat	1	27	
12	Kamrup	Guwahati	5	7	12
		Rangia	1	1	1
13	Kokrajhar	Kokrajhar	1	-	2
14	Karimganj	Karimganj	-	1	
15	Lakhimpur	Lakhimpur	1	4	2
16	Marigaon	Marigaon	-	1	-
17	Nalbari	Nalbari	-	4	4
18	Nagaon	Dhing	4	16	11
		Lanka	1	5	5
19	Sibsagar	Sibsagar	-	6	-
20	Sonitpur	Sonitpur	-	6	2
21	Tinsukia	Tinsukia	2	5	3
Total =			28	167	53

But these infrastructures are to be used rationally to get the benefit. A high level decision for co-ordinated effort amongst the department of Assam State Agricultural Marketing Board, Panchayat and Rural development and District administration may help in attaining achievement in this regard. Model Act, formulated by a committee as constituted by Govt. of India for reforms in agricultural marketing sector has also incorporated the provision of tender bid or open auction or any other transparent system of sale.

- c). **Drying facilities**: Agricultural Produces having less moisture content gets premium in price fixation. Raw produces hence need drying before selling. In this respect drying yard, modern drying machine etc. has an important role in an efficient marketing system. Accordingly apart from drying yard (in some markets it is covered and coverings are movable) mechanical drying facilities are also found in some markets of our country. But so far the Assam scenario is concerned the moisture content in respect of all produces are in higher side in Indian context because of high humidity in atmosphere. Therefore, the requirement of drying facilities in the market of our state for giving incentive is needless to elaborate. Though drying facilities is an important infrastructure of an organised market but there were no any such infrastructure in our market till 2002-03. The Assam State Agricultural Marketing Board has provided drying platforms in some rural and whole sale markets of our state since 2003-2004 under Technology Mission for development of Horticulture in North East Region as follows:

Sl.No.	Name of District	Name of RMC	Name of Rural market	No. of drying platform	Name of whole sale market	No. of drying platform
1	Barpeta	Baharihat	Mandia	2		
2	Bangaigaon	Bangaigaon	Patiladaha	1		

3	Darrang	Darrang	Dumnichaki	1		
4	Dhemaji	Dhemaji	Silapathar	2		
5	Dhubri	Dhubri	Dhubri	1	Guwahati	3
6	Dibrugarh	Dibrugarh	Jakai	1		
7	Golaghat	Golaghat	Sarupathar	1		
8	Hailakandi	Hailakandi	Katlichera	1		
9	Jorhat	Jorhat	Alengmora	1		
			Titabar	2		
			Nagabat	1		
10	Kamrup	Guwahati Sub-Div. MC	Maloibari	1	Uparhali	3
11	Karimganj	Karimganj	Bhanga	1		
12	Nalbari	Nalbari	Daulashal	2		
13	Marigaon	Marigaon	Laharighat	1		
14	Sibjagar	Sibsagar	Sapekhati	1		
15	Sonitpur	Sonitpur	Gahpur	1		

The drying platforms so far created are open. Considering the climatic condition of our state it is felt that drying platform with removable covering may give better utilization of the infrastructure. On the other hand Farmers of our state are to be educated and imparted training with field visit regarding rational utilisation of the infrastructure with a forward out look.

- d). **Cleaning facilities**: Cleaning of produce is an essential ingredient of post harvest management and marketing activities. Clean produce always attract the buyers and thus help in getting better market price. Though the country is in advanced stage of mechanical cleaning farmers of our state is not serious at all in this respect till now. The traditional markets are also not aware of it. At least the manual cleaning may be done at farmers level. Further, the mechanical cleaning devices as available in some regulated markets of our country may also give the incentive to the producers if be available in our market also. In this respect Regulated Market Committees of Assam may play a vital role as facilitator. Private participation with the project of cleaning, filling and stitching in a single mechanical device may also be encouraged to the market yard.
- e). **Grading and standardization**: To ensure price to the producers commensurate with the quality of the produce the availability of infrastructural facilities for grading and standardization in a market is very essential. Though general grading with eye estimation may be the made by the farmer at farm gate level considering the shape & size, healthy & non-healthy, bright & fed etc. but scant attention is paid in this respect by the farmer of our state. Selling of produce as per grade is not practised in our traditional markets. The DMI has already framed Agmark grade specification under Agricultural Produce (Grading & Marking) Act, 1937 for 163 commodities. Grading under this Act, is voluntary. As per Agmark Grading statistics Report 2003-04 the position of our state in respect of grading at producers level is not encouraging in comparison to other state. The chart given below will reflect the actual position.

Total Value of produce graded

Name of the state	2002-2003	2003-2004
Andhra Pradesh	Rs. 47,359.41 Lakh	Rs. 59,930.40 Lakh
Assam	Rs. 16,27.54 Lakh	Rs. 2,243.85 Lakh
Bihar	-	-
Goa	-	-
Gujrat	Rs. 4,243.20	Rs. 5,151.24
Haryana	Rs. 9.66	Rs. 11.17
Himachal Pradesh	-	-
Jammu & Kashmir	-	-
Karnataka	Rs. 61,307.37	Rs. 52,227.19
Madhya Pradesh	-	-
Maharastra	Rs. 32,990.75	Rs. 23,526.44
Orissa	-	-
Punjab	Rs. 48,122.76	Rs. 23,148.37
Rajasthan	Rs. 2,981.68	Rs. 4,600.69
Tamilnadu	Rs. 60,099.00	Rs. 95,255.18
Uttar Pradesh	Rs.2,61,220.91	Rs. 12,316.84
West Bengal	Rs. 18,492.39	Rs. 57,018.51

The recognised grades and standards as specified till now are based on technical points. Hence training on grading and standardization to the farmers is felt essential. Jute is the major commercial crop of Assam. Though there is an eight specific grades for trading but in Assam the market price is fixed on average grade only. On the other hand higher premium is fixed for higher grade. Installation of Jute grading unit and other Mechanical grading unit for other produces as functional infrastructure in a markets may also give incentive to the producers. Set up of training institute for grading and standardization in our state will promote the activities.

- f). **Packaging facility:** Like cleaning and grading, the packaging is also an important market activities to be undertaken by market functionaries and it is also a prerequisite for higher returns of the produce. Packaging of food and fruit crops as practised at the farm level of our state is of conventional type and suffers quality deterioration and transit loss. Normally Jute bags or plastic bags are used for transportation of food crops and oil seeds etc and those bags are supplied to the farmers as per informal agreement with the traders to sale the produce to them. So far the fruits and vegetables are concerned over 70% of farmers use bamboo baskets in transportation to the market. Producers use wooden boxes also as packaging material for transportation of tomato and other fruits. But wood has become a scarce item now. Moreover, use of bamboo materials as packaging devices specially for fruits and vegetables does not ensure quality during transportation due to bad road condition, and during loading and unloading activities. Hence it has become necessary to ensure the availability of low cost packaging technology and packing materials. The setting up of packaging industries for corrugated fibre boxes, corrugated paper boxes and plastic crates are felt essential at this stage in our state. The financial institution should come forward for providing financial assistance for setting up of such industries.

g). **Storage facilities:** It is needless to mention here that storage is the most important market infrastructures in agricultural marketing sector. The availability of such type of market infrastructures both in producing area and market yard will extend immense help to the farming communities for scientific storage avoiding wastage and quality deterioration and to retain the produce till the market of favorable price. Moreover, the facilities will enable the farmers to meet their credit requirement also subject to production of warehouse receipt. In addition to the above, storage facilities in market yards will also reduce the marketing cost of the producer- seller and market functionaries. In Assam, Agricultural Produce is kept after harvesting in a traditional storage devices known as 'Bharal' or 'Bhakheri' which is in less developed stage of store house. Keeping in view of these, the Assam State Agricultural Marketing Board has so far build up 30,000 MT. capacity storage facilities in different market yards as well as producing areas of the state. Out of the total capacities of the built-up area 15,000 MT. capacities godowns are constructed under the Capital Investment Subsidy Scheme for Construction of Rural Godown. The details of creation of such infrastructure are given below:

Name of the District	Location of godowns (markets/producing) areas	Capacity	Name of the scheme
Barpeta	Mandia (SMY)	500 MT.	Capital Investment Subsidy Scheme.
	Baharihat (PMY)	500 MT.	ASAMB Scheme.
	Barpeta road (SMY)	500 MT.	-do-
	Howly (PMY)	1000MT.	-do-
Darrang	Kharupetia (PMY)	2000MT.	ASAMB, Scheme.
	Lalpool (SMY)	500 MT.	-do-
	Kharupetia (PMY)	500 MT.	Capital Investment Subsidy Scheme.
Dhubri	Dharamsala (SMY)	500 MT.	Capital Investment Subsidy Scheme
	Bagribari	500 MT.	-do-
	Kathalipara (SMY)	500 MT.	-do-
	Hatsingimari	100MT.	-do-
	Kaldova (SMY)	500 MT.	-do-
	Gauripur (PMY)	1000MT.	ASAMB, Scheme.
	Bilasipara (SMY)	500 MT.	-do-
	Halakura (SMY)	170 MT.	-do-
	Mancachar (SMY)	500 MT.	-do-
	Gauripur (PMY)	756 MT.	Technology Mission
Dhemaji	Silapathat (PMY)	700 MT.	ASAMB, Scheme.
Goalpara	Krishnai	500 MT.	Capital Investment SubsidyScheme.
	Jaleswar	500 MT.	
Golaghat	Nowjan	500 MT.	Capital Investment Subsidy Scheme.
	Gamariguri	500 MT.	-do-
	Furkating (PMY)	2000MT.	ASAMB scheme.

Jorhat	Madhopur	1000MT.	Capital investment subsidy scheme.
	Dahotia	1000MT.	-do-
	Chenijan	1000MT.	-do-
Kamrup	Uparhali (PMY)	625 MT.	ASAMB scheme
	Uparhali (PMY)	756 MT.	Technology Mission
	Maloibari (SMY)	1000MT.	Capatal investment subsidy scheme
	Singimari (Pacharia)	1000MT.	
	Nagarbera (SMY)	1000MT.	-do-
	Athgaon	500 MT.	-do-
Lakhimpur	Bangalmara	1000MT.	ASAMB scheme.
Nalbari	Kaplabari	500 MT.	Capital Investment Subsidy Scheme.
Nowgaon	Karikhana	500 MT.	Capital Investment Subsidy Scheme
	Kawaimari	500 MT.	ASAMB Scheme
	Dhing (PMY)	2000MT.	ASAMB Scheme
	Raha (SMY)	500 MT.	
Tinsukia	Tingrai	500 MT.	Capital Investment Subsidy Scheme

The utilization of godowns, constructed under Capital Investment Subsidy Scheme of Govt. of India will provide the pledge-loan facility to the farmers for keeping their produces up to the limit of Rs.5 lakh subject to other conditions. These incentive for the infrastructure development will be materialized on the acceptance by the farmers only. For this purpose motivation of farmers through the interaction programme with the financing bank may be of great help. In this connection it is mentioned here that though the Assam State Agricultural Marketing Board had launched a motivation programme on utilization of Rural godown but response from farming community is not encouraging. However to change the scenario it is felt that a co-ordinated effort of Department of Agriculture, Assam State Agricultural Marketing Board and financing bank may give a positive result.

Cold Storage: The important market infrastructure for fruits and vegetable is undoubtedly a cold storage. But feasibility for establishment and also continuity with economic viability is to be studied first. Abundant production of fruits and vegetables suitable to be kept in cold storage to the days of satisfactory market price, alternate produce in lean season, uninterrupted power supply, suitable plot of land etc. are the pre-requisites for establishment of the project. The Assam State Agricultural Marketing Board has constructed 2 nos. of Cold storages one at Singimari and one at Byrnihat. Singimari cold storage is mainly for Potato and Byrnihat cold storage is mainly for spices like Zinger. The first one, having 2000 MT. capacities with allied facilities of weigh bridge, auction platform, parking facilities etc is financed by North East Council and the second one having 500 MT. capacity with warehouse of same strength is financed by both the spices Board and Marketing Board. Both the cold storages are almost ready to inaugurate. It is expected that farmers of horticultural crops will highly be benefited through these infrastructures development with appropriate post harvest handing for better market price.

h) **Transportation:** The lack of proper transportation from farm gate to the market yard is one of the major bottleneck in getting the better price of produce. Moreover, in some cases the cost of

transportation becomes unbearable to some producers. In this respect formation of growers society of less number of members and collective effort of them for common transportation means is required. Provision for transport subsidy scheme at Govt. level, bank finance etc. to such endeavour will boost up the creation of infrastructure development for efficient marketing system of the state. With a view of this the Assam State Agricultural Marketing Board has incorporated such provision of formation and registration of Growers Society having the constituent member from 5 to 20 in numbers along with 30% transport subsidy scheme in its Five-Year Plan. 100 numbers of Growers Societies are formed and registered till now from Marketing Boards end. Further, a mini truck, arranged from untied fund of Nowgaon district administration is provided to 4 nos. of growers societies registered under Assam State Agricultural Marketing Board in Hojai area. All four Growers Societies have tied up their programmes with Lanka Regulated Market Committee and utilizing the infrastructure for carrying Ginger and turmeric to Kharupetia market and vegetables to Hojai market from Kharupetia in return Journey.

Transportation of fruits and vegetables through refrigerated van from farmgate to consumer market is also felt necessary for receiving good return by the producer and distribution of fresh produce to the consumer specially of urban or semi urban areas. Adequate financial assistance from financial institution for establishment of such industries in the state are to be required.

i) **Facility for weighing**: It is a fact that in some markets running in traditional places specific packaging is considered as the unit of quantity. But proper weighment is one of the ingredients for receiving due price by the farmers. In this respect Regulated Market Committee may take steps ensuring proper weighment to the producer-seller and buyer trader. Apart from existing weighing scale Electronic weighing scale may also be provided in PMY or SMY according to suitability for speedy and smooth disposal of the produce.

j) **Infrastructures for market price dissemination** : Lack of proper market information is another hurdle to the poor farmers to get the better return of their produces. Complete knowledge of market and marketing information has not only help the farmers to arrive at a decision for selling of his produce but it plays a key role in future planning of marketing of produces both at personal level and State level. Recent advancement of Information Technology has brought the world to us expanding the field of trade and commerce.

The Assam Agricultural Marketing Board has already taken steps to disseminate the daily arrival and market prices of markets of 13 Regulated Market Committees through the national portal developed by DMI under AGMARKNET scheme and the programme is in operation. Apart from state informations, the daily arrival and price information of major markets of various states is made available also through this portal. Further, Market Board is arranging to display the daily market intelligence through display board in the Regulated Market Committee office campus. The awareness of the farmers and market functionaries to this infrastructural facilities will lead for market accessibilities. However another acceptable media to the mass for market awareness will be the News paper,. All India Radio and Doordarshan.

Ancillary market infrastructures: To run the agricultural market efficiently and for proper utilization of Principal market infrastructures, creation of ancillary infrastructures like parking yard, proper drainage system, sewage disposal facility, lodging and hoteling facilities, drinking water facilities, banking facilities etc. with proper security arrangement are also required.

Normally a regulated market is functioning with all these Principal and ancillary market infrastructures. But in Assam, the regulated market scheme has attained a very limited success even after giving incentive to the farmers and to the market functionaries by providing Principal and ancillary marketing infrastructures. More infrastructures development in market is in necessity but non- availability of suitable land is the main constrain to the Regulated Market Committee. Existing land occupied by some rural markets is not enough to provide the required infrastructures.

However, at present there are 24 nos of Regulated Market Committees covering the entire state except the sixth schedule area. 20 nos. of Principal market yards and 204 nos. of sub- market yards under different Regulated Market Committees are declared so far in the state. Even though there are marketing facilities for assembling and selling of agricultural produces through auctioning, drying, storing, parking etc in some PMY and SMY but shifting of markets from existing traditional markets to the regulated market has not been effected fully. It is a matter of strange that in many places markets are running on either National High way or State road or private land in a conjusted way even after having market yard equipped with infrastructures mentioned above in a plot just adjustment to the existing traditional market. Here lies the role of lessee under Panchayati Raj Act, Hence, there should be a co-ordinated effort of all concerned departments for shifting of traditional unorganised market to the organised regulated market where infrastructural development have been made for creating an environment to get good return of the produce. Incentive for market infrastructures will be materialized by operational part only. Of course with the coming of the era of reforms in agricultural marketing, the concept of contract farming, private market yard, consumer/ Farmer market etc is leading to a changed scenario of agricultural marketing gradually.
