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# **AGRICULTURAL MARKETING SYSTEM IN ASSAM**

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## Acronyms

AAMB- Assam Agricultural Marketing Board	SAMB- State Agricultural Marketing Board
APMR- Agricultural Produce Marketing Regulation	PMY – Primary Market Yard
APMC- Agricultural Produce Marketing Committee	SMY- Secondary Market Yard
CIC- Community Information Centre	PRI- Panchayat Raj Institution
GSDP- Gross State Domestic Product	PPP- Public Private Partnership
RMC- Regulated Market Committee	ULB- Urban Local Bodies
ICT- Information and Communication Technology	

## **Foreword**

Reforms in agricultural marketing system are intended to improve the efficiency and effectiveness of the marketing system so that the benefits such as increase in rural income, remunerative and profitable price to farmers and affordable supplies of food stuff is realized.

There is good deal of variation in the operation and marketing system from one region to region of the country. It needs a careful study of the specific needs of that State its demography and society. The Agricultural marketing system in North East India is distinct in terms of heterogeneity, multifunctional and traditional. Reforms in marketing system have to balance the present needs and the same time provide an enabling environment for investment, innovation and development.

The present study on Agricultural Marketing System in Assam was assigned by Committee of State Agriculture Marketing Ministers to National Institute of Agricultural marketing (NIAM). The objective of the study the status of agricultural marketing system, ownership, operation & management and to study the problems in implementing APMR Act with the view to assess the need for improving the agricultural marketing system of Assam.

A comprehensive analysis of the existing status of the markets, ownership and management has been done which is based on primary data and supported by secondary data. The study suggests that markets need to be provided with basic infrastructure and Assam Agricultural Marketing Board needs to play a proactive role in providing infrastructure, ensuring fair trading practices and bringing changes in collection of market fees and other charges. It is also realized that rural periodic markets also need to be upgraded and linked with the wholesale markets for better realization. The environment needs to be conducive to bring public private partnership in creating value in training, extension and creation of facilities.

The idea is not to have a parallel competitive system to the existing one, but to develop a professional and a modern system around it. The proposed action plan suggests and covers the key area e.g Market regulation, market infrastructure, marketing extension, agribusiness and entrepreneurship and rural innovations in Assam.

Dr R P Meena, IAS  
Director General

## **Executive Summary**

### **Overview**

1. Agricultural marketing system in Eastern and North-Eastern States is distinctly different from the other states in the country. It is observed that, the ownership structure and functioning of the markets in these states is heterogeneous. Hence, the argument put-forth by these states is that, it is rather difficult to implement the reforms process initiated by GOI in the absence of uniformity in the functioning of the markets.
2. As per the decision taken in a meeting of Committee of State Agriculture Marketing Ministers, held on 25<sup>th</sup> April, 2011, the present study was assigned to National Institute of Agricultural Marketing, Jaipur with the objective to study ownership and management

### **Agricultural Marketing Environment**

3. Multiplicity of regulatory Acts- Assam Agricultural Produce market act 1972, Panchayat Act 1994 and Municipal Act 1956 acting in parallel has resulted in absence of unidirectional development. The APMR act has been amended in 2006 to make provisions for contract farming, direct marketing and private markets
4. Agricultural and horticultural production of the Assam State are serviced through more than 1100 rural weekly markets and a network of 75 primary wholesale Markets & 30 secondary wholesale market. Besides these there are other markets which are under Town Committee and District council.
5. The markets operate under pressure in terms of infrastructure, service and facilities, introduction by innovations, new technologies etc. The public sector organizations which operate the markets had little perception about putting in place the proper marketing system for produce transacted in the market. These organizations earned income from market tax or cess and had no mandate to plow back revenue so earned towards the development of markets and marketing system. The increase in agricultural production and population of the Assam State have exerted pressure on agricultural markets resulting in severe congestion and making them inhospitable to producers, buyers and consumers
6. In the 24 markets under the regulation of the APMR Act, the primary focus has been on revenue collection relegating facilitation such as market information system, infrastructure, and extension to second place.
7. The system of collection of market fees at the check gate has been a major obstacle in development of markets. The system needs to be abolished to develop a orderly system of marketing in Assam

### **Strengthening Access to markets**

8. Farmers of Assam have sufficient market surplus, with a market within 5 km. However, the Physical access to market is constrained by bad condition of the road and high transportation cost. The rural markets often become inoperable because of water logging.
9. Farmers sell their produce to a weekly market within close proximity. While deciding which market to sell to, the most important factor is the price. Distance from the market and related transportation cost followed by infrastructure facilities are other considerations.
10. Farmers get knowledge about prices through word-of-mouth which is often unreliable making the farmer unable to demand the right price.
11. The markets with weekly periodicity have been handling agricultural and non agricultural products for last 40 to 50 years. The marketing system is in dire need of attention for development of infrastructure, expansion of market network and channels to help in delivering the benefits of marketing opportunities.
12. One of the major infrastructure constraint in all the markets is unavailability of electricity. Since markets function during evening and functions till night, markets function under gasoline lamp or diesel generators which exert extra cost on the farmers.
13. At rural markets and primary markets, only unauthorized middlemen or agents of outside district operate as buyers. These middlemen neither maintain any documents nor issue any receipts. The method of sale is traditional, non transparent and coercive.
14. The annual income of markets reveal that the Municipality Markets generate highest income and function as major markets for arrival. However there is a overlap in the functions of markets under Municipal Bodies and RMC.
15. The alternative management system of the prevailing markets can be engaging farmer groups, trader association to operate the markets.
16. Among the various vegetable crops, ginger offers tremendous scope for commercialisation in Assam. There a scope of encouraging organic farming in pineapple, turmeric, orange etc.
17. In tandem with typical characteristic of service product mandi as service organization has to be spruced up to measure to measure up the expectation of the different stakeholders .There should be a service delivery culture.
18. The Study suggests that a electronic system of weighment be introduced in the markets to bring transparency



19. The prevailing auction system of giving markets to lesse needs to be replaced by having a open auction system to have better participation.
20. The study suggests that in Assam Agricultural Marketing Board has to play a major role in developing basic infrastructure in the markets.
21. Promoting the development of efficient and competitive system that can effectively respond to the changes require greater role of public and private sector in providing enabling environment for growth, increasing, enhancing market facilities and market information.
22. The social and cultural fabric of the state has shown traditional set up of the communities where the community groups in tribal areas have taken responsibility of shared resources and groups activities in rearing ducks, pigs, weaving, collection of honey, crafting etc. The study finds well established grass root collectivism in taking economic activity. The State has the potential to bring transformation through rural innovation and knowledge sharing. A further investigation in documenting the rural technology sharing and innovation will further provide guidance bringing vital changes through participation and due cognizance of local needs
23. The summary of the conclusions and suggested action plan is shown in the table that follows

## CHAPTER 1

### Introduction

**1.1 Agricultural marketing system in Eastern and North-Eastern States is distinctly different from the other states in the country. It is observed that, the ownership structure and functioning of the markets in these states is heterogeneous. Hence, the argument put-forth by these states is that, it is rather difficult to implement the reforms process initiated by GOI in the absence of uniformity in the functioning of the markets. It is also argued that, implementation of the APMR act is not effective in these states.**

**1.2 As per the decision taken in a meeting of Committee of State Agriculture Marketing Ministers, held on 25<sup>th</sup> April, 2011, the present study was assigned to National Institute of Agricultural Marketing, Jaipur. Hence, the study is being proposed with the following specific objectives:**

1. To study the status of agricultural marketing in Assam
2. To study the ownership, operation and management of existing markets in Assam
3. To study the problems in implementing the Agricultural Marketing Regulation Act in Assam
4. To assess the needs for improving the agricultural Marketing system in Assam

**1.3 The study on Agricultural Marketing System in Assam is based on primary data collection through interview of farmers, traders, market secretaries, contractors etc of regulated market, gram panchayat and municipal markets. The study draws inferences and has been built on an earlier Study done by NIAM under AACP for the State of Assam and has also used the data of the project. Discussion with Assam Agricultural Marketing Board officials, visit to various mandies has been useful to understand the different structure of markets and their operation**

- 1.4 Performance of Agriculture in Assam:** Agriculture and its allied activities plays an important role in the socio- economic development of the State of Assam as this sector is a major contributor to the State economy as well as providing livelihood to a significant proportion of the population of the State. About 99 per cent area of total land mass of the State is rural and almost 50 per cent of the total land area is utilised for cultivation.
- 1.5 The net cultivated area of the State is 28.10 lakh hectares (2008-09) and the per capita availability of net sown area comes to around 0.1 hectare. On the top of it, 23 per cent of the net sown area is either flood or draught prone. The average operational holding is 1.15 hectare only and more than 83 per cent of the farmer family is small and marginal farmers (2008-09). The contribution of the agriculture sector to the GSDP was pegged at 4.1 per cent in 2009. This sector continues to support more than 75 per cent population of the State directly or indirectly providing employment to more than 53 per cent of the workforce. The details of Assam at a glance are at Annexure I
- 1.6 The growth of the agriculture and allied sector was not encouraging during the last three consecutive Five-Year Plan [8th, 9th and 10th Five-Year Plan] periods. This depressing performance continued even during the first year of 11th Five-Year Plan, The growth in agriculture has been reversed since 2007-08 and recorded a growth rate of 1.20 during 2008-09 and achieved a growth rate of 2.17 in 2009-10 (Table 1) the main reason of achievement of this growth is due to the bumper production of winter wheat.

**TABLE 1.1 -TREND OF GROWTH OF AGRICULTURAL SECTOR  
(Figure in percentage)**

2005-06	2006-07	2007-08	2008-09 (P)	2009-10	2010-11 (A)
.30	(-).27	.23	1.20	2.17	3.15

Source : Agriculture at a Glance, Department of Agriculture

- 1.7 The growth of the Agriculture and Allied sector is projected at 3.15 percent in 2010-11(A) as the State has experienced sufficient rainfall during the kharif season which is congenial for rice cultivation in the State.
- 1.8 The production and productivity of all major crops has increased significantly in 2008-09 by achieving the total production of 120.35 lakh MT. The implementation of National Food security mission in 13 states has achieved a record rice production. The production of Rice in 2009-10 was 42.60 lakh MT. Similar trend was also visible in Oilseed, Sugarcane, Jute. (Table 1.2)

**TABLE 1.2- PRODUCTION OF CROPS** ( In lakh MT , Jute in Lakh bales)

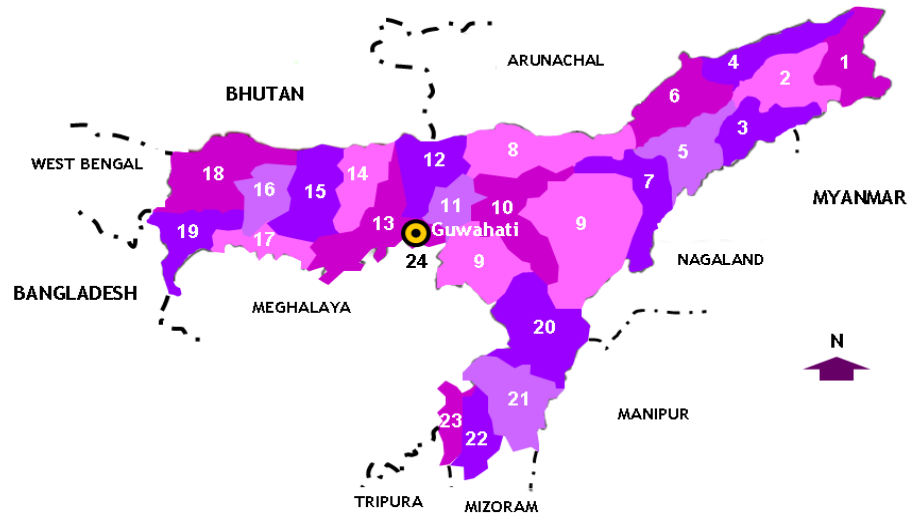
Crop	2006-07	2007-08	2008-09 (P)	2009-10
Rice	29.16	33.19	40.70	42.60
Oilseed	1.37	1.45	1.53	1.88
Sugarcane	10.55	9.80	11.00	11.61
<b>Fig 1 Districts of Assam Jute</b>	5.59	6.57	6.47	6.75

Source : Agriculture at a Glance, Department of Agriculture

**1.9 Land Utilization:** As per the Land Utilization Statistics for the year 2008-09, the total reporting area of the State was 78.50 lakh hectares. Out of the total reporting area, net sown area constitute 35.80 percent[28.10 lakh hectares], 23.61 percent was under forest, land not available for cultivation 26.26 lakh hectares or 33.45 percent of the total reporting area and other uncultivable area was 4.32 lakh hectares or 5.5 percent . While Fallow land constitutes 1.63 percent of the total reporting area with around 1.28 lakh hectares, land under still water and water logged area jointly constitutes 1.78 lakh hectares or 2.27 percent.

1.10 Assam covers an area of 78,438 sq. km. with a population of 26638407. The percentage shares of area and population of the State to that of the country are 2.4 and 2.6 respectively. The State can be divided into three distinct natural regions viz. The *districts* (27) are further subdivided into 56 *sub-divisions* and 145 *revenue circles* ( Fig 1.1)

Fig 1.1- Assam –Political Divisions



## CHAPTER II

### **Agricultural Marketing environment in Assam**

- 2.1 Agricultural markets function as an important link connecting rural production centers to the consumption and distribution centres in the State. They constitute themselves a system of supply and distribution as both wholesale and retail. These markets also facilitate formation of price that is accepted by the distribution chain.
- 2.2 Agricultural and food marketing environment can be categorized in four main sub-systems, viz. production, distribution and consumption and regulatory. The key players in the chain of activities that connect food and agriculture are the farmers, intermediaries, the food processors and the consumers. In practice, each sees the agricultural food marketing system from a perspective of self-interest and these interests are sometimes in conflict.
- 2.3 While the agricultural production in Assam has reached to 120 lakh MT in last 60 years, the number of markets servicing agricultural production is more or less static. The youngest market in the State is 15 years old. Some 1200 markets channelize agricultural and allied products of the state for last 50-60 years. The population of the state has also reached nearly 3.0 crores in past 60 years but there has been no corresponding increase in the number of the markets serving producer, traders and consumers.
- 2.4 The markets in Assam under different ownerships operate under pressure in terms of infrastructure, service and facilities, introduction by innovations, new technologies etc. The market committees operating the markets under different systems earned income from market as cess and had no mandate to plow back revenue so earned towards the development of markets and marketing system. The increase in agricultural production and population of the Assam State have exerted pressure on agricultural markets resulting in severe congestion and making them inhospitable to producers, buyers and consumers.
- 2.5 The agricultural marketing environment is largely governed by the Assam Agricultural Produce Market Act 1972, Panchayat Act 1994, and Municipal, Act 1956. (Table 2.1)**

- 2.5.1 **Regulated Market System:** The Assam Agricultural Marketing Board (AAMB) has established 24 Regulated Market Committees,

20 Primary Market Yards, 206 Sub-market Yards, 735 Rural Primary Markets and 405 Wholesale Markets.

**2.5.2** The Regulated Market System began in Assam, like in other States in the country, as far back as in 1972. Assam State Agricultural Marketing Board has been in existence since 1976 and implementing the Assam Agricultural Produce Market Act, 1972. The Assam Agricultural Produce Market Act, 1972 is an act to provide for better regulation of buying and selling of agricultural produce and for the establishment of markets for agricultural produce in the State of Assam. The Regulated Market Committees (known as APMCs in other States) are functioning at different places in the State with the objective of regulation of buying and selling of agricultural produces to eradicate malpractices prevailing in the trade in urban, semi-urban and rural markets and also to establish an efficient marketing system, where the growers may obtain reasonable and competitive price and the traders receive a fair deal in trading. The purpose is also to establish a modern market yard, where scientific godowns for storage, platforms for auction of agricultural commodities, display yards, traders shop, banks and post offices, are provided with. So far 24 Regulated market Committees have been declared<sup>1</sup>.

**2.5.3 Collection of Cess:** The Regulated Market Committees and the Board levy Cess on the agricultural produce bought or sold in the market area at the rate of one rupee for every one hundred rupees of the aggregate amount for which a notified agricultural produce is bought or sold as the source of income for implementation of the provision of Act and benefiting the agriculturist and trader of the state.

**2.5.4** Although most of the Rural Markets are owned by Panchayat and operated and managed by the lessee (*mahaldar*) who collects sitting fees etc, wherever they have been notified under Assam APMA 1972 as PMY and SMY, the regulated market committee is also collecting the market fees as per the stipulations of the APMA Acts and Rules. This becomes a case of dual recovery of market fees/charges, and, which goes against the interest of market users

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<sup>1</sup> [www.asamb.in](http://www.asamb.in)

- 2.5.5 During the visit to Regulated markets, it was found that although auction platforms are existent, there is no auction in trading taking place. Many of the markets where the land is owned by RMC but it has been occupied by Army or CRPF. The Market secretary collects the market fees at the check gates .
- 2.5.6 The Assam Agricultural Produce Market Act, 1972 has been amended in 2006 to make provisions for (a) Private Marketing (b) Direct Marketing (c) Consumer-Farmers Market and (d) Contract Farming as per guidelines of Govt. of India.
- 2.5.7 The State Agricultural Produce Market Act aims at regulating marketing practices mainly at Assembly Market Level. It has not succeeded in getting administrative or managerial control over Rural Weekly Market through which 60-65% agricultural and allied products of the State are serviced.

## 2.6 Rural Market System:

- 2.6.1 **There are approximately 1150 rural markets in Assam. Locally these are known as haats or bazaar.** The rural markets are managed by Anchalik Parishad (block level) .The Markets are leased annually by inviting bids. The bid for one market varies from 5 lakhs to 15 lakhs depending on market size. Anchalik Parishad receives money from lessee of which 40% is retained by Anchalik Parishad, 40% is given to Gram Panchayat as the ownership of the land lies with Gram Panchayat and rest 20% is given to Zila Parishad.
- 2.6.2 The rural markets mainly function as the primary markets which serve a small area of 1.5 to 3 km radius and operate once or twice a week. There is relatively small market attendance of 500 to 2000 person per market day where farmer –producers sell their surplus to local consumers.
- 2.6.3 There are also local assembly markets which serve a larger area with a radius of 3 to 8 km and on average 2000 to 5000 people attend these markets per market day which is usually twice a week. Here the farmer has an opportunity to sell to either local consumer or to itinerant trader. In some of these markets livestock is also assembled for sale in bigger markets. Also non farm products for daily needs are sold.
- 2.6.4 In Rural Markets, trade is characterized by direct sales of small quantities of produce by producers to village traders and by retail



sales to rural consumers. The Rural Markets normally form part of a local trade network and are usually arranged on a periodic basis, on specific weekdays. They are more commonly organized at a central place in a village or district centre or beside a village's access road. The market circuits are an example of commodity flow are inherent characteristic of rural periodic markets.

**2.6.5** Rural Markets in Assam generally perform three functions, viz, (1) selling of local produce within the area (ii) assembly of local products for selling to other areas and (iii) retailing of wholesale lots from other areas in the local area. The selling of local produce to traders & consumers is the predominant activity in these markets. Here farmers represent the biggest group either as sellers or as buyers. At times, farmers retail their produce & become traders also. Besides, goods, that are not produced locally, are brought by smaller & occasional traders to retail to local population. These markets, through their interconnections, are a farmer's main connection point with the inter and intra regional marketing system.

**2.6.6** The ruling prices in these primary markets are invariably much lower. Price variations are attributed to lack of infrastructure such as storage, transport, etc. Due to lack of infrastructure, many times the farmer is forced to sell at harvest time, at low prices, only to buy back in off season at higher prices. This highlights the need for planning of Rural Markets to enable them to play their role effectively. They can be provided with need based infrastructure to come up to a level.

**2.6.7** **Although trading is the basic function of Rural Markets, a number of other activities take place, which for some market users are more important.** Amongst these are the social functions, such as meeting other persons and obtaining news, and, other service functions such as tailoring, repairs, health, catering to daily needs of life etc. There is an increasing awareness amongst the rural population about advantages of selling their produce at market points to secure competitive prices. This, coupled with increase in Agricultural & Horticultural production, will generate larger arrivals in Rural Markets. Handling of larger turnovers will necessitate providing appropriate infrastructure facilities at these markets. Rural Markets developed appropriately will attract

produce presently by-passing the market &also become more price competitive.

- 2.6.8 Gram Panchayats lease-out these markets annually by inviting bids. The prime objective is to collect lease-money every year. The lessee gets busy collecting ground rent, parking fees, bullock fees, etc. by employing people specifically for the purpose. Farmers and traders visit weekly & daily Panchayat Markets where Laissez faire approach is prevalent.
- 2.6.9 During the various visits to Rural Markets of different districts, it was found that facilitating services to both farmers & traders are absent in general. Nobody owns responsibility towards marketing efficiency: price, operational, innovative or for that matter of any kind. **It has been a long felt need to address the marketing issues to improve and strengthen the marketing system to become a stronger link of the State's agricultural economy.**

## 2.7 Municipality and Town committee markets:

- 2.7.1 The markets operated and managed by Urban Local bodies occupy a prominent position in agricultural marketing scenario.
- 2.7.2 Municipal finance can be treated separately under two distinct groups viz, Municipal Boards and Town Committees (MBs/TCs) and Guwahati Municipal Corporation (GMC). MBs/TCs are governed by the provisions of the Assam Municipal Act, 1956 (as amended). These bodies are under the administrative control of Urban Development Department (UDD) and administered through the Directorate of Municipal Administration, Assam. While GMC is governed by the provisions of the Guwahati Municipal Corporation Act, 1971, and it is under the administrative control of Guwahati Development Department (GDD).<sup>2</sup>
- 2.7.3 An important source of revenue of ULBs is tax/rent on private/municipal markets. Under Section 68 (f) of the Assam Municipal Act, 1956 taxes are collected by ULBs from private markets. While under Section 148, rent is collected from shops and markets owned by them. It was also observed that shops and markets are also leased to private parties through sealed tender system.

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<sup>2</sup> <http://sfcassam.nic.in/report/MUNICIPALFINANCES.pdf>

However the fees collected from rent from market and trades is not plowed back towards the improvement of the markets. These markets have good trade and the facilities are better than the Rural Markets. But the revenue earned from trade is not used for development instead it is used to pay the rents, bills and

	<b>Gram panchayat Markets</b>	<b>Municipality and Town Committee</b>	<b>Regulated Market</b>
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maintenance a case of municipal market of Barpeta road is shown in Box

2.7.4 Although the MB and TC markets should function as retail markets only but in Assam these markets are both wholesale and retail markets with trade in both Agri and non agri products.

<b>Management</b>	<b>Anchalik Parishad Gram Panchayat Block DO</b>	<b>Municipal Corporation Market committee</b>	<b>RMC</b>
<b>Committee</b>	<b>Bazar committee with sellers as members</b>	<b>bazar committee with sellers as members</b>	<b>elected body headed by chairman</b>
<b>Tendering Process</b>	<b>BDO and Gram Panchayat</b>		<b>-</b>
<b>Lease amount</b>	<b>1. to 6.5 lakh per year</b>	<b>-60 lakhs for handling all the commodities -18 to 20 lakhs for handling all the vegetables</b>	
<b>Share of lease amount</b>	<b>40% GP, 40% AP, 20% ZP</b>	<b>100% to Town Committee</b>	<b>50% to AAMB</b>
<b>Cess/fees</b>	<b>grains and vegetables rs 5-10 Per day per seller</b>	<b>grains- rs 10-20 vegetables-5-15</b>	<b>1%</b>
<b>Income per annum</b>	<b>50,000- 5 LAKH</b>	<b>1-10 LAKH</b>	<b>1-10 LAKH</b>

**Table 2.1 – Ownership and Management of Markets**

## CHAPTER III

### Agricultural Marketing System and Practices

**3.1 Age of the markets:** The markets in the state have been functioning since decades. The markets in North Cachar Hills, Karbianglong and Sonitpur have been in existence for last sixty years. These districts are dominated by tribal population and the historic markets have their own anthropological importance.

**3.2** Most of the markets are of age between 15 to 40 years and it is also important to note that only 9 markets are upto the age of 15yrs. Market development since last ten years has been slow and hence congestion and stagnation in development is perceptible. The markets with weekly periodicity have been handling agricultural and non agricultural products for last 40 to 50 years. **The marketing system is in dire need of attention for development of infrastructure, expansion of market network and channels to help in delivering the benefits of marketing opportunities.**

**3.3 Access to Market:** The market survey of 196 market reveals that the **main** markets are in approach of only upto 5 km (Table). Majority of the farmers have access to the market but the road conditions are bad.60% of the farmers have unpaved roads to travel to the market. Common mode of transport used by farmers is the bicycle. Depending upon the volume, cycle thela, truck, minivan wooden cart, etc. are hired for transport. The constraints to physical access to markets are the bad condition of the roads and the high transportation costs.( Table 3.1)

Distance from Market ( Km)	%
Upto 5 kms	71
5 to 10	22
10 to 15	3
15 to 20	1
Above 20	2

Table 3.1 Distance from Market

**3.4 Connectivity of Markets by Phone and Internet.** The study shows that markets are poorly linked with Telephone and Internet facilities, only 45% markets are linked with telephone facility and rest 107 markets have no access to ICT services. Following table shows distribution of markets by connectivity.( Table 3.2)

Table 3.2 CONNECTIVITY IN MARKETS

S. No.	Nature of connectivity	No. of Markets
1	Telephone	85

2	E-Mail (Bongaingaon & Dibrugarh)	2
3	Internet Access ( Barpeta)	3
Total		90
4	No Telephone Services	107

**3.5 Access to Market Information:** Farmers have no knowledge about what price they should ask for the produce during the transaction. Many of the farmers gain first hand information about prices from fellow farmers and traders. Paddy producers go by the prices fixed by the millers. Few educated farmers keep in mind cost of production, transportation, etc. while negotiating in the market or even with the miller. As many as 64% of the farmers are not able to decide to sell on a certain price.

**3.6 Access to formal credit:** There are 21 commercial banks with a network of 323 branches. The banking facilities of the rural people are being served by a network of Gramin Vikas Banks. The Assam Co-operative Apex Bank is the only State Co-operative Bank which advances credit to the farmers. Availability of agricultural credit in Assam per hectare is only 30% of the national average. According to RBI report, 22 districts of the State remain under banked. The average area covered by the bank branches operating in the state is as large as 60 Sq Kms per branch and per capita credit disbursement to farmers in Assam was Rs 91 only against the all India of Rs 1122 in 2004-05.

**3.7 Marketing channels:** So far as marketing of the crop is considered, paddy is generally sold to Wholesalers and Millers. Traders or Miller's representatives generally visit the farmers and purchase the produce. Vegetable crops like tomato, gourd, okra, cauliflower and chilly are commonly taken to the market and sold through negotiations considering prices prevailing on the market day. Amongst fruits, Traders buy bananas from the farmers place while Assam lemon is sold in the market place. Vegetables in smaller quantities are even retailed by farmers themselves on the market day. Itinerant traders locally called 'Faria' are common in selling paddy. These traders collect paddy from the farmers and sell it either in the market to wholesalers or rice millers directly

**3.8** At the village haats and primary markets, there are, as such, no authorized commission agents. Only unauthorized middlemen or agents of outside districts operate as the buyers. These middlemen neither maintain any documents nor issue any receipts. In the larger terminal markets like Maskhowa (Guwahati), several brokers operate and charging commission on "per pack basis". In this

market also, the transactions are not documented and no record is maintained which makes the marketing system non transparent.

### 3.9 Constraints faced by farmers in marketing:

Market price of commodities is the most serious problem faced by the producers. It has been found that the low price in the markets is a constraint to farming in Darrang, Cachar, Nagaon and Karbianglong.

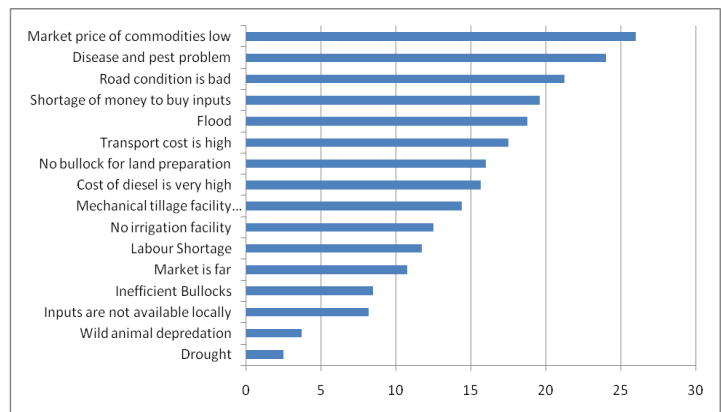


Fig 3.1 Constraints faced by Farmers

Similarly natural disasters such as floods in Upper and Lower Brahmaputra Valley are major obstacles for production in Assam. During floods the roads and markets are waterlogged and restrains the commodity flow. Shortage of money to buy inputs has also been a constraint realized by farmers. The other problems faced by the farmers are bad condition of roads, no bullocks for farm land preparation, and, high cost of transportation. ( Fig 3.1)

**3.10 Price access:** The large proportion of marketable surplus (60-70%) is sold at village level giving rise to the problem of price access (farmers access to receive price discovered under competitive setting in large markets) as these transactions take place in a non-competitive setting with farmers having unequal access to price information. In unregulated markets, there are low trading volumes and a market setting represented by a large number of sellers and a relatively small number of buyers. Although the regulated markets clearly spell out the rules of price discovery, the study point out that the traders in these markets show collusive tendencies, which adversely affect the fair price discovery and benefits received by the farmers from such markets.

**3.11** It is very important to develop the marketing system in such a way that competition is created in smaller markets by developing proper channels and adequate number of buyers to create competitive markets so that small farmers can participate in the markets.

**3.12 Access to market Information:** Market information on commodity market arrivals and suppliers are of much importance for small and marginal farmers. Given the poor quality of infrastructure, to reach out over 38 lakhs farmers spread over 26312 villages in Assam is an uphill task. The diversity of

ecological situations and low literacy of farmers add to this challenge further. The lack of information and communication not only hinders transfer of technology, it also leads to loss in income and exploitation of farmers by middle men. The markets are the first point of contact and farmers depend on the system to provide information on prices and arrivals. To cater the needs of the farmers, the markets should be at least connected with telephones. As many as 40% farmers are aware that transportation cost should be considered while pricing in the market. Twenty percent farmers ask prices keeping in mind the production cost of the produce. Sixteen percent farmers however depend on co-farmers and traders (8% each) for what price to ask for or in which market to sell? Only 8% farmers acquaint themselves with ruling market prices before going to markets for selling the produce.

Source of information for farmers are:

▪ Fellow Farmers	:	66%
▪ Traders	:	33%
▪ News paper	:	0.5%
▪ Television	:	0.5%
▪ Others	:	NIL

**3.13** Co-farmers are a predominant source of information for farmers in Assam. The regulated markets of Assam are connected with Agmarknet and, the market secretaries enter the data related to prices, arrivals and other specifications, but, the information provided on Agmarknet does not reach the farmers. Community information centers (CIC) are located at each block head quarter are run by State NIC offices. Regulated market committee conveys prices to CIC which are loaded on website. Free Internet is available at block level. But facility is hardly used in the absence of power /high tech mechanism involved.

**3.14 Unavailability of Electricity:** One of the chief infrastructure constraints of all the markets is unavailability of electricity. Since most of the periodic markets function during evening hours and function upto night, electricity is a prime necessity. In absence of electricity, lessee provides genset for which he charges Rs 3-4 per person for electricity. The lessee takes advantage of the absence of the basic facilities and makes profits taking undue advantage of the situation.

**3.15 Arrival and Markets;** Commodity wise Market Arrivals, wholesale price and value of commodities is as shown in Annexure Some of the major commodity arriving in market and the seasonal trend, price and pattern is discussed below:

**3.15.1 Rice :** Rice is a major staple food of Assam. Rice is a three-season crop, viz, autumn (*Ahu*), winter (*Sali*) and summer (*boro*) in Assam. A notable change in rice production system is the introduction of *boro* rice in Assam. *Boro* rice is a



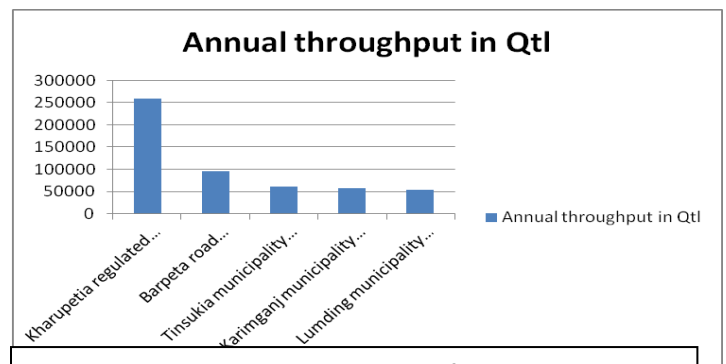
low risk option with yield being 30 to 40 percent higher than the normal level. The winter rice is medium and fine quality rice. The study of 196 markets of Assam State shows that out of a total production of 42 lakh MT of rice, annual arrivals at the markets is 8.8 lakh MT. The districts of Darrang Shivasagar, Goalpara, Shivasagar, Cachar and Karbianglong has markets doing business in rice. Amongst the markets, Sibsagar Municipal Market emerges as the largest market for receiving rice. The market receives 12.97% of the total arrivals. As seen from the table municipality markets are important business centres for rice as compared to Panchayat markets and regulated markets.

**3.15.2 Betel leaf and Areca nut:** There are about 100 varieties of betel vine in the world, of which about 40 are found in India. Assam state is an important producer of betel leaf and areca nut. Areca nut and betel leaf are produced in the homestead garden and every farmer family owns an areca nut tree. Betel, being 'vine', it grows in the shade and also it entwines the areca tree. The betel leaves are brought in to the markets as fresh leaves packed in a bunch. Each bunch, called as Gussi, has 20 leaves, and, twenty gussi makes one disha which comprises of 400 leaves. The price of the betel leaves in a market varies from variety to variety. The price is also observed to vary from morning to evening, since the leaves are highly perishable in nature. Producer normally receive a price which ranges between Rs 100 to Rs 300 per disha (400 leaves). In winter, which is the peak season, betel leaf is sold at Rs 3 per leaf. The betel leaves are sold at very low prices in the rainy season; the producers end up fetching a price of 50 Paisa per leaf

**3.15.3 Vegetables:**

Vegetables arrive in the markets in early season, Main season and late season. Markets receive vegetables from nearby

villages which are in periphery of 5-10 kms. Arrivals of vegetables are maximum in



**Fig 3.2- Annual Throughput of vegetables**

main season, i.e., October-December; 35% of arrivals reach in main season, 18% in late season and 12% in early season. Amongst all districts, Barpeta, Darrang and Kamrup receive maximum arrivals. The arrivals of vegetables comprises of

Lady fingers, tomato, chillies, cabbage, pumpkin, Brinjal, potato. Kharupetia Regulated Market is major market for arrivals of vegetables followed by Barpeta Municipality market.( Fig 3.2)

### 3.16 Arrival and Dispatch

The arrivals in the Guwahati municipal market flow from adjoining districts of the State. Commodities like Arecanut, Paddy, Brinjal, Potato, Cabbage, Peas, Pineapple, Oranges, Blackgram , Mustard also arrive in bulk from the markets of Hailakandi, Silchar, Karimganj and Bhutan which are at distances of 210 to 520 kms. This is an important market from the point of view of arrivals to the markets as

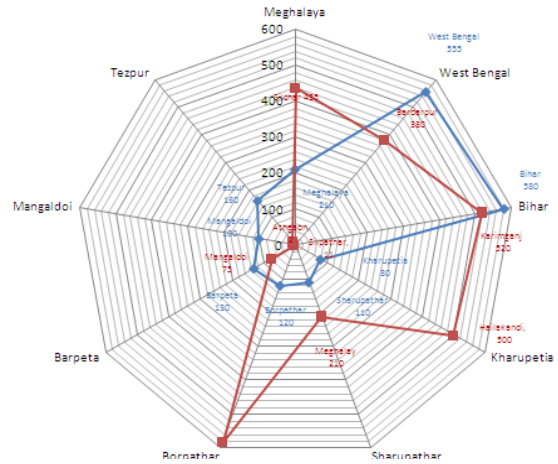


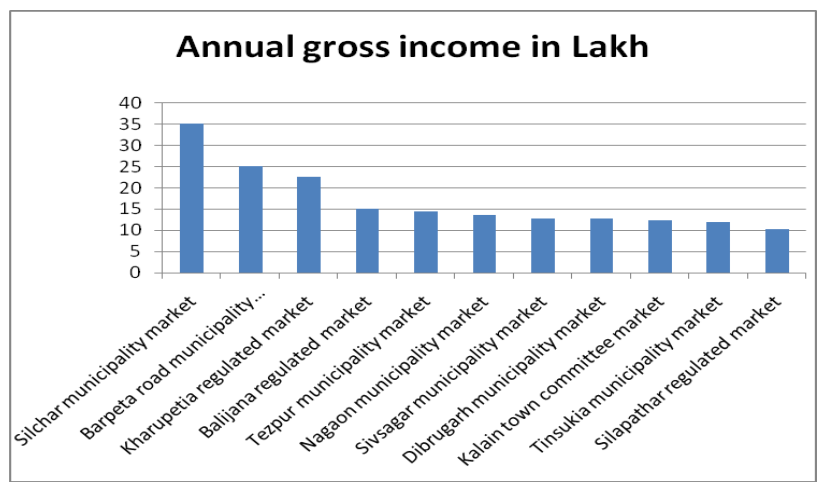
Fig. 3.3 Arrival and Dispatch

almost 70% of the arrivals come from these adjoining markets. This market is a major hub for inter country and inter-district commodities flow. Guwahati market also performs important function of being a dispatch and a service market for the adjoining states. The commodities flow to West Bengal, Meghalaya and Bihar which are at distances of 555,580 and 210 Kms respectively.

Guwahati an important feeder market for nearby districts of Barpeta, Nagaon, Darrang. The Star diagram exhibits the service area of the market( Fig 3.3) This market has been the major market owing to better prices, competition, better services in the market and the facilities available. However it calls for planning markets within the service area to achieve efficiencies. The study has used this approach to identify the markets which needs to be developed

### 3.17 Annual Income of the Markets of Assam:

The income of the markets is a sum total of contract amounts of lessee plus any other rentals received by the market



management out of constructions or buildings, if any, in

the market place. In the event where different contracts are given for collection of fees charges etc. and parking etc; in that case, total amounts of both the contracts would be the income of the markets. In case of Regulated market the source of annual income in the market fees, license fees, rentals, penalty etc.

The annual income of markets owned and operated by Municipality committee are biggest earners. Silchar Municipality market earns Rs 35 lakh annually followed by Barpeta Road and Kharupetia regulated market.( Fig 3.4)

In 2008-09 the number of markets earning incomes between Rs. 5 to 10 lakhs was 18, and, the incomes of 5 markets was above Rs. 20 lakhs. It has been found that municipal markets in Barpeta, Jorhat, Nalbari, which are daily markets, have incomes above Rs. 20 lakhs. Regulated markets under study are also daily markets, but, the incomes earned by these markets are between Rs. 5-10 lakhs only.

***Daily income of the markets: Some examples***

***Rupahi Market:*** Mahaldar collects Rs. 3/- per trader. The basis for recovery of fees is the space occupied for e.g sellers who occupy the space on ground are charged rupees three each, handcarts are charges Rs. 10/- per cart and people selling small basket are charged Rs. 2/- per basket. The market hums with activities all the year. On an average the Mahaldar recovers Rs 25,000 on a day per various commodities traded in the market.

As many as 1500 farmer trader, 150 itinerant trader and 2500 retailers are reported to be conducting business on a market day. The number of visitors has been estimated at 20,000 on market day.

***Juria Market:*** While the ground rent at the rate of Rs. 3/- per trader is collected on market days. Certain amount of license fees is also recovered from the traders operating daily in the market. The ground rent sometimes varies with space occupied by the individual, space occupied by the handcart or even the volume occupying the space. The daily income from the market on an average is Rs. 7,000 - 7500 /-.

Users comprise more than 1000 farmer trader, 80 itinerant traders and 1000 retailers. About 15000 people have been estimate to be visiting on a market day.

***Bedeti:*** The market is operated and managed by the contractor locally called "Mahaldar". The current year contract amount has been reported to be Rs. 6 lakh (Rs. Six lakh only) as against the contract amount of Rs. 80,000/- (Rs. Eighty Thousand only) in 1980. Market has 17 bigha of land out of which 7 bighas are

*under encroachment by unauthorized persons. Resultantly, market is held on 10 bighas. There are some thatch and tin shades for sellers to trade in the market. Nearly 1000 sellers are reported to visit the market on market day for trading. The numbers of visitors on a market day are reported to be more than 5000. Discussions with local people indicate that an amount of Rs.10/- is charged from vegetable desk and other seller in the market as against the slip issued for the amount. However, same practice does not hold good for livestock. Sheep and goat, pigs & cattle, which are traded substantially in the market. In case of cattle although the recovery slip is given for Rs. 20/- , actual amount recovered is Rs. 100/-.*

***Chengmara:** The market is owned by Anchalik Panchayat it is operated and managed by Mahaldar who employs one temporary person on the market day to collect ground rent etc and look after the market on his behalf. An amount of Rs 5 is collected from the traders towards ground rent based on quantity/bundles/pieces and value of the produce. Average daily collection has been reported to be Rs. 2500/- during the normal season and the peak season collection have been reported to be more than Rs. 3000/-*

***Mandia:** An amount of Rs. 5/- is charged from retailers depending on the space occupied. For others traders basis for collection of charges is Rs.5/- per quintal from wholesaler. As the market falls under the regulated the previews of Assam State Agricultural Market Act, the Marketing board collects 2 % market fees in respect of Agricultural produce notified for the purpose. On an average date market earns Rs. 18,000/-.*

***Boko:** Market fees of Rs 5 to 10 is collected by way of ground re and Rs 10-15 from retailers who occupy space. Besides this Rs 10 per 40 kg in case if food grain and Rs 20 per 10-15 kg of vegetables is charged from wholesalers. This charge has been fixed by Sub Division. There are other charges like Rs 50 per poultry bird, Rs 30 per piece of pork, Rs 100 per piglet.*

*The average daily collection in this market is Rs. 30,000/- in peak season (Nov. to Feb.), Rs.15, 000/- Rs.*

***20,000/- in normal season (Mar. to July) and Rs.5, 000/- in lean period (Aug. to Oct.) Market users comprises of (app.) 7000 farmers, 2500 farmer traders, 1300 itinerant traders, 5000 retailers and around 4000 consumers.***

***Titabor:*** *The average daily collection in this market is Rs. 14,000/- in peak season, Rs.9, 000/- in normal season and Rs.4, 000/- in lean period.*

## CHAPTER IV

### Management of Markets

- 4.1 Management by Regulation:** To ensure efficient and successful management of markets, there has to be a legal framework which takes in consideration the needs of such a market. The market survey shows that rules and regulations framed with reference to small assembly markets are inadequate and suffers from enforcement
- 4.2** The Gram Panchayat Act suffers from enforcement of rules to inculcate good marketing practices. After the markets are leased out the Zila Parishad should have supervision on the market charges levied by lesse, the facilities rendered by lesse, unhygienic conditions prevailing in the markets etc. The contract agreement between the market committee and service provider, in this case the mahaldar should have a penalty clause to be imposed in the instances of default. The trained manpower at block level would be prerequisite to check the activities of service provider and thereby facilitating better marketing in these markets.
- 4.3** The Municipality Act has a role to provide facilities for retail trading for consumers in the market. It has been found that the markets under municipality Board and town committees also have wholesale trading of rice, betel nut, fish, orange, banana etc. There is an overlap of function performed at Municipality markets and regulated markets. The wholesale functions needs to be segregate as laid down in the Municipality Act and to be regulated as per APMA act. The wholesaling of agricultural commodities needs to be transferred to RMC and brought under APMA
- 4.4** The Assam Agricultural Produce Market Act of 1972 is an act to provide for better regulation of buying and selling of agricultural produce and the establishment of market for agricultural produce in the State of Assam. The Act was amended in 2006 to allow for provisions laid down in the Modal Act.
- 4.5** The State Government has constituted a State Agricultural Marketing Board consisting of a Chairman and 17 other members. The Assam State Agricultural

Marketing Board (ASAMB), Guwahati was established on 1976, under Section 3 of the Assam Agricultural Produce Market Act, 1972.

**4.6 Functions of the Board:** The Board performs following functions:

- To coordinate the functioning of the Market Committees including programmes undertaken by such Market Committees for the development of markets and market areas.
- To undertake State level planning of the development of agricultural produce markets.
- To maintain and administer the Marketing Board Fund.
- To give advise to Market Committees in general or any Market Committee in particular with a view to ensuring improvement in functioning thereof.
- To supervise and guide the Market Committees in preparation of plans and estimates of construction programme undertaken by them.
- To make necessary arrangements for propaganda and publicity on matters relating to marketing of agricultural produce.
- To grant subventions or loans to Market Committees for the purposes of this Act on such terms and conditions as it may determine.
- To arrange or organise seminars, workshops, exhibitions on subject relating to agricultural marketing.

**4.7 Utilization of fund by State Agricultural Marketing Board:** Under State Agricultural Marketing Board 24 Regulated Market committees are functioning and providing services in different markets of agricultural produce. As per the act every market committee shall pay 50% of its income derived from license fees and cess as contribution to meet the expenses of establishment and to carry development work in the markets. State Marketing Board has created infrastructure in the markets such as auction platform, retailers shed, drying platform, shops etc. **These facilities have been created in those markets also which fall in the market area but the ownership and operation of the market is with bodies other than marketing board**

**4.8.Licensing of Market Functionaries:** Under Section 13(2) of the Assam Agricultural Produce Market Act, 1972, licence is issued to the market functionaries like Traders, Commission Agents, Brokers, Weighmen, Measurers,

Surveyors, Warehousemen etc., for doing their business in a market area, by the concerned Regulated Market Committee on payment of such fees as prescribed.

**4.9 Sale of Agricultural Produce:** The amended act stipulates that agricultural produce shall ordinarily be sold in the principal market yard/subyard .After the registration the agricultural produce can also be sold at private market yard and other places. The act has also been amended to exempt the agricultural produce covered under contract farming from being sold at any kind of market yard. This provision enables the direct sale of the produce from farmer's field. The licensed and registered traders from outside the market area may be sold anywhere in the market area.

**4.10 System of Sale:** The Act specifies that the price of the agricultural produce

will be settled by tender bid or open auction and no deduction shall be made from the agreed price from the seller. The market survey of 427 farmers reveal that only 6% of the farmers had an opportunity in a year to auction their produce. The farmer from Cachar, Jorhat, Tinsukia and Sibsagar have been able to sale the produce by auction. As seen in the diagram 52% of the farmers sell their produce in the market by negotiation method and few farmers also reflected that "faria" comes to collect the produce.36% of the farmers take the produce to the local market in this case a weekly market and sells at whatever price is offered on that market day( Fig 4.1)

**4.11 Establishment of private market yards, direct marketing:** The amendment in the act has given the provision of establishment of private market yard, consumer market by developing infrastructure by any person or group of person in any market yard. Any person or body desirous of purchasing produce directly from farmer or establish a market will be required to have registration with prescribed fees. The power to grant / renew the registration or cancel it resides with Director. Any dispute arising between the owners of the private market yard will be referred to the Director.

**4.12 Contract farming:** As per the APMA Act , contract farming sponsor will be required to register himself with the Deputy Commissioner of the district. The contract farming act also has to be recorded with the Deputy Commissioner

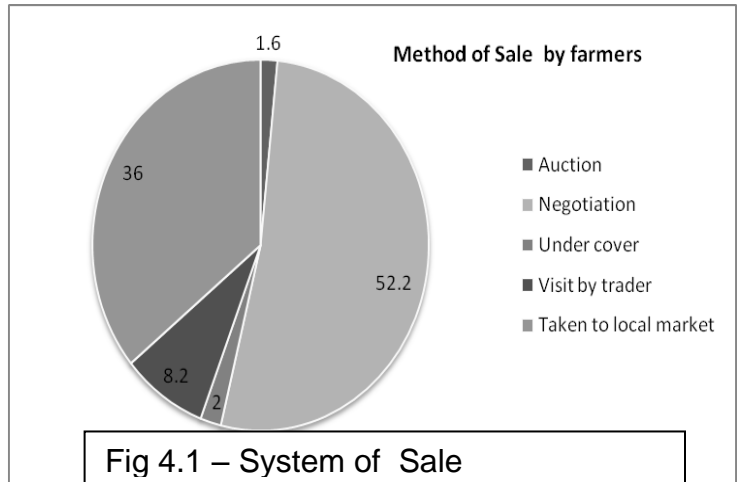


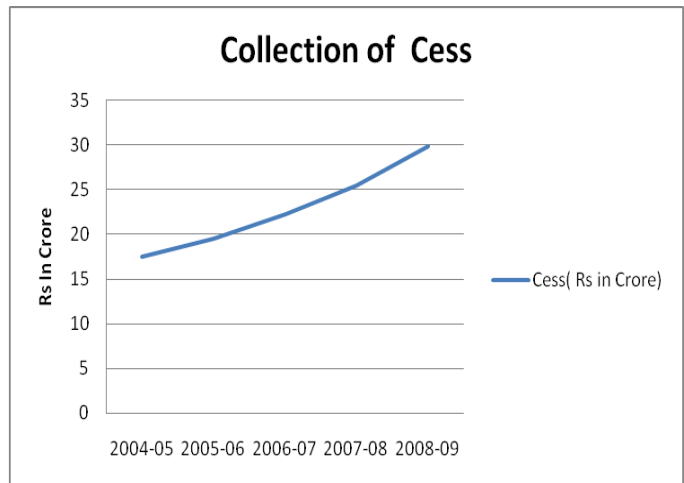
Fig 4.1 – System of Sale



where the contract farming producer resides. Disputes arising out of contract farming may be settled by Director.

**4.13 Collection of cess and establishment of check gates:** Every market

committee has the power to levy and collect cess on the agricultural produce brought or sold in the market area at a rate not exceeding 2 %. The data reveals increase in cess over the years. For prevention or evasion of cess on agricultural produce the market committee has established checkgates at different points within the market



**Fig 4.2 – Collection of cess**

**4.14** Goods coming from the rest of the country to Assam and other North Eastern States by vehicles enter Assam through Boxirhat and Srirampur Check gates. Goods going out of Assam also pass through these Check gates. Police, Tax, transport, excise, forest, departments and Assam State Agricultural Marketing Board operate separate check gates at these places. The market committee operates its own check gate and levy a cess of 2% from the trucks carrying agricultural produce to the market area for sale or delivery Besides these check gates there are illegal check gates at districts also . The system of tax collection at check gates by AAMB needs to have a relook when the agricultural marketing is undergoing the change in present times.

The situation of Howly APMC market shown in Box that the market receives income in the form of cess which is collected at the checkgates.

Box 4.1

Agricultural Produce Marketing Committee Howly

The Howly primary yard was established in 1977. Its subyards are Sarbhog, Barpeta Road, Kayakuchi, Simla and Langla which are 2 to 3 yrs old.

It has a 15 member elected-body headed by a Chairman. The Primary market yard has a godown shed, staff quarters, toilet, auction hall, cycle and scooter stands. The market has been occupied by CRPF, Rs 36 lakh is due from CRPF towards rent. APMC has demanded Rs 23 lakhs but nothing has been received so far. The cess is collected at the check gate only. There are various check gates through which the produce passes and they have become cess collection gates. During the discussions, it emerged that market secretary is only performing the role of collection of cess by visiting checkgates. The checkgate of Howly is in Sarbhog. All over Assam there are around 20 checkgates.

Regulated Market Committee provides license to traders. The license fees of Rs 10 and 1% as cess is charged (cess is mentioned in the APMC Act itself and is synonymous to fees). The Regulated Market Committee (RMC) gives license to all the traders whether they are operating in Municipality, Town Committee or Panchayat Markets. The RMC Howly has issued 600-700 licenses; of which maximum license holders are Farias (they are mobile traders who aggregate the supplies and send them to bigger markets).

Around 50% of the income of APMC goes to State Agricultural Marketing Board. From this, Board spends on developing APMC infrastructure. During natural calamities, farmers are provided with seeds, pumps, etc.

By and large the function of APMC for which it was established has been completely ignored in the regulated markets and their role has been limited to that of fees collection

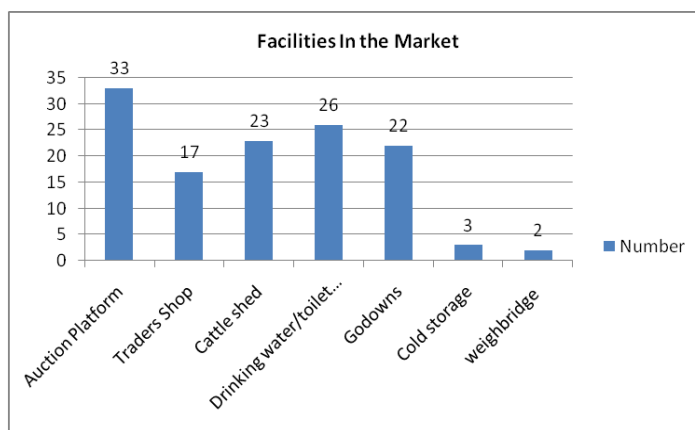
**4.15 Licensing of Market Functionaries** Under Section 13(2) of the Assam Agricultural Produce Market Act, 1972, licence is issued to the market functionaries like Traders, Commission Agents, Brokers, Weighment, Measurers, Surveyors, Warehousemen etc., for doing their business in a market area, by the concerned Regulated Market Committee on payment of such fees as prescribed. As per the discussion with AAMB 7000 licenses have been given to the traders all over the State.

**4.16 Weighment and measurement:** As per the Section 49.2 the board is empowers to fix new weights of an agricultural produce to be filled in a packing unit bag, a half tin, or a basket, a bale etc in each notified area. The act also provides for test weighment in the presence of both the parties. Only those weighing instruments used for prescribed weighs and measures which satisfy the Assam weights and measures Act 1956 are to be kept in market yard. Each committee has to keep in the market yard at least one weighing instrument of the capacity of one quintal and two sets of weights.

**4.17** On various visits to markets and interaction with market users it was found that prevalence of local units as" gussi" "thok" are very common. The weighing instrument kept one of the busiest market of Assam showed a faulty weighing scale and incorrect weighment of the produce

**4.18 Management of Services and facilities:** The provision of services and facilities and their management is closely related to the form of ownership of the market. The market

authorities have the responsibility of providing and managing following essential Services: Water supply, electricity, garbage collection and disposal, repair and maintenance of roads, drainage system, structures and building.



**Fig 4.3 –Facilities in Markets**

Market Authorities also have to provide weighing, grading, weighment, market information, extension service and veterinary facilities in livestock markets. It also requires improvement of existing facilities and creation of new facilities which are need based. In the State of Assam Marketing board has provided infrastructure and facilities. The survey of 58 markets under NAMA project which are under State Agricultural Marketing Board and the number of facilities are shown in the diagram.( Fig 4.3) Under the rural godown Scheme a capacity of 14500 MT have been created by constructing 22 rural godowns.Assam State Agricultural Marketing Board has constructed three cold storages which are as follows:

S.No.	Location	Capacity	Source of fund
1.	Byrnihat	500 MT	Spices Board & ASAMB

2.	<b>Singimari</b>	<b>2000 MT</b>	<b>NEC</b>
3.	<b>Gossaigaon</b>	<b>2000 MT</b>	<b>NEC &amp; Assam Govt. / ASAMB</b>

- 4.19 **Development of Single Commodity Markets Board** has established Kharikhana jaggery market in Nagaon district, Gauripur Jute market in Dhubri district and Darrangiri Banana Market in Goalpara . Being commodity specific in nature, the Board has already provided market infrastructure in those markets. Recently the Board has decided to develop the Darrangiri banana market further by providing facilities such as banana storage cold rooms, auction yards, internal roads, rest house, Weighbridge, drinking water and toilet facilities etc. besides other functional infrastructure.
- 4.20 **Formation & Registration of Growers' Societies** The Assam State Agricultural Marketing Board has introduced a scheme for organizing the farming community to involve them in the efficient marketing system so that they can reap out the benefit of Regulated Market Scheme. 641 nos. of Growers' Societies have been registered under ASAMB till date.
- 4.21 **Management of finance:** In lieu of the services the market authorities recover fees from the market users. In addition to the fees the other sources of incomes are license fee from traders and other functionaries.

## CHAPTER V

### Issues in parallel Market System

Agricultural marketing system and market in Assam lacks orientation for growth for development. The observations are as follows:

- 1.1 Markets are left to lessees to manage who take over the operation of markets as stipulated in the legislations I) Municipal Act 1936 II) Agricultural Produce market regulation Act 1972 III) Panchayat Act 1994. These three agencies they operate in isolation to each other. While the Assam State Agricultural Marketing Board (ASAMB) has ploughed back some revenue in market development but municipalities, town councils and panchayats have

failed to do so all these years. Resultantly the primary markets, the backbone of the State's network have remained undeveloped. They are over congested, unhygienic, devoid of need based facilitating infrastructure, supporting services, innovations etc.

- 1.2 The bidding system under which the markets are leased out is in fact like a cartel – who takes markets on lease everybody's name year by year and turn by turn. Once the bid is finalized Anchalik Parishad plays no role in the development of the market. The bid money is shared by Anchalik Parishad, Zilla parishad and Gram Panchayat in the proportion of the 40:40:20. The revenue sharer is not accountable for development of the market.
- 1.3 The efforts of the State Government to set up orderly market network for organised marketing through Agricultural Marketing Regulation Act, 1972 ( implemented w.e.f 15.6.77) met with a limited success. The legislation could not bring all markets in the State under its developmental umbrella to undertake cohesive development. It proved to be another parallel legislation. It could not uplift marketing system of the state and has focused on the collection of cess at district check gates set up for the purpose. The enactment of the act only facilitated receiving central government assistance for market development under the centrally sponsored scheme for which the act was a precondition.
- 1.4 The structure of market fees varies across the markets. The charges recovered by lesse are not formalized and has freedom to charge any fees. In absence of any regulation and checks the income of the money is not plowed back to the system. The irrational collection of money and evasion of revenue of Government has resulted in un developed markets and poor infrastructure.
- 1.5 There is a good amount of money collection in the weekly but in absence of any receipt or issuance of wrong receipts the income of the market has been underreported. Due to unsystematic and irrational charges which varies from poultry bird, pig, fish to meat the estimation of the income is a difficult one
- 1.6 Majority of the markets have spill over and retailers sit outside the market, ground rent is also recovered from the users sitting outside the market.
- 1.7 There is prevalence of weighment units such as pon in betel, gussi and dica in betle leaves, basta in case of rice, number in oranges and other local measurements. The estimation is only approximation since these units need to be converted in Kg and quintals

- 1.8 The markets are leased out for 3 to five years and the lease amount varies from 3 lakh to 12 lakhs. There is collusion in grant of lease and during discussion with market authorities it emerged that leasing remains in a family year by year.
- 1.9 There need to have regulation of rents inculcation of good marketing practices in the physical markets, the benefits of agricultural production and the opportunities for better incomes will be difficult to be realized by farmers.
- 1.10 The role of Assam State Marketing Board in bringing regulation, streamlining market information, ensuring correct weighing and providing need based infrastructure is important. The fact that emerges is that minimum and basic infrastructure are missing in the markets.
- 1.11 While creating infrastructure need-based considerations are absent. The locations of the market and designs have been found to have no functional utility. A platform constructed in Jamira market was found incomplete in terms of absence of roof and, the floor of the platform was un cemented, which has decreased its utility. The overflow of trade on the road is visible in such markets.
- 1.12 Markets are viewed as a source of revenue. The municipal markets have large arrivals of agricultural produce and the revenue earned is used for urban facilities. The periodic markets operated and managed by a contractor or a lessee is run with the objective to earn profits.
- 1.13 Markets are full of garbage, muddy water logging, and, inhospitable to producers and other market users.
- 1.14 The markets suffer from lack of enforcement of rules and regulations. The market authorities have ignored market development and there is actually nobody to check the operations in the market which has slowly become exploitative and unfriendly to the farmers.

## Chapter VI

### Bringing Reforms in Agricultural Marketing

**6.1 Role of the State in Agricultural Marketing:** The State marketing Board has a legal stature to regulate the functioning of the market to provide a equal platform for an effective system. Such a system has an importance of being there to set rules under which markets operate. An effective Market system should provide an outlet and incentive for increased production. With the increased production of food grains and horticultural products in Assam , it would be necessary to provide a an effective marketing system with the objective to increase rural income and ensure affordable supplies of food stuff.

6.2 The reforms in the present system are required to remove restriction and duplication in the process and to reduce uncertainty by providing needful infrastructure. The reforms process to bring efficiency and participation will require:

- Promoting Private sector for investment and creation of values within the supply chain
- Reducing the administrative controls on license and taxation at check gates

The process of reforms involves a process of redefining property rights, responsibilities towards management including the relative roles of different agencies within government as well as outside government.

6.3 Regulation and reforms are instrument to perform a enabling function. The law in this context defines the ownership of the market and establishes rules to protect it. The process of reforms also establishes a relationship of person to good as to who can trade and what can be traded. The right to participate in a market is also protected by law of the market. Regulating when the markets are held by ion of allocate on of stalls, types of produce that can be sold, the location of selling space for different commodities, collection of revenue and the maintenance of hygiene, multiple payment and charges in the market.

6.3 Effectiveness of market is enhanced when contracts and other liability are defined and provides a dispute re addressal System.

6.4 Agricultural markets in the State of Assam are multi commodity and multi functional. Instances are common where particular markets performs wholesale function for some commodity and semi wholesale or retail function for some other commodity, at the same time. All functions being performed for a single commodity is also not uncommon. The handling of multiple commodity and functions has lead to severe operational difficulties. The encroachment upon already inadequate infrastructure and facilities and spill over are a big hindrance in operation of the markets. Under the circumstances business thinking would be to develop markets

commodity wise and function wise. A management approach to the new markets which are coming up requires:

- segregation of the commodities
- segregation of function

6.5 Such measures would reduce volume of transactions, arrival, pressure of space, services and facilities on a single day and promote business smoothly. The overlapping of functions and responsibilities resulted in neglecting market development by the concerned agencies. The market system as it is today is totally inadequate and unprepared to take on increasing competition between domestic and imported agricultural products, arising out of liberalization and globalization.

6.6 The Model Act adopted by State ushers a new lease into marketing environment. Rules for contract farming, establishing private markets, spot exchanges will help in bringing the desired changes. Agricultural markets and marketing system has to be proactive to development and sensitive to emerging requirement In order to develop markets to be competitive following steps for management are suggested for bringing the change in marketing and inculcating good marketing practices.

**6.7 Strengthening State Agricultural Marketing Board** Assam State Agricultural marketing board which is established to facilitate marketing in the State has not been able to bring the desired changes in the marketing system of the State for three reasons.

- Staff of AAMB is positioned at Check gates to extort fees from the traders entering the state with agricultural products
- In RMC where infrastructure has been created trading is not taking place or has not been shifted.
- RMC is also levying fee from traders who are operating in markets not owned by RMC but by the condition that they are located in RMC market area.

In the wake of reforms Assam State Agricultural Marketing Board has to play a proactive role and strengthened. AAMB requires to be oriented to take following responsibilities:

**6.7.1 Service Orientation:** RMC which came into existence to provide service to sellers and buyers is presently oriented to revenue generation. They have eluded from being a facilitator. It was due to this that RMC are uncompetitive as compared to the markets owned and operated by Municipality Board and PRI in Assam State. The service orientation to the present RMC need to be brought by taking following steps:

- Market committee needs to work with farmers by consolidating them in groups and giving training them on market led extension



- Developing a market information of their own market at least and disseminating them to the market users
- Introducing innovations in marketing such aggregation of product, using shared transportation, linking farmers with agribusiness companies, organizing farmer markets etc. This will be possible with a close bonding and networking with farmers
- Effective checking of marketing practices and imposing penalties in the market to stop the malpractice in weighing, payment, unjustified charges. The provision of imposing penalties is there in the APMR Act but they have not been executed and for this single reason the markets across the State are thriving on unjustified and exploitative practices.
- Increasing the Staff and manpower and positioning them at market Yards to take the responsibility of making it a competitive place for buyers and sellers

### **6.8 Introducing measures to increase efficiency of the market under Local bodies**

The markets under municipal bodies which are daily markets attract buyer and sellers and has income which is higher than other markets. Similarly the periodic and primary markets are also important trading place for agri produce. In spite of the thriving malpractices and unchecked overcharges by lesse of the market trading takes place without inhibitions. The Model Act fosters the idea of liberalizing the marketing environment by enhancing the private roles, the markets under ULB and PRI are here to stay.

**6.8.1** The responsibility to eradicate malpractices and inculcate good marketing practices lies with State. The Assam Panchyat Act, 1994 only stipulates the approved list of collection that a lesse is supposed to charge from market users (Rs 10-15 on a market day) but has no provision of imposing penalty in cases where the charges are higher than approved.

While the ownership can remain unchanged, concrete steps to free these markets from exploitative practices need to be taken. While awarding a contract to lessees to operate in the market, the terms and conditions should be particular about the responsibilities of the contractor to be a facilitator and indulgence in exploitative practice should evoke a penalty. In present system the lesse has free hand in escalating the charges and this remains unchecked. The staff of Zila Parishad need to be trained and empowered to play a facilitating roles and Institutions like SIRD, SAMB can be geared up to provide market led extension training. A regular consultation, facilitation and hand holding between different institutions will gradually bring a conducive marketing environment in the state.

**6.9 Management and segregation of function:** Under the Municipality Act the markets are operated for retailing function but it has been seen that these markets have overlapping functions of wholesaling and retailing of agricultural products.

6.9.1 A legal intervention is required to segregate the market functions in Municipality and Town committee markets. Wholesaling of agricultural products should be disallowed in market and if AAMB is ready to take the responsibility, the wholesale activity should be transferred to them for regulation. This will bring the clarity of market functions and responsibilities amongst the parallel Institutions running markets in States.

**6.10 Strengthening Traders association for operating the markets:** With the liberalization of economy there is increased focus on market, business and profit. The market trends are well understood and known to traders. The association of agricultural traders have the potential to both facilitate the work of their members and to achieve greater efficiency in the marketing chain. It is time to recognize their role in improving the infrastructural and regulatory framework under which trading takes place in markets It is necessary to involve traders and their association in operating and managing the market. Owing to their strong influence and traditional linkage with producers, fellow traders, buyers in these destination markets and service providers, It is with this view it is possible for them to operate and manage markets efficiently taking all segments with them. There is a need to try innovations in uplifting the marketing system by giving association of market traders to operate and manage markets within the framework of law.

6.11 To begin with, this could be a joint responsibility of public and private sector in order to generate adequate financial resources and competition. The agricultural marketing reforms adopted by the State Government have paved a way for professional management, direct marketing, contract farming etc. These instruments of reforms should provide leverage to usher in new way to develop network of well equipped and efficient markets in the State. Having approved in principle, further modalities- legal administrative, financial could be worked out for

6.12 It would require preparation of mandatory set of rules and regulations in consultation with trade for operation and management with well stipulated duties and responsibilities for the operation. Qualifying criteria for the association to run the market would also have to be decided. Revenue sharing arrangements between association and government is will have to be worked out. If required a, constitution of traders association as business companies may have to be looked into.

**6.13 Strengthening Farmer Groups for engaging in marketing:** Many poor people find it difficult to engage successfully in markets. The barriers poor people face in markets include lack of financial and physical assets, lack of access to key

information and services, lack of negotiating power and competitiveness due to the production of very small volumes of low-quality products, and a lack of self-Confidence . The formation of farmer groups at village level needs to be taken as a priority by enhancing their capacity in market engagement. The collective group can increased the access of small and marginal farmers. The key to this approach for strengthening capacity of small farmers for market engagement vis the combination of skill sets such as Group organization and management, Internal saving and lending; Experimentation and innovation (knowing how to access and apply new technology) and Basic market skills. Basic market skills prepare farmers in small groups to produce effectively for the market by organizing their production (for example, the crop variety, the planting dates, the area to plant, etc.) to satisfy market demand .These skills also help farmers to organize harvest and post-harvest management to collectively present their products with the quality, amounts and timing requested by the buyers. As a result, farmers can improve their sale price, and their cash income. Acquiring basic bargaining skills helps marginal farmers to improve their market power, challenge barriers to selling their products and realize higher profits.

Field Management Committees (FMCs), SHG and general farmers and their linkages can be particularly helpful for marketing of particular type of commodities. The formation of Farmer Interest group (FIG) will particularly help to reduce the transportation costs of the farmers and thereby enhance profitability of the farmers.

The growers society formed by AAMB can be strengthened by imparting right kind of skills to be able to manage a market.

## CHAPTER VII

### Promoting Vibrant and Competitive Agricultural Marketing

The development of agricultural system in Assam has focused on increasing productivity by providing high yielding varieties, increasing fertilizer consumption, promoting diversification and farm mechanization. The agricultural productivity is all set to improve but on the other hand development of markets and marketing system has been ignored. The study of various markets have shown there is much to be done in marketing to gear up to handle increased production and increase in demand in Assam.

The promotion of marketing requires a systematic approach with the singular objective of fostering competitive agricultural marketing system. The real challenges a

- **To bring parity of management in markets operating under various authorities and parallel acts**
- **To develop and upgrade market infrastructure to be able to handle the produce which is envisaged to increase progressively in 2015**
- **To inculcate good marketing practices to reduce losses and bring efficiency in the markets**
- **To upgrade skills and capacities of market authorities and stakeholders in the supply chain. This requires imparting marketing extension and training to the stakeholders**
- **To bring innovation and new ideas in marketing at grassroot level**

The idea is not to have a parallel competitive system to the existing one, but to develop a professional and a modern system around it. The proposed action plan suggests and covers the key area e.g Market regulation, market infrastructure, marketing extension, agribusiness and entrepreneurship in Assam.

#### **7.1 Effective market regulation.**

**Issue:** There are three parallel Acts e.g Assam Agricultural produce Market Act 1972, Municipalities Act 1956 and Panchayat Raj Act. The multiplicity of acts has been the biggest obstacle in bringing regulation and streamlining the marketing system.

**Recommendation:** The present marketing system needs to be revamped by improving the legislation framework and organizing the markets by developing functional

linkages. The large number of periodic markets and wholesale markets which are operated and managed by different agencies needs to have a common system of management to be looked after by the respective agencies. The concrete efforts in this direction would be to identify the markets which require up gradation and improvement to be handed over to the State marketing board and this can be mutually be decided by ASAMB and PRI.

**Action:**

- Rural haats which are of the nature of assembly market can be handed over to marketing board for management and to facilitate marketing. This arrangement would enable the govt to develop market infrastructure in the weekly markets under Central Government Schemes available to the states who have adopted reforms.
- In municipal markets the wholesaling activity should be segregated from retailing activity. The wholesaling activity should be brought under APMR Act in orde to bring fair practice and have competition.
- Institutional reform within mandi premises to streamline collection of multiple charges, proper documentation and record keeping and making management more responsible and development oriented.
- Expediting rules to encourage contract farming, direct marketing and other alternative marketing arrangements.
- Developing the marketing system in such a way that competition is created in smaller markets by developing proper channels, adequate number of buyers to create competitive market so that small farmers can participate in the markets
- The present system of awarding contract to lesse through closed tender needs to be replaced by having open tender system with wide publicity to have better participation

**7.2 Improving market infrastructure and adequate facilities:**

**Issue:** A large share of agricultural produce is envisaged to continue to flow along traditional channels in years to come. The poor market infrastructure and facilities in the markets of the State calls for addressing the problem by planning

the designs of the market and utilizing the revenue earned by the markets for developing need based infrastructure.

**Recommendation:** The NHM guidelines provide the list of the minimum facilities need to be created in wholesale markets. (Annexure). The markets need to be upgraded and minimum and basic facilities need to be provided.

The planning parameter should consider the production and demand growth, expected throughput, changing local needs and urbanization. The new marketing arrangements and alternative marketing arrangements calls for developing wide ranging market. The market options would be:

- A. To develop primary markets as collection centre:** To develop the primary markets as collection centres of the wholesale market, the markets need to be upgraded in terms of physical infrastructure. The markets need to have basic facilities like platform, paved ground, internal road and parking to handle the arrival and at the same time should have linkages with the market where to the dispatches have to be sent. The suggestion is based on the study on periodicity and the markets which act as break of bulk points within the market circuits have the potential to to be the connecting points to large wholesale markets. The markets as shown below are suggested for upgrading them as collection centres:

**Table 7.1 Developing primary markets as collection centre**

Market	Products	Periodicity	District
<b>Bagribari (Salbari)</b>	Jute, cereals, Oilseeds, pulses, spices	Sunday, Thursday	Dhubri
<b>Salkocha</b>	Jute, cereals, fruits, vegetables, betelnut	Wednesday, Sunday	Dhubri
<b>Dharapur</b>	Rice, vegetables, fishes etc.	Daily	Kamrup
<b>Patharighat</b>	Paddy, pulses, oilseeds, betelnut, fruits	Thursday	Darrang

<b>Bedeti</b>	Paddy, rice, vegetables, fruits, pulses, oilseeds, livestock	Tuesday	Lakhimpur
<b>Dolohat</b>	Paddy, rice, vegetables, fruits, pulses, oilseeds, livestock	Sunday	Lakhimpur

**B Developing Wholesale markets located on the borders**

Primary markets which are on the border of the neighboring State and has good cross border trade with neighbouring States need to be developed as wholesale markets. Presently the markets are arranged as a in a circuits. These markets can have functional arrangement in a hub and spoke model Hub-and-Spoke Format wherein the central Market (the hub) would be linked to a number of Collection Centers (CC) (the spokes). The spokes would be conveniently located at key production centers to allow easy farmer access and the catchment area of each spoke would be based on meeting the convenient needs of farmers. For example the Algapur market can be developed as



Fig 7.1 – Example of Setting Markets

Collection centre by developing linkages with the neighborhood (Fig 7.1). The markets arranged in Hub and spoke model would establish backward linkages with farmers through the collection centres and forward linkages through wholesalers, distribution centers, retail stores, processing units and exporters. In present system the rural haats which are de linked from the central market continue to be excluded from the development. In order to have a inclusive growth of the markets, they should perform the function of the collection centre and be linked with a market which will aggregate the supplies from the spokes and channelize them to the main market. For this support of logistic and transportation will have to provided by Hub market. Irrespective of the multiple ownership the model of hub spoke and network will work on the basis of market requirement

Based on analysis pattern of arrival and dispatch following markets can be developed as wholesale market by developing physical infrastructure, facilitating trade, developing market channels and linkages to retail markets.. Since they cater to the border States, these markets can be developed as wholesale markets with collection centres at the backend and forward linkages with wholesale markets or retail markets.

**Table 7.2: Developing markets located on the border of the States**

District	Market	Place of Despatch	% o Despatch	Distance in Kms
Hailakandi	Algapur	Karimganj	20	32
		Silchar	20	30
		Kalain	15	20
		Meghalaya	8	120
			0	0
Cachar	Gumra	Silchar	20	50
		Karimgang	20	50
		Meghalaya	20	100
		Tripura	20	350
Cachar	Natun Bazar	Localy	20	0
		Silchar	35	30
		Hailakandi	25	30
Sonitpur	Lokhra	Mizoram	25	250
		Dhekiajuli	50	70
		Nagaon	20	100
Bongaingaon	Lengtichinga	arunachal(Bomdila, Rupa, Sappa)	30	150
		Barpeta road	40	75
		Bongaingaon	30	0
		Barpeta road	25	75
		Dhekiajuli	50	70
		Nagaon	20	100



		Arunachal (Bomdila, Rupa, Seppa)	30	150
Goalpara	Balijana	Krishnai	10	20
		Goalpara	10	11
		Bongaingaon	10	50
		Dhubri	10	90
		Meghalaya	10	35
	Darrangiri	Guwahati	20	110
Goalpara		Bongaigoan	20	0
		Bihar	10	0
		Bengal	10	0
		Jarkhand	10	0
		Goalpara	15	0
Goalpara	Rangsai	Dhubri	15	110
		Guwahati	20	142
		Bihar	5	0
		Kukrajar	20	70
		Bilasipara	15	100
Dhemaji	Dekapam	Pasighat	30	70
		Gogamukh	30	70
		Silapather	40	30
	Sonabarighat	Tezpur	35	65
		Mizoram	25	125
		Haflong	15	55
		Tinisukia	25	-

**C Developing terminal markets for managing the outflow and inflow of commodities:** Developing specialized markets for commodities like jute, banana, rice, pumpkin, pineapple. Markets like Darrangiri which have large arrival of banana, Manja in Karbianglong for Ginger should be focused to bring a good marketing infrastructure and a system.

**D Developing markets as agrimarts:** The markets on the rural and urban fringe should be given requisite technical support so that they can be used for effective credit delivery, input marketing, procurement, information kiosk. Under the changed economic environment, the rural markets can be a financially self supporting unit and a source of income to finance further developmental infrastructure

**Action:** Since Assam State has adopted Model Act the market facilities, infrastructure and development of markets should be developed under Central Sector Schemes and financial assistance from and other developmental organization. A careful locational and neighborhood analysis of markets should be the prime consideration while developing markets and infrastructure.

**7.3 Rational utilization of market revenue:** As discussed the revenue earned from the markets of Assam State is often siphoned for other purposes and market development has been ignored. The markets develop significant revenue from marketing fees, ground fess, parking fees and rentals. The Market fees is collected in lieu of service rather than being taken as a tax. The revenue gained from transactions is to be utilized in developing facilities in markets.

**Recommendation:** The large evasion of revenue require effective system to check the income from the markets and to ensure that revenue is uiltized for developing basic facilities in market such as shops, parking, drainage , sheds, troughs for cattle, drinking water, public toilet. The system of audit of accounts of the markets and having transparency will help in planning rational allocation of revenue and resources.

**Action:**

1. The practice of collecting market fees at the check gates needs to be abolished
2. The multiple charges and irrational fees charged by the lessee needs to be checked and monitored
3. The wholesale markets of Assam need to be brought under the regulation so that market fees collected can be budgeted and plowed to develop facilities.
4. Replace the bewildering varieties of weights and measures in use in markets by standards based on the metric system. The Standard of weights and measure act of 1976 provides the guidelines to States for its effective implementation
5. Introducing electronic weightment in the markets to bring transparency of transaction
6. Markets which are operating under panchayat and municipality should have a business plan which clearly identifies the role the market is to play and how it will do this for the benefit of the users.
7. Annual budget and annual work plan should be developed for each market. To check the optimum flow of income and utilization of the same monitoring of physical performance should be in place. This only requires making market committees to adopt this system and become accountable by following a well documented system

**7.4 Strengthening domestic grades and standards:** The study finds that there is absence of grading and standards in markets. The grading in these markets is done by traders is on the basis of size and color of fruits and vegetables. Even in the regulated markets of State, grading practice is conspicuous by its absence.

Grading after harvest effects the price realization by farmers and facilitates trade. Grading as a voluntary measure needs to be encouraged and made mandatory in

commodities which have potential for export market viz pineapple, orange and vegetables.

**Recommendation:** Grading after harvest effects the price realization by farmers and facilitates trade. Grading as a voluntary measure needs to be encouraged and made mandatory in commodities which have potential for export market viz pineapple, orange and vegetables.

**Action**

- 1) The adoption of grading and standards for food safety needs to be inculcated by provision for training, extension and information.
- 2) This also calls for having trained manpower for assessing risk and managing food safety protocols.
- 3) Besides this well equipped laboratories for testing and certification will be required to be set up in collaborations which can be done in a PPP mode

**7.5 Improving access to credit:** Access to credit is one of the biggest hindrance faced by the farmers. Banks and other institutions are hardly providing credit for harvesting, procurement packaging, transportation, storage etc. In the present system the credit needs of the framers are fulfilled by the informal sources.

**Recommendation:** Improving the credit system both formal and informal is also required so that farmers can be saved from unauthorized moneylenders who charge high rate of interest and are exploitative in nature. During the interaction with various Women groups in the remote tribal area, it has been found that Women SHG have fared well in terms of management, operation and effective utilization.

**Action**

- 1) Lending by rural and co-operative banks have to increase its area of reach by giving them better framework for functioning
  - 2) Institutional efforts needs to directed in making attractive schemes for availability of finance and various other assistances including technical know how, training, sales, purchases, etc.
  - 3) Promoting **micro** finance in rural areas for credit requirements. The Micro finance Institutions should facilitate of financial and non-financial services such as loan funds, grant support, equity and institution building support so as to facilitate development of enterprises in rural into financially sustainable entities .
  - 4) Formation of SHG for flow of small credit has been witnessed in Assam. Women SHG are functioning well but they need to be strengthened by increasing credit flow training in management and entrepreneurship

5) The warehouse receipts should be made a prime tool for trade and facilitating finance against warehouse receipts. The negotiable warehouse system will increase liquidity in rural areas and encourage scientific warehousing of goods. The role of APMC in encouraging the use of negotiable warehouse receipt is of important one.

**7.6 Strengthening rural road connectivity:** The condition of rural roads in Assam is poor and has posed a major challenge for the transportation of products. Poor road connectivity is also one of the contributory factor in low realization of value. As a consequence of the poor road condition, transportation costs are higher, loading and unloading creates difficulties and results in produce losses. Because of poor rural road network, produce marketing tends to shift near major highways, thereby leading to suboptimal market pattern

**Recommendation:** Public investment in rural roads by increasing rural connectivity can have a significant impact on access to market by farmers, the development of supply chains and overall marketing efficiency in addition to other beneficial impacts on rural households. The World Bank study shows that improving the road conditions will induce farmers to sell more in the market instead of farmgate.<sup>3</sup>

**Action:** 1) Panchayat Raj bodies at district block and village level can play a pivotal role in construction and management of rural roads.

2) Substantial investment needs to be made in development of rural road network. As in States like Madhya Pradesh, Rajasthan, the construction of rural roads is done by State Marketing Board, for this the kind of System in Assam more and more market needs to be brought under regulation and taken over by Assam State marketing Board.

**7.7 Developing effective farmer linkage to supply chain:** The market system in state has fragmented and un coordinated supply chain for marketing of produce. In addition to this, farmers lack in marketing skills, receiving market information, formation of group. Producers are seen selling small volume of produce in markets of Assam, which is due to absence of aggregation at assembly market or at collection centre.

**Recommendation:** Developing marketing skills of the farmers and forming groups to consolidate the produce, motivating them for diversification, achieving higher production and getting better price is a prime requirement. This requires developing market led extension plans and training to the farmer groups by developing linkages with Government of India Institutions for training and extension will be helpful.

**Action:** 1) Developing marketing system and channels for effective delivery system for which the market committee of rural and wholesale market should play a proactive role

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<sup>3</sup> India taking Agriculture to the markets, 2006 , Document of World Bank PP 23

in developing proper channels, adequate number of buyers to create competitive market so that small farmers can participate in the markets

2) Removing asymmetry in information and building linkages with companies for contract agreements and upcoming retail chains, setting direct marketing linkage will be helpful in making farmers participate in emerging trends

**Action:**1) Collaborating with NGO at taluka level to impart market led extension and training to the farmers to form groups

2) Making producer's organization for selling organic products in Assam. As the market for organic product is growing it is important to have certification companies and organization to leverage the advantage.

3) Initially the exercise of building linkage of farmers with retail chains/processors should be initiated in commodities like Potato, Ginger, Betelnut, Pineapple, Orange as they have found to have good prospects. They can be replicated on other commodities

**7.8 Dissemination of market Information:** Majority of the farmers in State depend on the traders to have information of the price of the day. While traders enjoy better communication farmers see their information links weak. Due to limited source of market information, farmers are unable to negotiate and make any market plans.

**Recommendation:** Agmarknet contributes in improving access to real time price information for market users. It needs to be extended to all markets so that it can be used by wider clientele by reporting for as many commodities as possible. The new ways of integrating database with other system of low cost dissemination through SMS by mobiles, rural information kiosk will be necessary. The use of toll free number and facilities at Kisan call centers needs to be improved by having trained manpower and resources to answer the queries of the farmers are of urgent attention. The other low cost method of dissemination of market information is through Electronic display boards in market which are easy to updated and have a better visibility.

**Action:**

1) Ensuring the daily uploading of market information on Agmarknet.

2) Installing Electronic Display Board in major markets with ticker on market information

3) Giving value added information like cost of transportation, list of prospective buyers, announcing a new scheme, introducing online training packages on the portal

will bring improvement in the system. State Marketing Board of Karnataka has its own MIS system through 'Krishi Maratha Vahini'.

4) The successful interventions by private companies in other states can be replicated to develop financial inclusion, market information and providing value added services on e governance. This calls for public private partnership in developing effective information system with an ease to access.

#### **7.9 Promoting Direct marketing and empowering Women:**

In the existing practices the weekly rural markets (the focal points of rural business) are run by dominant groups (traditionally male) in the society, who are legitimized to collect revenue against each vendor in contractual basis through community acceptances or through Government formalities. The vendors set by the outsiders are inlets of essential commodities to the villages as well as outlets of village produces to the outside world. The rural women who are the main producer of rural produces have to depend on the middlemen for selling of their produces and thus have to remain in the low paid end of the market.

**Recommendation:** To eliminate this traditional barrier and policy gap the movement of Amar Bazar (Our market) has been initiated by Rural Volunteer Centre, Akajan in the year 2003. The formation of SHG and empowering women by enhancing their role in marketing will help in promoting vibrant marketing in Assam. During the study, many SHG were found working efficiently in Damoria, Narayanpur, Akajan.

**Action:** Consolidating the Women SHG and strengthening them with proper training in accounts and management.

#### **7.10 Encouraging Agribusiness ventures:**

**Recommendation:** The strategy of the agribusiness development should be based on ensuring raw material availability, regular power supply, cool chain to manage perishables products, availability of quality and planting material, developing backward and forward linkages. The state needs to expedite the establishment of post harvest infrastructures along with authentic quality check laboratories to unleash the opportunities in Agribusiness ventures. Public Private Partnership PPP can play an active role for setting up the quality laboratories. Agribusiness opportunities requires availability of raw material, availability of finance, products to have quality certification, finding and being competitive in price and quality.

An efficient value chain linking production with processing will greatly help in reducing food cost, removing uncertainties in supplies and improving diets of the poor and non poor in urban and rural areas. This kind of dynamism will provide opportunity to the farmers and other entrepreneurs to contribute to generating to employment and raising income.

**Action:**

- 1) Ensuring availability of raw material
- 2) Developing cold stores and refer transport system to ensure longer period of availability and access to market
- 3) Having mechanized system for cleaning grading, sorting, packing of produce to ensure quality produce
- 4) Availability of finance and making documentation easy for registration

**a. Unleashing knowledge and innovations:**

Innovation is the creation of better or more effective [products](#), [processes](#), [technologies](#), or [ideas](#) that are accepted by [markets](#), [governments](#), and [society](#). As the public policy in agricultural marketing is evolving and opening up the sector for new partnership it is an opportunity to innovate new market structures, delivery system, group formation, new supply chains and developing market for organic produce. The present study explored that as a pat culture and society there is a strong community bonding. Traditionally the societies have inherent nature of shared resources and shared responsibilities especially in tribal communities. The social milieu of the state encourages group marketing, women SHG and have readiness to innovate and experience. The study shows few examples of innovations:

- 1) Initiatives of District Administration in linking tribal farmers with market- Case of GINFED, Karbianglong
- 2) Contract farming in Nagaon District

**12 Organic Agriculture and market Development in Assam:** Assam is naturally organic by default can be gauged from the extremely low consumption of fertilizer in the region. While the Indian average is currently around 106 kg of chemical fertilizer, Assam has been using 56 kg of chemical fertilizer per hectare on an average. Again, the state uses 40.46 grams of chemical pesticides per hectare against the all-India average of 0.448 kg. Farmers in these areas often use

organic manure as a source of nutrients that are readily available either in their own farm or in their locality.

With the sizable acreage under naturally organic/default organic cultivation, Assam has tremendous potential to grow crops organically and emerge as a main supplier of organic products in the world's organic market with the help of the central government. Two companies, to promote organic cultivation in Assam's hilly Karbi Anglong district have been launched recently. The main aim of the companies is to help tribal people belonging to the Karbi tribe realize better returns from their land. This initiative is designed to promote organic cultivation of turmeric, ginger and chilli in the district on a large-scale and also to promote processing and export. In Karbianglong, Coinonya Farms Producers Company Limited for turmeric and Karbi Farms Producer Company Limited for ginger and chilli-- have also been set up as producers' companies under the new provision in the Companies Act that give primary producers' the flexibility to organize themselves as a normal company but on the basis of a one man-one vote principle, which is the essence of a cooperative institution. Producers' Company combines the economic advantage of a corporate entity with the social benefits of a cooperative and the provision of it was introduced into the 2003 amendment of the 1956 Companies Act.

The State Agricultural Department initiated a pilot scheme jointly with the Government of India in 2004 for organic farming in the districts of Udalguri, Sonitpur and North Lakhimpur covering an area of 91 hectares and involving 154 farmers. This scheme led to the production of 133 MT of Joha rice in the year 2007 and last year it produced 60 MT of this aromatic variety of rice. The Geneva-based SGS India certified the products of the scheme and with the help of the Haryana based Sunstar Overseas Limited export process of this aromatic rice to Germany, Switzerland and the UK has started.

The State Agriculture Department has now initiated a move to cover an area of around 5,000 hectares under planned organic farming for certification under the National Project on Organic Farming. About 50 per cent of the baseline survey undertaken for the purpose is now complete. (Annexure)

The move intends to cover around 15,000 farmers in the districts of Lakhimpur, Baksa (Tamulpur), Kokrajhar, Bongaigaon, Udalguri, Nagaon, Kamrup and Goalpara (Dudhnoi). The Central Government has already released an amount of Rs 15 lakh as initial an installment for execution of the programme.



**Recommendation:**

- Forming Producers Organisation and companies
- Building awareness about the standards of cultivation required for organic farming
- Imparting knowledge through about certification standards and certification procedure
- Suitable interventions for developing infrastructure would be necessary for commercial bio-fertilizer, bio-pesticide units, agro forestry, vermi compost, post harvest infrastructure with quality testing facilities.
- Encouraging contract farming, crop diversification and mixed farming, comprehensive operations plan for the farm and maintenance of farm records,
- Establishment of local certification agencies, creation of common facilities for quality control, etc.
- Collaborating with International agencies for accreditation and certification.
- Having experience in domestic market, this requires linkages with companies. Sresta Bio is already sourcing ginger, turmeric to produce value added products which are exported to EU
- Building capacity to build an organic value added market chain for pineapple, turmeric, Orange and to formulate their own projects
- Initiatives by Non Government organization in Assam to help producers in certification, training and linking them to domestic market.

The growth factors such as increased arrivals, rising population, increase in awareness and literacy, rising income and consumer demand influence the pattern of growth. The markets evolve from periodic markets to daily markets, from primary markets to secondary markets from wholesale to terminal markets. This growth trend also demands concerns about food safety and quality, agro-processing and value addition and improved infrastructure and facilities, improved information dissemination, improved finance and credit facilities reduced logistics and better supply chains for higher value realization. These growth trends will be the key drivers of growth in Assam.

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## Annexure-I

### ASSAM AGRICULTURE AT A GLANCE

Total Geographical Area	78,438 Km. (78.44 lakh hectares)
Total Area under Forest	19.30 lakh hectares (24.60 p.c. of Geographical Area)
Gross Cropped Area (excluding area under Tea)	36.37 lakh hectares
Net Cropped Area	23.86 lakh hectares (30.42 p.c. of Geographical Area)
Area under Horticultural Crop	5.46 lakh hectares (52.43 p.c. of Gross Cropped Area)
Tea cultivation Area	3.15 lakh hectares (4.02 p.c. of Geographical Area)
Area sown more than once	12.51 lakh hectares (49.16 p.c. of Net Cropped Area)
Cultivable Wasteland	80,000 hectares
Pest Endemic Area	2.23 lakh hectares
Chronically flood prone area	4.75 lakh hectares (19.91 p.c. of Cropped Area)
Chronically drought prone area	0.94 lakh hectares (3.94 p.c. of Net Cropped Area)
P.C. of Area under irrigation in Assam	Net – 17.47 p.c. (14.61 p.c. by Agriculture Department) Gross – 28.67 p.c.
Cropping intensity	152.43 p.c.
Agro-climatic zones	6 nos. North bank Plains zone : Lakhimpur, Dhemaji, Sonitpur, Darrang Upper Brahmaputra Valley Zone : Jorhat, Golaghat, Sivasagar, Dibrugarh, Tinsukia
	Centrally Brahmaputra Valley zone : Nagaon, Morigaon
	Lower Brahmaputra Valley Zone : Kokrajhar, Bongaigaon, Barpeta, Goalpara, Dhubri, Kamrup, Nalbari
	Barak Valley Zone : Cachar, Karimganj, Hailakandi
	Hills Zone : Karbi Anglong, North Cachar Hills

Average size of operational holding	1.27 ha
Normal average rainfall	Summer – 648.9 mm Winter – 66.2 mm

Total population as per 2001 Census	2,66,38,407
No. of agricultural labourers (as per 1991 census)	8.45 lakh
P.C. of Small Farmers	26 p.c.
P.C. of Marginal Farmers	36 p.c.
No. of Field Management Committees (as on 01.01.2003)	25,768
Contribution of Agriculture to	Gross State Domestic Product : 32.30 p.c. Net State Domestic Product : 35.1 p.c.
No. of Seed Farms of Agriculture Department	41
No. of Seed Villages	383
No. of Agri. Farming Corporations	11 nos. (1 no. each in Lakhimpur, Sivasagar, Dhubri, Morigaon, Nagaon, Golaghat, Dibrugarh, Kokrajhar, Goalpar district and 2 nos. in Sonitpur district)
No. of Regulated Markets	24
No. of Kisan Credit Cards issued (as on 31 <sup>st</sup> March, 2008)	90,180
Credit deposit ration	33 p.c. (India – 53.1 p.c.)
No. of Soil Testing Laboratories	Static – 8 nos. Mobile – 4 nos.
No. of Quality Control Laboratory	1 no. (at Ulubari, Guwahati)
No. of Regulated Markets in the State	22 nos.

## Annexure II

### Infrastructure Needed in an Ideal Market

<p><b>Core Facilities</b></p> <ul style="list-style-type: none"> <li>Platforms for Automatic weighing</li> <li>Auction Platforms</li> <li>Packaging &amp; Labeling Equipments</li> <li>Drying Yards</li> <li>Loading, Unloading &amp; Dispatch facilities</li> <li>Grading facilities</li> <li>Standardisation facilities</li> <li>Price Display Mechanism</li> <li>Information Centres</li> <li>Storage / Cold Rooms</li> <li>Ripening Chambers</li> <li>Public Address System</li> <li>Extension and Training to Fanners</li> </ul>	<p><b>Support Infrastructure</b></p> <ul style="list-style-type: none"> <li>Water Supply</li> <li><i>Power</i></li> <li>Veterinary Services</li> <li>Sanitary Facilities</li> <li>Posts &amp; Telephones</li> <li>Banking</li> <li>Input supply und Necessity Outlets</li> <li>POL</li> <li>Repair / Maintenance Service</li> <li>Office</li> <li>Computerized systems</li> <li>Rain Proofing</li> </ul>
<p><b>Service Infrastructure</b></p> <ul style="list-style-type: none"> <li>Rest Rooms</li> <li>Parking</li> <li>Sheds for Animals</li> <li>Market Education</li> <li>Soil Testing Facilities</li> <li>Drainage</li> </ul>	<p><b>Maintenance Infrastructure</b></p> <ul style="list-style-type: none"> <li>Cleaning and Sanitation</li> <li>Garbage Collection &amp; Disposal</li> <li>Waste Utilisation</li> <li>Vermi Composting</li> <li>Bio-gas Production / Power</li> </ul>

Source: GOI (2007). "Report of the Working Group on Agricultural Marketing Infrastructure and Policies Required for Internal and External Trade", for the 11<sup>th</sup> Five Year Plan 2007-12, Agriculture Division, Planning Commission, Govt. of India, pp-114

## **Annexure III**

### **A case study of linking tribal farmers with market Integration of Supply Chain in Karbianglong - Assam**

Karbianglong is a hill zone, situated in Central part of Assam having different climates in different parts. It is bounded by Golaghat district in the east, Meghalaya and Morigaon district in the west, Nagaon and Golaghat district in the north, N.C. Hills district and Nagaland in the south.

The population of the district is predominantly tribal. Besides, a large number of non-tribals also live together in this hill region. Karbianglong is predominantly an agriculture dominated district with a unique climate which supports production of orange, medicinal plants, mustard etc. It is a leading producer of fine quality of organic ginger.

Ginger grown in Karbi Anglong are of Nadia, Rio-de-Janerio, Aizol and most of them are low fibre type. Varieties having high dry rhizome with less fibre and high recovery of oleoresin oil are preferred.

There was high incidence of post harvest losses of ginger due to lack of transportation and storage facilities. The small and marginal farmers did not have economies of scale to opt for proper grading, sorting, packaging and transportation etc. The producers had to often resort to distress sale due to lack of market channel, market support and market information. In-spite of high quality of the produce and high demand for the product in industry the price that the farmer was receiving was not commensurate with the quality. The share of farmer was a negligible fraction of consumer rupee.

District Collector of Karbianglong introduced innovating marketing in 2007 by organizing the growers as federation and facilitating the producers to gain better advantage. Karbianglong produces 12,000 metric tones of ginger per annum which is valued at about Rs 10 crores. Ginger growers of the co-operative Marketing Federation limited (GINFED), started in 2007 under Rashtriya Sama Vikash Yojana (RSVY) have an association of 3,500 small and marginal tribal ginger growers. It aims to bring all the ginger growers under one umbrella and give better returns to the producers.

Transportation of Ginger is a major bottleneck due to hilly and remote locations. It used to be transported by road from Diphu to Guwahati and from Guwahati to Delhi which escalated transportation costs. The transportation cost of Ginger by road from Diphu to Azadpur mandi in Delhi is between Rs 3 to Rs 5 per Kg.

GINFED has now an agreement between North East frontier railways and Karbianglong district administration. The Lumding railway division of NF Railway will attach a wagon to an express train to transport ginger from different locations. The transport cost will be between 20 Paise to 30 paise per kg when sent by train. With this agreement the transport cost of supplying Ginger to Delhi gets reduced by 90%.

**Storage and Post Harvest Handling:** Apart from transportation, GINFED will also provide post harvest handling facilities with storehouse, packaging, cleaning and grading. With Storage facilities in place, the producers will be able to store the produce and take marketing decisions. The post harvest facilities such as cleaning, grading and packaging will help producers in supplying ginger to international markets. The GINFED is also registered with SGS Sweden for getting organic certification with the help of NABARD.

Besides this, the Federation has also fixed a uniform price of Rs 8 per kg for procuring Ginger. This has brought relief to producers who initially suffered from lack of marketing avenues, realization of proper price and distress sale. Before the GINFED intervention, the price at which farmers used to sell, was between Rs 4-5 per kg. The assured price support as assured by Ginfed has led to price discovery.

#### **Financial Support:**

Ginger farmers are provided with a special credit –cum- debit card to avail of bank loans. The Ginger card (G card) holder can obtain loan of Rs 10,000 for crop production from State Bank of India. The system is being seen as a major boost to the marginal tribal farmers of the hill district.

#### **Forward Linkages**

The solution to logistic bottleneck and access to value added services will now help to supply good quality ginger to ITC Ltd, Rayfam, New Delhi, Sresta Bio Products, Hyderabad, NERAMAC and NAFED. These buying agencies will now make efforts for further integration of the supply chain and cost reduction in the procurement process in bringing about both market and pricing efficiencies in the market channel. GINFED and ginger of Karbianglong has enough potential to process ginger for oleoresin which has a high demand in international market.

The integration of logistic and business services will help in delivering benefits to all the players of a supply chain.

## **Contract Farming of Potato in Naogaon Dist. of Assam**

**A successful case study of Backward and Forward Linkage of Agriculture  
Produce through Contract Farming**

Contract farming is done by Bengena Ati Surovi Gram Vikash Samity (a Society). The society has 120 Self Help groups which has membership of 450 farmers from 10 villages. The society has buy back agreement in with M/s Kishlay Snack Product. The society has also taken loan from Banks under SGSY scheme as working capital. The main points that emerge out of the discussion are as follows:

### **Challenges and Opportunities in Assam as discussed with buyers and sellers**

- An entrepreneur feels that instead of direct relation with farmer they should work with NGO to develop big net work of farmer for contract farming. As per the discussion the growers felt it is necessary as a part of long term strategy to develop backward and forward direct marketing linkage in the interest of farmer and growth of industries.
- To find out viability in business through contract farming. Entrepreneur (buyer)said he is looking for more area for cultivation (at present farming area is 400-500 Bigha but for project viability required at least 4000-5000 Bigha faming of potato) though contract farming. He has also mentioned that constant and regular supply of potato is major issue for uninterrupted business process activity.
- As per entrepreneur's feed back farmers are not educated so they do not know meaning of high yield and have difficulty in adoption, that's why they are not able to reduce cultivation cost which is a big barrier of Competitiveness in comparison of UP and Uttranchal and other states.

- Due to lack of awareness farmers are not getting good quality of seeds, pesticides, fertilizers and other inputs on right price that's why their yield and quality is inferior but entrepreneur has good analytical capacity, negotiation skills and purchasing power to buy such input on very competitive price to reduce cultivation cost. In this case farmer's production cost is three rupee fifty paise and selling price is six rupee at farm gate but as a part of future strategy by supplying good quality input cost will reduce further for farmer and as a result farmer will be able to get more profit in percentage.
- Entrepreneurs are also insisting to go for two crops of potato in a year through contract farming so it will give more money to farmers as well as entrepreneurs.
- Entrepreneurs are also seeking some infrastructural help from govt. They said shortage of industrial land is a problem for future expansion of industry simultaneously Cold Storage and Transportation facility of Potato from Naogaon and other districts of Assam is also required to develop contract farming in whole state of Assam. This infrastructure could be useful for Farmers, SHG, NGO, and Industrialist on payment basis.
- As discussed with farmers they expressed satisfaction with present buy back agreement with entrepreneurs. Farmers are very much interested to introduce contract farming in other crops like, Tomato, Brinjal, Areca, Assam Lemon, Banana etc.
- Even at the same time market price of potato was much higher than contract price for example contract price was Six Rupee per k.g and market price was Eight Rupee per k.g. but farmer felt they are in better position by selling through contract farming.
- For the purpose of cost reduction they have expressed that they need constant supply of electricity so they can use electric pump set for irrigation. They said diesel is very expensive in comparison of electricity to reduce farming cost.



- Farmers are also facing a problem which is drainage of rain/flood water in Naogaon district. they said proper water drainage in Kolang river can increase our production and profit

This is a small case of linking the farmers with the processor. As discussed the farmers need to be trained in better production techniques, marketing, handling and packaging, using market information to be able to sustain the arrangement on long term

**Organic Joha Rice Cultivation  
in Mantigiri and Harisinga villages of Udalguri district of Bodoland**

**Joha Rice Introduction**

The cultivators of Mantigiri and Harisinga villages were cultivating Joha rice (scented rice) in about 300 hectares of land. The Agricultural Development Officer of Udalguri Autonomous Tribal district encouraged the cultivators to grow Joha rice (scented rice) adopting organic method of cultivation; A society called organic rice cultivators' society was formed. Seventy five cultivators of Joha rice enrolled themselves as the members of this society. Now Joha rice is cultivated in 35 hectares strictly following the organic method of cultivation.

Already Joha rice cultivation was going on in these villages for a long time. In the first year organic method of cultivation was followed in 30 hectares of land. In the first year the cultivators got price of Rs.350.00 per quintal of Paddy. This price was very low. For the initial 3 years the cultivation was confined to 30 hectares only. Export of the organic Joha rice started from the fourth year and the area also increased to 35 hectares. In 2006-2007, 17.5 tones of rice was exported.

**Milling and certification**

Joha paddy used to be milled at Udalguri husking mill. But the purchasers were not satisfied with the milling at Udalguri husking mill. Then the milling was shifted to green valley Rice mill at Amingaon, which is a computerize mill. The entire processing and packaging work is to be certified by a certified company. The S.G.S. Company (Standard General Services) company, Calcutta was approached for certifying their rice. Cost of certification for one year is Rs.8000.00. Assam governments' Agricultural Department bore this certification cost. The entire certified quantity of Rs.17.5 metric tones was sent to M/S SUN STAR, company Delhi. This SUN STAR Company exported this rice to Europe.

Various visits including the representatives of APEDA also visited mills at Udalguri. The APEDA experts and representatives of SUN STAR Company, Delhi inspected the computerized milling at S.G.S. mill at Amingaon. If not milled properly the SUN STAR Company, Delhi was not willing to purchase their rice. Then milling started at S.G.S. rice at Amingaon. Instead of buying milled rice they wanted to buy as Paddy and get the Paddy milled at Mr. Ajoy Katiyr mill at Panipat. But selling Paddy

was not profitable for the cultivators. Department of Agriculture, Government of Assam, helped in certification process certification cost Rs.8000.00 for one year which was paid by Government of Assam.

Some of the participating cultivators were taken out on a exposure visit to Haryana. There they learnt how the milling is to be done and how to organise cultivation of organic rice how field management for organic production to be done.

All the small farmer brings their produce to one place i.e. the house of a big farmer, who is the group manager. He guides the small farmers how the field management is to be done. At present Sonapat miller M/S Ajoy Katiyr's. Rice mill at Sonapat has entered into a contract with the producers here to buy the entire production of all the farmers here, who cultivate Joha rice under organic method.

### **Exporter of Joha rice**

In 2006-2007, 17.5 metric tones of organic Joha rice was exported. All the small producers got Rs.500.00 per maund of 40 kg or Rs.1250.00 per quintal of Paddy. Mr. Netra Sharma, the secretary of the farmers' group purchased the entire production from all the small producers @ Rs.1250.00 per quintal of Paddy. One group of farmers last year visited West Bengal to see for themselves the field management techniques. A buyers and sellers meet was also organized at Guwahati in 2006. The farmers also went to Bangalore and Delhi. Two farmers went to Delhi to exhibit their organic Joha rice in expo exhibition at Delhi but could not do so as stall was not available. In the following table village wise number of organic farmers and area in hectares under organic Joha rice cultivations is shown

<b>Name of village</b>	<b>No. of farmers</b>	<b>Production Area in hectares</b>
Ulubari	32	16.78
Guborisali	24	12.48
Gagaldubi – Barkhetia	33	11.75
Harisinga	35	30.00
Pithakhowa	30	20.00
<b>Total</b>	<b>154</b>	<b>91.01</b>

### **Price of paddy**

At the Guwahati market price for Paddy, the grower was paid at the rate of Rs.1500.00 (Rs.600.00 per 40 kg Paddy + Rs.20.00 as carrying cost). The certificate was valid up to 31<sup>st</sup> December 2007. The validity of the certificate solely depends on the

organization's continued compliance to indicated standards, which is subject to annual surveillance inspection.

The certificate is valid for those products and areas that have been specified in the annexure of the certificate. Certificate no is 7060A.

### **Production and Demand**

Production of organic Joha paddy is 9 quintals per bigha i.e. 90 quintals per hectares. The agreed purchase price was Rs.1600.00 per quintal of Joha paddy at Guwahati. There is a huge demand for this aromatic rice. But the SUN STAR Company purchased Joha rice at the rate of Rs.30.00 per kg. Now there is a competition amongst buyers for buying this organic Joha (aromatic) rice. M/S Jaiprakash & co of Guwahati agreed to pay higher price. M/s Katiyr Haryana agreed to pay Rs.20.00 per quintal higher. This programme started in 2004 and is continuing up till now and has created a very good response & demand in the market.

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