CHAPTER – VI

SUMMARY, CONCLUSIONS AND POLICY RECOMMENDATIONS

Agricultural sector is one of the most important sectors of the Indian economy and more so in the case of the Punjab economy. The minimum four percent annual growth in farm sector is required to accelerate and maintain national GDP hence, more stress is laid on agriculture so as to promote inclusive growth and specifically to enhance rural incomes. Various crops have been produced in India but food grain production increased at faster rate during green revolution period due to many reasons. However, regulation in marketing of foodgrains remained important in majority of villages for food security and income of farmers in majority of the six lakh villages of India. Therefore, regulation of agricultural marketing is an opportunity for assured and remunerative returns to determine the economic viability of farming both as a way of life and a means of livelihood which remained neglected. Hence, in an attempt to reduce the hardships of the farmers, regulation policy needs to be strengthened through granting statutory provisions of the regulatory measures so as to eliminate unhealthy and unscrupulous practices.

Punjab has 1.53 percent of the total geographical area of the country and at present about 83 percent of the total geographical area of the state is under cultivation. Wheat and paddy rotation occupies about 75 percent of the total cropped area. These two crops contribute major share in central pool. The regulation of marketing of agricultural produces in the state has great impact on the economy of farmers to sustain their income.

In the state “The Punjab Agricultural Produce Markets Act, 1961” came into force after the reorganisation of the state of Punjab. The preamble of this Act has been designed as “An Act to consolidate and amend the law relating to the better regulation of the purchase, sale, storage and processing of agricultural produce and the establishment of markets for agricultural produces in the State of Punjab”.

Under the Act, institutional mechanism for regulating marketing of
agricultural produces has been provided. These are identified as Government of Punjab, State agricultural marketing Board shortly known as Punjab Mandi Board and 145 Market committees. Various provisions of the Act and institutional mechanisms are in place for proper regulation of different agricultural produces with special stress on fixing fair price, proper weighment and genuine deductions of trade allowances during sale and purchase. In nutshell, it can be stated that fair dealings during sale, purchase, processing and storage is the mandate of the Act. Therefore, a fair return to the farmers during sale of agricultural produces is required to be implemented in letter and spirit as per prescribed policy.

The present study has been undertaken to examine issues relating to fair price, correct weighment and payment of genuine trade allowance at the time of sale of wheat and paddy.

This chapter sums up the review of literature, objectives, hypotheses of the study and research methodology in Part I. Part II includes major findings relating to fair price, weighment and trade allowances policies. Part III includes suggestions of the study.

I

Review of Literature, Objectives, Hypothesis and Research Methodology

Review of Literature

With a view to understand the dimensions of research problem and identify the limitations of the earlier studies, review of literature was undertaken. The analysis of literature suggests that most of the studies found that the producers are still not getting genuine returns of their produce. The existing literature has not clearly examined the impact of regulation and also lacks proper enforcement of policy recommendations for enriching the provisions of the Act in their real intention. Some studies point out that farmers are not happy with the regulation i.e. unfair price and other malpractices still prevail in markets which do not attract farmers to sell produce in markets.
It has been revealed in some studies that sellers have benefited more from the prevailing market regulation but evidences from many studies envisage that farmers are still being exploited by traders with the connivance of commission agents. The share of a farmer in total retail price has been declining. Therefore, there is a need to narrow the gap between producer prices and consumer prices through proper marketing support so that farmer should enjoy certain basic facilities in order to ensure that agriculture marketing reaps the desired results. Ultimately, it has been stressed in most of the studies that agriculture marketing needs re-look which requires amendments and changes in the present rules and regulations and rejuvenating agriculture. This should be with a focus on farmers and objective of the ongoing process of reforms, to provide wider choice and greater options to farmers to sell their produce.

At last, it has been observed that most of the studies are descriptive in nature and have not covered various facets of the agricultural marketing in an integrated manner. The studies further have relied upon secondary rather primary data.

In brief, it can be concluded that enforcement of rules and regulations still needs more attention at the level of the policy makers and at the level of enforcing agencies. Thus, it needs a fresh study by focusing specifically on ensuring of fair price to producers, correct weighment of produce and stopping payment of illegal trade allowances i.e. the three pillars of regulation of agricultural marketing. The present study having more coverage in the form of three aspects of agricultural marketing as compared to earlier studies by adopting improved research methodology in the form of collecting data from all categories of the stakeholders producers (farmers), concerned enforcing officials, commission agents, purchasers, policy makers etc. likely to make value addition to existing body of knowledge about regulation of agricultural marketing.
Objectives of the Study

The present study has been undertaken:

1. to study the overall policy and institutional mechanism for regulation of marketing of agricultural produce provided under the ‘The Punjab Agricultural Produce Markets Act, 1961’.

2. to examine the price fixation mechanism of the agricultural produce as per ‘The Punjab Agricultural Produce Markets Act, 1961’ and its deviation in practice.

3. to examine the weighment of agricultural produce as per ‘The Punjab Agricultural Produce Markets Act, 1961’ and its deviation in practice.


Hypotheses of the Study

In consonance of the objectives, following hypotheses were formulated:

1. Price fixation mechanism is not fair due to the faulty system and deviates from the price fixation mechanism prescribed under ‘The Punjab Agricultural Produce Markets Act, 1961.’

This hypothesis has been splitted into the following sub-hypotheses;

(i) Modes of Transactions such as Open auction or through bilateral sale mode of transactions are not working in their true spirits.

(ii) Produce is not cleaned as per the prescription.

(iii) Specifications issued for Minimum Support Price are not practically implemented.

(iv) Facilities for grading and standardization are lacking.

(v) Secret signs or bids prevail during open auction.

(vi) Producer’s consent is not obtained for acceptance of sale price

(vii) Deductions on agreed price of the produce do prevail.

(viii) Bid Price of minimum of 50 Paise in price fixation mechanism is not
working well.

(ix) Information on prices of produce prevailing in other markets is not displayed.

(x) Majority of sale of produce is conducted on dirty or *kachha* places.

2. The weighment of wheat and paddy is not proper in the regulated markets and deviates from the weighment policy prescribed under ‘The Punjab Agricultural Produce Markets Act 1961’.

This hypothesis has been splitted into the following sub-hypotheses;

(i) Majority of stakeholders do not have knowledge about weighing instruments.

(ii) Weight of filled bags is not as per fixed standards.

(iii) Actual weight of empty gunny bag is not taken.

(iv) Test weighment is not conducted.

(v) The present standards of fixed packing units for wheat and paddy are not satisfactory.

(vi) Facility of weighbridges in the markets is almost non existence.

(vii) Non wearing of badges by weighmen harms the interests of farmers.

3. Unauthorised trade allowances are prevalent in the regulated markets from the producers as are not prescribed under ‘The Punjab Agricultural Produce Markets Act, 1961.’

This hypothesis has been splitted into the following sub hypotheses;

(i) Lack of knowledge about the trade allowances to be deducted among stakeholders is widely prevalent.

(ii) Unloading charges are not deducted as prescribed.

(iii) Sieving charges are not deducted as prescribed.

(iv) Customs and unauthorized deductions prevailed in the markets.

(v) Issue of “J” forms to the farmers is poorly implemented.

(vi) Facility of display boards is poorly in existence in the markets.
Research Methodology

In this study both primary and secondary data have been used. The primary data has been collected from the selected Market Committees of the State. Six Market Committees from each division viz. Ferozepur and Faridkot (Old Ferozepur Division), Jallandhar and Patiala Division have been selected. Further one Market Committee from each of the following groups of Market Committees has been selected on random basis for sample checking of questionnaire.

(i) Market Committees having per year income up to Re One crore.
(ii) Market Committees having per year income of more than Rs One crore but not exceeding two crores.
(iii) Market Committees having per year income of more than Rs two crores but not exceeding three crores.
(iv) Market Committees having per year income of more than Rs three crores but not exceeding four crores.
(v) Market Committees having per year income of more than Rs four crores but not exceeding five crores.
(vi) Market Committee having income of more than Rs five crores.

The primary data has been collected through questionnaires administered to the producers i.e. farmers, commission agents, private purchasers, concerned officials Market Committees and officials and authorities of Government and Mandi Board, Purchase agencies and Weighmen vis-à-vis palledars (labour) of the selected market committees.

A brief description of the different stake holders involved in the marketing process who deal with the policies of fair price, correct weighment and payment of authorised trade allowances of the produce is as under:

(i) **Producers/farmers**: They are the actual sellers of agricultural produce. Most of them are not so literate or organised but are dependent on Commission Agents /Arhtias for sale of the produce in the mandi. Twenty producers from each of the selected Market Committee have been randomly selected during the sale of the produce in the regulated Market. The total number of producer-sellers selected is (20x6x3) 360.
(ii) **Commission Agents/Arhtias**: They are basically middlemen and work for seller and purchaser. They arrange farmer produce for sale and normally takes over the physical handling of the produce, collects the price from the buyer, deducts the expenses incurred by him on sale and remits the balance to the seller. A sample of 10 (ten) commission agents from each selected regulated market has been taken with the total number of commission agents as \((10 \times 6 \times 3) 180\).

(iii) **Officials of Market Committees**: This category of stakeholders include the market officials posted in Market committees. They function as implementers of framed policy as they are responsible for exercising control over the sale and purchase in a notified market area. All the concerned officials of the selected Market Committees were interviewed. On an average there were five officials per market committee and total number comes out be \((5 \times 6 \times 3) 90\).

(iv) **Officials of Mandi Board and Government**: This category of stakeholders includes the officials posted at Government as well as Punjab Mandi Board level either as policy makers or in supervisory capacity who are responsible for exercising control over the sale and purchase of wheat and paddy. As role of the Punjab State Agricultural Marketing Board is advisory and as enforcing agency therefore, the role of Board, District Mandi Officers of concerned District and head office officials, both nominated and appointed were interviewed and the State Government authorities whether nominated/elected /appointed dealing with the policy and administration of the regulation of agricultural marketing were also interviewed.

(v) **Procurement Agencies**: They are the representatives of the Government to purchase wheat and paddy on fixed prices (minimum support prices) as announced by the Government. Two officials of the concerned procurement agencies from each of the selected Market Committees were interviewed and total number comes out be \((2 \times 6 \times 3) 36\).

(vi) **Private purchasers**: These are the actual buyers who makes the purchases of produce in such quantity as per their need and on such prices for their own consumption or for further trade. Two private purchasers like Flour millers and Rice millers where ever available were selected from the
concerned Market committees and were interviewed and total number comes out be (2x6x3)36.

(vii) **Weighmen**: - These are the licensees of market committee who does the operation of weighment of agricultural produce including of wheat and paddy as per fixed standards. A sample of 10 (ten) weighmen from each selected regulated market has been drawn with the total number of weighmen as and total number comes out be (10x6x3) 180.

(viii) **Palledars/labourers**: - These are those persons who provide services during the sale and purchase of wheat and paddy in the form of unloading, cleaning, bagging, and weighment operations. A sample of 10 (ten) palledars from each selected regulated market has been drawn with the total number of palledars as (10x6x3) 180.

Secondary data has been collected from the reports and published documents of the Department of Agriculture of Punjab, Five Year plans of India, Punjab Agricultural University, Research studies and Directorate of Marketing and Inspection, Government of India. Secondary data have also been gathered from news appeared in different news papers

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**II**

**Major Findings**

**(A)**

**Fair Price Policy**

In case of fair price, the hypothesis, namely, “Price fixation mechanism is not fair due to the faulty system and deviates from the price fixation mechanism prescribed under ‘The Punjab Agricultural Produce Markets Act, 1961’”. This hypothesis has been tested on the basis of sub-hypotheses. Sub hypothesis wise analysis has been shown in table 6.1.
Table: 6.1

Status of Sub- Hypotheses for Fair Price

<table>
<thead>
<tr>
<th>Sub-Hypothesis</th>
<th>Data and analysis</th>
<th>Status of Sub-hypothesis</th>
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</thead>
<tbody>
<tr>
<td>(i) Modes of Transactions such as Open auction or through bilateral sale mode of transactions are not working in their true spirits.</td>
<td>Majority of the stakeholders (89.69 percent) revealed in case of wheat and 78.49 percent in case of paddy revealed that open auction is not held. Farmers (98.89 and 90.00 percent), Commission agents (92.78 and 80.00 percent), procurement agencies (98.89 and 75.00 percent) and officials (74.45 and 60 percent) respectively in case of wheat and paddy opined that open auction does not take place. Around 3 percent of wheat is sold through bilateral transaction.</td>
<td>Open auctions are hardly in existence mainly due to (i) Maximum of the produce is sold at MSP (ii) Farmers are not aware about this mode. (iii) Heavy arrivals per day Hence the hypothesis namely, modes of transactions such as open auction or through bilateral sale mode of transactions are not working in their true spirits is validated.</td>
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<tr>
<td>(ii) Produce is not cleaned as per the prescription.</td>
<td>Majority of the stakeholders i.e. 92.83 percent in case of wheat and 87.97 percent in case of paddy revealed that cleaned produce is sold.</td>
<td>Majority of the produce is cleaned as per the prescriptions and hence the hypothesis is rejected.</td>
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<tr>
<td>(iii) Specifications issued for Minimum Support Price are not practically implemented.</td>
<td>Majority stakeholders to the extent of 59.01 percent in case of wheat and 60.20 percent in case of paddy revealed that specifications issued for minimum support price are</td>
<td>Non operation of this aspect prevails as - Majority stakeholders are not fully aware of this. The hypothesis “specifications issued for minimum support price are not practically</td>
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<tr>
<td>(iv) Facilities for grading and standardisation are lacking.</td>
<td>followed but producers revealed that it does not happen.</td>
<td>implemented” is validated.</td>
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<tr>
<td>(v) Secret signs or bids in open auction are prevalent.</td>
<td>Majority of the stakeholders (50.16 percent in case of wheat and 65.01 percent in case of paddy) revealed that secret signs or bids prevail in open auction.</td>
<td>In case of open auction secret signs or bids are widely prevalent and hence the hypothesis, viz. secret signs or bids in open auction are prevalent is validated.</td>
</tr>
<tr>
<td>(vi) Producer’s consent is not obtained for the acceptance of sale price.</td>
<td>Majority of stakeholders up to 56.61 and 51.14 percent respectively in case of wheat and paddy opined that the produces consent is not obtained for the acceptance of sale price.</td>
<td>The empirical evidence clearly suggests that producers consent is not obtained for the acceptance of sale price and thus the hypothesis is accepted.</td>
</tr>
<tr>
<td>(vii) Deductions on agreed price of the produce do prevail.</td>
<td>All stakeholders i.e overall 97.44 and 92.59 percent in case of wheat and paddy respectively revealed that no deductions are prevalent.</td>
<td>Deductions are generally not made hence the hypothesis is rejected.</td>
</tr>
<tr>
<td>(viii) Bid Price of minimum of 50 Paise in price fixation</td>
<td>Around 97 percent stakeholders revealed that</td>
<td>Based on the analysis of primary and secondary data the</td>
</tr>
</tbody>
</table>
Table 6.1 shows that most of the aspects of fair price are not implemented in letter and spirit of the Act. Fair price does not prevail during marketing of wheat and paddy as seven out of ten aspects stands validated. Therefore, price fixation mechanism is not fair due to the existence of faulty system and majority of sub-hypotheses relating price fixation mechanism gets accepted and thus finally the major hypothesis, namely, “Price fixation mechanism is not fair due to the faulty system and deviates from the price fixation mechanism prescribed under ‘The Punjab Agricultural Produce Markets Act, 1961’” gets **validated**.

**Table 6.1**  
<table>
<thead>
<tr>
<th>(ix) Information on prices of produce prevailing in other markets is not displayed.</th>
<th>All stakeholders (94.75 percent) revealed that information of prices of produce of other markets is not displayed.</th>
<th>MSP played major role for major quantity of produce. Officials are not displaying the information. The hypothesis “Information on prices of produce prevailing in other markets is not displayed” thus gets <strong>validated</strong>.</th>
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</thead>
<tbody>
<tr>
<td>(x) Majority of sale of produce is conducted on dirty or <em>kachha</em> places.</td>
<td>All stakeholders (80.63 percent) revealed that produce is sold on <em>pacca</em> places.</td>
<td>Majority of wheat and paddy sold on <em>pacca</em> yards only. Hence the hypothesis is <strong>rejected</strong>.</td>
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</table>

(B)  
**Weighment Policy**

Fair returns to the farmers are also adversely affected due to faulty weighment system. Correct weighment of produce during sale and purchase is very important. In this case, the hypothesis “The weighment of wheat and paddy is not proper in the regulated markets and deviates from the weighment process” gets **validated**.
policy prescribed under ‘The Punjab Agricultural Produce Markets Act 1961’ has been tested on the basis of sub-hypotheses. The testing of these sub-hypotheses is depicted in table 6.2.

**Table 6.2**

**Status of Sub- Hypotheses for Correct Weighment**

<table>
<thead>
<tr>
<th>Sub-Hypothesis</th>
<th>Data and analysis</th>
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</tr>
</thead>
<tbody>
<tr>
<td>(i) Majority of stakeholders do not have knowledge about weighing instruments.</td>
<td>Overall 57.78 percent of stakeholders expressed their knowledge about weighing instruments. Majority of farmers (80 percent) are not having adequate knowledge about weighing instruments. As such faulty weighment system cannot be ruled out in the sale and purchase of wheat and paddy. Commission agents (90 percent), weighmen (95 percent) and officials (70 percent) expressed that they have knowledge of the weighing instruments.</td>
<td>As majority (57.78 percent) revealed that they are having knowledge about weighing instruments although farmers lack the adequate knowledge due to illiteracy. Based on data analysis the hypothesis namely majority of stakeholders have knowledge about weighing instruments gets rejected.</td>
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</tbody>
</table>
| (ii) Weight of filled bags is not as per fixed standards.                      | Majority of the respondents revealed that weights of filled bags are not as per the fixed standards. Appraisal of the overall view suggests that more than 60 percent stakeholders viz producer sellers (95 percent), commission agents (45 percent), weighmen (25 percent), procurement agencies (58.60 percent), private purchasers (53.06 percent) and officials (50 percent) opined that weighment of filled bags is not taking place as per fixed standards. | Weight of filled bags is not as per the standards due to: -  
(i) Prevalence of vested interests of commission agents and buyers.  
(ii) Heavy arrivals per day.  
(iii) Lack of awareness among |
Secondary data also confirm this.

The hypothesis namely weight of filled bags is not as per fixed standards gets accepted.

| (iii) Actual weight of empty gunny bag is not taken. | Individual bags were not weighed as more than 3/4th of stakeholders supported this statement. Producers (98.89 percent), commission agents (50 percent) weighmen (40 percent), procurement agencies (19.49 percent), private purchasers (25 percent) and officials (90 percent) revealed that the actual weight of gunny bags does not take place. | Implementation inadequacies in this aspect prevails due to;
(i) Commission agents, purchasers and weighmen’s vested interests.
(ii) Heavy arrivals per day.
(iii) Farmers are not fully aware of this due to paucity of time. Finally the hypothesis is accepted. |
| --- | --- | --- |
| (iv) Test weighment is not conducted. | Majority of produce was not test checked as revealed by majority of stake holders (87.29 percent). It was also revealed that even during test weighment, actual weight of bags is not subtracted rather deduction at a flat rate takes place. Producer sellers (5 percent), commission agents (20 percent), weighmen (15 percent) and officials (around 25 percent) opined that test weighment done is not effective to ensure fault free weighment system. | Test weighment is not conducted due to;
(i) Major part of the produce purchased by Government.
(ii) Heavy arrivals per day.
(iii) Farmers are not fully aware of this.
(iv) Existence of vested interests |
The present standards of fixed packing units for wheat and paddy are not satisfactory. Overall 54 percent revealed that 35kg unit of paddy is not satisfactory. The farmers (93.06 percent) revealed non-satisfaction on 35kg of paddy over other standard units. Producers (6.94 percent), commission agents (10 percent) weighmen and palledars (97.22 percent), procurement agencies (88.88 percent), private purchasers (83.33 percent) and officials (35.55 percent) reluctantly revealed that small weight units adds to the cost of performing operations i.e. in addition to delay in clearance of the arrivals and creates problems for new sellers bringing the produce for sale on the next day. Financial loss to the farmers and operational problem to officials are faced due to 35 kg unit in case of paddy. Units of 75kg and 95 kg are not easy to handle.

The hypothesis thus gets **validated**

It has been found that in majority of markets, weighbridges are not installed and wherever provided are not being properly utilized. Producer sellers (98.06 percent), commission agents (95 percent) and officials (83.34 percent) and overall 95.09 percent revealed non-availability of this facility which adversely affects the proper weighment.

The weighbridges facility is not widely available in markets due to;

(i) Vested interests.

(ii) Ignorance of the farmers.

(iii) Non implementation by competent authorities

| (v) | The activities of officials and neglect of test weighment. The hypothesis, “Test weighment is not conducted” is **validated** |
| (vi) | Facility of weighbridges in the markets is almost non existence. | Financial loss to the farmers and operational problem to officials are faced due to 35 kg unit in case of paddy. Units of 75kg and 95 kg are not easy to handle. The hypothesis thus gets **validated** |
(vii) Non wearing of badges by weighmen harms the interests of farmers.

On an overall basis, 86.18 percent stakeholders expressed that weighmen do not wear badges. Wearing of badges provide benefit to the producers in form of their identification. Producer sellers (1.11 percent), commission agents (5 percent), weighmen (40 percent), and officials (30 percent) revealed that weighmen do wear badges.

Non wearing of badges by weighmen is widely reported due to;
(i) Ignorance of the farmers.
(ii) Lack of emphasis by the commission agents and officials for compliance.

The hypothesis, “Non wearing of badges by weighmen” thus gets validated.

Table 6.2 exhibits that almost all the facets of weighment are at variance with the provision of the Act. As majority of sub-hypotheses are validated therefore, it can be concluded that faulty weighment policy prevails in the regulated markets and it deviates from the prescribed limit as mentioned under ‘The Punjab Agricultural Produce Markets Act, 1961.’ Thus, hypothesis namely, “The weighment of wheat and paddy is not proper in the regulated markets and deviates from the weighment policy prescribed under ‘The Punjab Agricultural Produce Markets Act 1961’” gets validated.

(C)

Trade Allowance Policy

A trade allowance is third policy measure of Government which is being examined in this study. For studying the practice of existing trade allowances, the hypothesis has been formulated namely “Unauthorised trade allowances
are prevalent in the regulated markets from the producers as are not prescribed under ‘The Punjab Agricultural Produce Markets Act, 1961”. This hypothesis has been further divided into sub-hypotheses. Overall results of different sub-hypotheses of trade allowances policy are shown in table 6.3.

### Table 6.3

#### Status of Sub- Hypotheses for Fair Trade Allowances

<table>
<thead>
<tr>
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</tr>
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<tbody>
<tr>
<td>(i) Lack of knowledge about the trade allowances to be deducted among stakeholders is widely prevalent.</td>
<td>Only two trade allowances, namely unloading and cleaning are allowed to be deducted as per Act. A perusal of the responses suggests that about 51.61 percent of the stakeholders are ignorant about the trade allowances. Eighty percent farmers and 65 percent of the <strong>palledars</strong> do not have sufficient knowledge of the trade allowances to be deducted for sale of wheat and paddy although more than 95 percent of officials have knowledge. Various studies have also revealed that farmers are not aware about the trade allowances fully.</td>
<td>Deduction of Trade allowances affects farmers and palledars, the most. Unfortunately the farmers and palledars are not fully equipped with complete information about trade allowances. Their lack of knowledge about trade allowances is partly due to their illiteracy. These empirical observations <strong>suggest the validation of the hypothesis.</strong></td>
</tr>
<tr>
<td>(ii) Unloading charges are not deducted as prescribed.</td>
<td>Majority of the stakeholders (93.59 percent) agreed that unloading charges are deducted whether done or not. Even farmers (97.23 percent) pointed out that deductions are made even if they themselves unload the produce and 88.89 percent <strong>palledars</strong> were of the opinion that they do not get unloading charges at the prescribed rate. Officials to the extent of 95.56 percent and commission</td>
<td>The analysis of the responses of the stakeholders specially farmers and <strong>palledars</strong> reveals unloading charges are at variance with the prescribed norms and thus <strong>validated the hypothesis.</strong></td>
</tr>
<tr>
<td>(iii) Sieving charges are not deducted as prescribed.</td>
<td>Sieving charges can only be deducted if produce is cleaned but deductions exist even without doing this operation. Although overall responses i.e. around 86 percent reported that Sieving charges are not deducted as prescribed. Even commission agents (85 percent) and officials (81.12 percent) revealed that sieving charges are deducted whether done or not.</td>
<td>Basically ignorance of farmers and non implementation of the norms regarding sieving charges by officials validated the hypothesis “sieving charges are not deducted as prescribed”.</td>
</tr>
<tr>
<td>(iv) Customs and unauthorized deductions prevailed in the markets.</td>
<td>Majority revealed that customs are not there but unauthorized deductions prevailed in the markets. Around 70 percent farmers reported the existence of unauthorized trade allowances but more than 85 percent other stakeholders stated against this. Various news papers and studies reported the existence of unauthorized deductions</td>
<td>A perusal of data, analysis regarding unauthorised deductions indicates the rejection of the hypothesis.</td>
</tr>
<tr>
<td>(v) Issue of “J” forms to the farmers is poorly implemented.</td>
<td>Majority stakeholders (67.31 percent) revealed that the “J” forms are not issued as prescribed. More than eighty five percent farmers stated that these are not issued. Commission agents revealed that farmers are not available at the time of auction or weighment hence remains as un-issued. Half of the officials revealed negative. Various studies and news items revealed that “J” forms are</td>
<td>Farmers are required to know the rate, weight, deductions of labour charges and ultimate balance of payment made to them but the non issue of “J” Forms comes in the way of required information to the farmers and hence the hypothesis is accepted.</td>
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</table>
Table 6.3 clearly reveals that majority of the sub-hypotheses relating to trade allowances are validated i.e. in addition to the permissible trade allowances in practice more trade allowances exist. The existing trade allowances are not in consonance with the provisions of the Act and the additional trade allowances are totally against the philosophy of the Act. Thus, finally the major hypothesis i.e. “Unauthorized trade allowances are prevalent in the regulated markets from the producers as are not prescribed under ‘The Punjab Agricultural Produce Markets Act, 1961’” gets validated.

### III

**Policy Recommendations for Improving Compliance of the Act for Fair Price, Correct Weighment and Fair Trade Allowances**

The policy recommendations for obtaining of fair price, correct weighment and fair trade allowance on sale of wheat and paddy are identified on the basis of views expressed by the different stakeholders. These have been classified into following six categories:

1. Effective implementation of the existing provisions.
2. Making of amendments in the present provisions.
3. Creation of facilitating services and infrastructural facilities for smooth sale of produce.
4. Conduct of awareness and training programmes on the policies for the stakeholders.
5. Introduction of system of providing incentive and punishments for non-compliance and;

(i) Fair Price Policy;

(a) The existing practice of secret signs or bids be immediately replaced by transparent and open system of auction in the presence of concerned seller and prospective buyers and buyers be well informed of auction time in advance and roster bid system be followed to avoid the malpractices and poor competition. Procurement agencies must purchase along with the private purchasers for ensuring competitive price for that produce.

(b) Government must purchase through bilateral transactions to save time, overhead charges as well as middlemen charges. This system will provide better returns to the farmers also.

(c) Before auction, grading of produce as per Fair Average Quality (FAQ) specifications or as per grade standards be strictly adopted. This will ensure more price to the sellers and will also facilitate early clearance of mandi. It is also suggested that for the convenience of the technical staff, grading equipments with standardised facilities should be provided.

(d) Information of the prices of produce prevailing in other markets is not being displayed. Therefore, market intelligence centres with latest technology should be established for providing existing as well as future prices of the commodities which prevails in other important markets.

(ii) Weighment Policy;

(a) The officials must test check fixed percentage of bags of every heap to ensure that filled bags are weighed as per the actual weight. The market committee must have atleast one weighing instrument of the capacity of one quintal installed in the market at fixed place so that any farmer can test check the bags.

(b) Moisture content in produce and sometimes in bags also exists but 100gms of produce at a flat rate of 95kg wheat and 65kg paddy per
bag should not be permitted to the weighmen as this allures the weighmen and the commission agents to take advantage of this.

(c) Regulation of the unloading, cleaning, auction, weighment and loading operations in the market should be done at different specific fixed hours as the same labour is used for performing for all these operations.

(d) Enforcement officials must ensure that weighmen wear badges so that their identification is ensured.

(iii) **Trade allowances Policy;**

(a) Actual unloading as well as sieving charges should be deducted and must be enforced by officials.

(b) “J” forms should be issued to farmers to ensure exact amount of farmer’s produce, its weighment and deductions of different operations. The implementing machinery must ensure that the unauthorised allowances are not deducted from the amount to be paid to the farmers.

(c) Only licensed labour should be allowed so that the market committee can take action on defaulter labour those who work without licence.

(d) Display boards with latest labour charges information must be ensured to facilitate farmers and palledars.

2. **Regarding Making of amendments in the present provisions.**

(i) **Fair Price Policy;**

(a) Farm level cleaning and bagging must be encouraged to solve multifarious problems in *mandi* and to improve marketing efficiency. This will check pollution also.

(b) At present, fifty paisa price difference in the bid is not of much significance due to the manifold increase in the consumer price Index. At least a difference of rupee one for the minimum of one hundred rupees in price bid should be fixed.

(c) Every provision of law must be provided with written documentation i.e.
true to its sense because verbal declarations do not have any value in the eyes of law. Obtaining of Producer seller’s consent for acceptance of sale price and prevalence of deductions on agreed price of the produce must be in written. For this, there is need to design a consent proforma and this be made obligatory.

(d) Government must provide variety wise specifications and grade standards of produce as per Fair Average Quality (FAQ).

(ii) **Weighment Policy;**

The agricultural produce transacted in various fixed weight units viz 95 kg, 75 kg, and 50 kg, per bag for wheat and 65 kg, 50kg, and 35kg for paddy require fresh look as some of the fixed weight units particularly small size units put the farmers to huge financial loss and requires more space in the market and bigger sized units are not easy to handle. Therefore, 50 kg. standard weight of wheat and paddy be introduced.

(iii) **Trade allowances Policy;**

The charges of different operations such as unloading and cleaning are being provided where as maximum limit of these charges must be fixed so that farmer may negotiate with labour. These labour charges should also be paid direct to labour by farmer.

3. **Regarding Creation of facilitating services and infrastructural facilities for smooth sale of produce.**

(i) **Fair Price Policy;**

(a) Every Yard where sale of wheat and paddy is to take place must be neat and clean and should also be as per requirement of expected arrivals.

(b) Instant facilities of grading and standardization are required to be created so that purchaser must fix price as per quality of produce. Quality personnel with minimum technical qualifications must also be recruited.
(ii) **Weighment Policy**;

(a) Modern electronic weigh scales to weigh individual bag must be introduced to ensure exact weight of filled bags and be fully made operative.

(b) Weighbridges facilities in *mandis* be provided for ensuring bulk weighment with latest technology and it must be adopted with great force. To implement this, mandatory provision must be made and every Market Committee must install weighbridges in their market yards and weighment of produces should be ensured through them.

4. Regarding Conduct of Training and Awareness programmes on the fair price, weighment and trade allowances policies for the stakeholders.

(a) Agricultural marketing fairs be organised where experts must organise demonstrations on post harvest technology and private concerns must also be involved to demonstrate their products on agricultural marketing. New breakthrough in agricultural marketing would be thought of.

(b) Most of the aspects are not implemented because stakeholders' lacks knowledge therefore specific awareness and training programs must be conducted after every six months i.e. before wheat and paddy season in a year. Special stress is required to be given on farmers who are the actual losers and also at the level of enforcement officials, who are the actual implementers. Efforts are also needed to develop HRD by deputing staff to frequent trainings and refresher courses.

(c) Documentaries, village level camps, Radio and television programmes for agricultural marketing should be used to educate the farmers under local programmes.

(d) Duties and responsibilities concerning commission agents, weighmen and purchasers must be provided with specific awareness programmes.

5. Introduction of system of providing incentives and
punishments to ensure fair price, correct weighment and genuine trade allowances policies for non-compliance.

(a) Introduction of system of providing incentives as well as punishments for non-compliance by every stakeholder must be designed and strict compliance is required to be implemented. This system will increase efficiency and honesty during sale and purchase.

(b) Targets must be fixed and assigned to officials for providing incentives who achieves and punishments may also be decided accordingly.

(c) Carrying of repeated and periodical inspections at the level of competent authorities will improve upon the situations as enforcing staff will be geared up due to fear of action and moreover it will also facilitate the competent authorities to formulate policies as per prevailing circumstances.

6. Induction of new provisions and deletion of unwanted provisions with regard to the fair price, weighment and trade allowances policies.

(a) There is need to remove the provision of existence of customs as agriculture marketing is now a business and is not a way of livelihood.

(b) There is need to put a rider on upper limit of arrival of produce in the peak marketing season so as to clear the mandis on the same day before Sun set. This should be fixed based on size of the market and the facilities available in the market and moreover per day arrivals with different commission agents as per handling capacity may also be fixed accordingly.

(c) Government, Punjab Mandi board and Market committees must review the provisions of Act every year for further necessary action. Various policy aspects must be analysed after obtaining views of different stakeholders. This exercise must be conducted regularly to delete unwanted provisions and to amend or insert fresh provisions as per need.
(d) The performa for receiving labour charges by *palledars/labour* should be designed and commission agent must issue one copy to *palledars/labour* and one copy must be submitted to the market committees. By this, deductions of charges by commission agents from farmers will be cross checked.

(e) Bulk handling of wheat and paddy is lacking in the marketing system. Therefore, it must be thought of, as it will eradicate many of the problems which exists at present.

(f) Private players must be involved to establish markets. At present, markets are being established by Government only and marketing of agricultural produce on co-operative lines may also be thought of.

(g) The number of implementing officials at field level lacks as per the requirement of each market. Therefore, required staff needs to put on duty to have control over the sale and purchase of wheat and paddy.

(h) Market committee members must also be involved for enforcing provisions at field level so that responsibility of staff can be checked and it will also facilitate them to formulate policy as per need and requirements.

(i) The market committees should be assigned the task of fixing the correct weight of empty gunny bags and deductions be allowed accordingly.

(j) Prerequisite conditions must be framed for licences (dealers as well as weighmen) to ensure that the persons who are to work in the markets know their job.

(k) The complaint box facility must be provided and this must be opened by the higher authorities periodically.

It can be concluded that the above policy recommendations, if adopted in letter and spirit will ensure better implementation of all aspects and will also ensure the effective regulation of marketing of wheat and paddy for fair returns to the farmers. On an overall basis, it can be concluded that agricultural marketing policy is necessary to protect the producers. If, this policy is not implemented effectively, then its whole purpose namely, fair price, correct wheigment and genuine trade allowances is defeated.