

Regulated Markets

Definition of regulated market:

Regulated market is wholesale market where buying and selling is regulated and controlled by the state government through the market committee.

It aims at the elimination of unhealthy and unscrupulous practices reducing marketing charges and providing facilities to producers and sellers in the market. The poor standards of primary and secondary markets where producer convert their produce into cash. The prevalence of various malpractice's such as short-weights, excessive market charges, unauthorized deduction, adulteration of produce and the absence of machinery to settle disputes between sellers and buyers were recognized as the main hindrances in agricultural marketing. These defects and malpractices can be recover by the establishment of regulated marketing their country may be regulated either by local bodies or under state legislation was suggested first in 1928 by the Royal commission on Agriculture. The movement of regulation of market gained momentum only after 1930. The Bombay Agricultural produce market act of 1939 was passed in respect all agriculture produce Viz., cereals, fibers and fruits etc. Regulated markets usually handle tobacco, cotton, groundnut, grains, coconuts, areca nuts, potatoes and turmeric etc.

Main features of regulated markets:

1. **MARKET COMMITTEE:** Market committee is comprised of representatives from different sectors of society that is farmers, traders, government local bodies and co-operative. In general it is observed that market committee consists of 15 members 10 from farmers 3 from traders and 1 each from the government and local bodies.
2. **AREA OF OPERATION:** The concerned state government notifies that its intention to regulate trade practices in specified area such an area of operation is laid down either as a municipal limit or district or even it may be a region. In Maharashtra area of operation of each regulated market restricted to one taluka.
3. **METHODS OF SALES:** In regulated market the sale of agricultural produce is undertaken either by open auction or by close tender method these sales method ensure a fair and competitive price for the produce and prevent the cheating of farmers by market functionaries. By these methods, the sale is carried out under the supervision of an official of the market committee.

4. LICENSING OF MARKET FUNCTIONARIES: All the market functionaries including traders working in the regulated market have to obtain a license from the market committee after paying the prescribed fee to carry on their business, the licensed traders have to keep proper record and maintain accounts in accordance with the buy-laws of the market committee.
5. MARKET LEVIES OR FEES: Growers and traders have to pay market fees which are calculated on the basis of value of volume of a commodity bought and sold in the markets. Sometimes it may be based on cartload or truckload.

To meet its administrative expenditure and in order to create infrastructure facilities in the market area the market committees gets funds from the following sources:

1. Market fees on the produce brought for the sales in the market yard.
2. License fee, renewal fee of market middlemen functioning in the area.
1. SETTLEMENTS OF DISPUTES: Disputes arising between producer seller and traders by reason of the quality of the producer, accounts and deductions of unauthorized charges are solved by the sub-committee of the market committee this avoid the legal complications and unnecessary expenditure.

Advantages of regulated markets: -

1. Market charges are clearly defined and specified.
2. Market practices are regulated and undesirable activities are brought under control.
3. Periodical inspection and verification of scales and weights.
4. Suitable arrangements for the settlement of disputes is provided.
5. Reliable and up to date market news are made available to the farmers.
6. Suitable quality standards and standard terms for buying and selling are conveniently enforced.
7. Reliable statistics of arrivals, stocks, prices are maintained.
8. Other facilities like shades for the sale of produce, space for parking carts, drinking water facilities and cisterns of cattle, rest houses, grading and warehousing facilities are provided.
9. Open auction method is strictly followed.

10. Propaganda for agricultural improvement is more conveniently carried out. Taking over all picture regulated markets have produced a whole some effect on marketing structure and have generally raised the efficiency or marketing at the primary level.

Organization of regulated markets and constitution of market committee

The primary object of regulating the market is to safeguard the interest of the producer sellers raise the standards of the local Markets where the first exchange of the goods takes place with a view to achieve the object in each of the regulated markets. Market committees are established consisting of the representatives of the growers, traders, local bodies, sellers, co-operative shops and the state government nominees. Producers are generally in the majority on these committees. The market committee should consist of 12 to 18 members depending on the size of the market and other considerations, which are responsible for utilizing the fund for

- a. Maintenance and improvement of the markets and its buildings.
- b. Maintenance of standards of weights and measures.
- c. Pay and pension of the staff
- d. Payment of interests of loans.
- e. Collection and dissemination of market information.
- f. Propaganda for agricultural improvement.