INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT

IJRCM

IJRCM

A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A., Open J-Gage, India [link of the same is duly available at Inflibnet of University Grants Commission (U.G.C.)], Index Copernicus Publishers Panel, Poland with IC Value of 5.09 & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 2980 Cities in 165 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

http://ijrcm.org.in/

CONTENTS

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography: Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript** ***anytime*** in ***M.S. Word format*** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. infoijrcm@gmail.com or online by clicking the link **online submission** as given on our website (***FOR ONLINE SUBMISSION, CLICK HERE***).

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____________

THE EDITOR
IJRCM

Subject: **SUBMISSION OF MANUSCRIPT IN THE AREA OF.**

(e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript entitled '____' for possible publication in your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

I affirm that all the author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

NAME OF CORRESPONDING AUTHOR:
Designation:
Affiliation with full address, contact numbers & Pin Code:
Residential address with Pin Code:
Mobile Number (s):
Landline Number (s):
E-mail Address:
Alternate E-mail Address:

NOTES:
a) The whole manuscript is required to be in ***ONE MS WORD FILE*** only (pdf. version is liable to be rejected without any consideration), which will start from the covering letter, inside the manuscript.
b) The sender is required to mentionthe following in the **SUBJECT COLUMN** of the mail:
New Manuscript for Review in the area of (Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)
c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any specific message w.r.t. to the manuscript.
d) The total size of the file containing the manuscript is required to be below **500 KB**.
e) Abstract alone will not be considered for review, and the author is required to submit the complete manuscript in the first instance.
f) The journal gives acknowledgement w.r.t. the receipt of every email and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending separate mail to the journal.

2. **MANUSCRIPT TITLE**: The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.

3. **AUTHOR NAME (S) & AFFILIATIONS**: The author (s) **full name**, **designation**, **affiliation** (s), **address**, **mobile/landline numbers**, and **email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4. **ABSTRACT**: Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

5. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.

6. **MANUSCRIPT:** Manuscript must be in ***BRITISH ENGLISH*** prepared on a standard A4 size ***PORTRAIT SETTING PAPER***. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.

7. **HEADINGS:** All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.

8. **SUB-HEADINGS:** All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.

9. **MAIN TEXT:** The main text should follow the following sequence:

   INTRODUCTION

   REVIEW OF LITERATURE

   NEED/IMPORTANCE OF THE STUDY

   STATEMENT OF THE PROBLEM

   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

   RESULTS & DISCUSSION

   FINDINGS

   RECOMMENDATIONS/SUGGESTIONS

   CONCLUSIONS

   SCOPE FOR FURTHER RESEARCH

   ACKNOWLEDGMENTS

   REFERENCES

   APPENDIX/ANNEXURE

   It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed ***5000 WORDS***.

10. **FIGURES &TABLES:** These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. It should be ensured that the tables/figures are referred to from the main text.

11. **EQUATIONS:**These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.

12. **REFERENCES:** The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per the following:

- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
- Use (**ed.**) for one editor, and (**ed.s)** for multiple editors.
- When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
- Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
- The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
- For titles in a language other than English, provide an English translation in parentheses.
- The location of endnotes within the text should be indicated by superscript numbers.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

AGRICULTURAL MARKETING REFORMS IN INDIA

SHIKHA MAKKAR
RESEARCH SCHOLAR
DEPARTMENT OF COMMERCE
UNIVERSITY OF DELHI
DELHI

ABSTRACT

Indian agriculture has successfully moved towards commercialization. Directly or indirectly agriculture in India has continued to be the source of livelihood to majority of the population. Indian agriculture has seen a lot of changes in structure from time to time when needed. India has successfully achieved the targets in agricultural production. Government of India has put agricultural development as its prime responsibility as the producer/farmer must get a maximum share in the consumer Rupee. The paper highlights the status of agriculture in Indian economy, need for agricultural marketing reforms, status of reforms in agricultural marketing, state wise status of reforms in APMC Acts, development of agricultural marketing infrastructure, grading and standardization, review of existing legal framework, review of implementation of marketing reforms, committee of state ministers incharge agricultural marketing to promote reforms, review of unregulated reforms, number of wholesale, rural primary and regulated marketing in India and whether agricultural marketing reforms are significant or not.

KEYWORDS
Agriculture marking, marketing reforms.

INTRODUCTION

The Indian government has been implementing comprehensive economic reforms involving structural adjustment and liberalisation programmes since 1991. An important component of such programmes is the liberalisation of agricultural commodity markets. Economic liberalisation since the early-1990s led to increasing withdrawal of government intervention from the agricultural commodity sector, which made agricultural prices dependent on the market forces. Jha and Srinivasan (2000) have argued that such liberalisation is required for achieving allocative efficiency and long-term growth in agriculture. Moreover, minimising government interventions in internal and external trade in agricultural commodities and maintaining its role of price stabilisation can yield positive welfare benefits. Government interventions are likely to distort price signals in spatially separated markets because of which agricultural prices may not converge efficiently, and regional markets may remain segmented. Such interventions may insulate regional markets from each other and act as barriers to spatial market integration. Liberalisation of agricultural commodity markets is likely to strengthen spatial market integration by removing barriers to movement of commodities across markets, and allowing price signals and information to be transmitted smoothly and the market forces to determine agricultural prices. If agricultural markets are spatially integrated, producers and consumers will realize the gains from liberalisation. As the correct price signals are transmitted through the marketing channels, farmers will be able to specialise according to long-term comparative advantage and the gains from trade will be realised. Moreover, since integration of markets implies that a deficit or surplus in one market will be transmitted to other markets, an improvement in spatial integration of food markets will ensure regional balance among food-deficit, food-surplus and non-food cash crop-producing regions. Since spatial market integration refers to a situation in which the prices of a commodity in spatially separated markets move together and price signals and information are transmitted smoothly, spatial market integration may be evaluated in terms of a relationship between the prices of spatially separated markets. Since regional level trade flows data on agricultural commodities are not usually available, but the prices of traded agricultural commodities are readily available and generally considered as the most reliable information on marketing system in developing economies, market integration studies have been restricted to the interdependence of prices of spatially separated markets. Dercon (1995) has argued that since the extent of spatial market integration determines the transmission speed of price changes due to any policy reforms across regional markets, the effects of liberalisation and other structural changes in markets should be evaluated not only on the basis of what happens to the prices for producers and consumers but also on the basis of functioning of markets. He has reported that liberalisation had positive effect on the functioning of Ethiopian grain markets through increased short-run integration. Evaluating the performance of Indonesian rice markets, Ismet *et al*. (1998) have argued for limiting government interventions in the integrated markets by rationalising its price stabilisation activities and buffer stock policies, and letting the private sector contribute as much as possible. Traditionally, Indian agricultural development was based on government interventions in the form of various restrictions on internal and external trade in agricultural commodities. The policies were primarily intended to promote agricultural growth, attain long-term food security and stabilise prices of agricultural commodities. Agricultural price policy was considered a part of the package of policies designed to promote investment and growth in agriculture. Price incentives in the form of support and procurement prices for some crops are offered to farmers to achieve the objectives.

Government regulations on internal and external trade in agricultural commodities include licensing requirements and stocking limits for wholesale and retail trade, restrictions on storage, pricing and movement of agricultural commodities across regions, canalisation of trade in agricultural commodities through state trading agencies, quantitative restrictions (QRs) on foreign trade, and high tariffs on imports of agricultural commodities,. The Essential Commodities Act 1955 is the most pervasive Act containing most of the restrictions. However, these restrictions, by repressing private trading, did not promote competition for fair play of the market forces. The World Bank (1999) has reported that the government's procurement, distribution, and buffer stock programmes have had negative impact of repressing private trading in food grains and undermining its potential contribution to long-term food security. Parikh *et al*. (2003) have argued that these interventions have produced adverse effects on gross domestic product and consumer welfare. This prompted many to argue in favour of the same structural adjustment and liberalisation programmes in agriculture in general and food grains in particular as the Indian government has been implementing in trade, industry and finance since 1991. The World Bank (1999) has proposed that the government should intervene in food grain market only when price fluctuations are outside the desired price-band. It should facilitate smooth operations of the market and should not exercise unnecessary control over it.

The large-scale economic reforms initiated in 1991 have significant implications for agriculture, even though initially the reform process was not much explicit for this sector. The reform process in agriculture was initiated from 1994-95 when India became a part of the multilateral trading system under the World Trade Organisation (WTO). The agricultural policy reforms undertaken by the Indian government since the early-1990s are classified into two categories: (*i*) reform measures liberalising internal market for agricultural commodities, and (*ii*) policy reforms liberalising external trade in agricultural commodities. For a review of the internal and external trade policies and agricultural sector reforms, see Athukorala (2005), Bathla (2006) and Chadha *et al*. (2008).

A series of domestic market reforms have been introduced to improve the efficiency of marketing system and to attract private investment and participation. The Agricultural Produce Marketing Regulations (APMR) Act has been amended. Most of the states have enacted state level APMR Acts. A network of regulated markets has been created to promote organised marketing of agricultural commodities. Changes have been made in the Essential Commodities Act 1955, which regulated internal trade in agricultural commodities. Restrictions on inter-regional movement of farm produce have been relaxed. Licensing requirements and stocking limits for wholesale and retail trade, and selective credit controls used to regulate institutional credit to traders are abolished. State trading activities have been significantly curtailed. Measures have been taken to simplify the regulatory nature of agricultural markets and to allow private sector to contribute as much as possible. Corporate sector has been permitted to enter the agricultural markets through 'contract farming', and many domestic and multinational firms are allowed to participate in the marketing and processing of agricultural products. Forward trading has been permitted in many agricultural commodities. External trade in agricultural commodities has been liberalised in line with the provisions of WTO. During the 1990s, trade policy reforms were undertaken to facilitate greater integration of the agricultural sector with global market. Since 1997, all Indian product lines have been placed under the Generalised System of Preference (GSP). All agricultural products were removed from quantitative restrictions (QRs) and brought under tariff system. The number of agricultural commodities earlier canalised through state trading agencies was reduced, and most of the commodities were brought under Open General Licensing (OGL). Average tariffs on agricultural imports were reduced considerably. Export policies were liberalised to promote export of agricultural commodities through relaxation in export quotas, removal of restrictions on licensing, minimum export price and increased availability of credit.

These policy reforms and the consequent changes in the marketing system are expected to improve the performance of agricultural commodity markets. The reforms in internal and external trade would promote private investment and participation, and improve spatial efficiency of the marketing system. The linkages among regional agricultural markets are likely to be strengthened, and the degree of spatial market integration would improve during the post-reform period. Since tradability signals the transfer of information regarding market conditions (viz., excess demand or supply) from one market to another as actual or potential trade flows, market integration is usually described in terms of tradability between markets. Spatial market integration, essentially based on trade flows, therefore, includes the market clearance process in which demand, supply and transaction costs in different markets jointly determine the prices, trade flows and the transmission of price shocks from one market to another. Hence, market integration could be viewed as a situation where price signals and information are transmitted to different markets so that the prices in spatially separated markets move together over time. Naturally, any policy that improves the process of trade flows would strengthen spatial integration of markets. Government policies liberalising internal and external trade in agricultural commodities would make trade flows smoother, and allow the market forces to play a greater role in price determination. This would improve the mechanism through which price signals and information are transmitted smoothly across spatially separated markets.

STATUS OF AGRICULTURE IN INDIAN ECONOMY

India's agriculture sector is at the core of the economy's purchasing power; its produce is the most important component of the Indian commodity sector. A large number of state and central level institutions are engaged in agricultural marketing, employing technical manpower, with functional and commodity specialisation. Additionally, co-operatives, processors, financiers, service providers and consultants contribute to agricultural marketing. In India, the organised marketing of agricultural commodities has been promoted through a network of regulated markets. Most state governments and UT administrations have enacted legislations to provide for the regulation of agricultural produce markets. While by the end of 1950, there were 286 regulated markets in the country, their number as on 31 March 2006 stood at 7566. In addition, India has 21780 rural periodical markets, about 15 per cent of which function under the ambit of regulation. The advent of regulated markets has helped in mitigating the market handicaps of producers/sellers at the wholesale assembling level.

Agricultural marketing policy in India has been characterized by State participation in production activities; State intervention in procurement and distribution of foodgrains; directing agricultural economy through regulatory mechanism such as licensing and control on movement, storage; creation of facilitating centres in the form of regulated markets; encouraging co-operative marketing; creation of supporting infrastructure like storage and warehousing; and construction of link roads, market information, marketing extension, etc.

Current Agricultural marketing system in India is the outcome of several years of Government intervention. The system has undergone several changes over the last 60 years owing to the increased marketed surplus; increase in urbanization and income levels and consequent changes in the pattern of demand for marketing services; increase in linkages with distant and overseas markets; and changes in the form and degree of Government intervention. Actual buying and selling of commodities mainly takes place in market yards, sub-yards and Rural Periodic Markets spread throughout the country. There are in all 7,246 Regulated Markets in the country (as on 30.6 2011) and 21,238 Rural Periodic Markets, about 20 per cent of which, function under the ambit of regulation.

Law is essential to any orderly system in a large scale. Laws establish the framework of property, contractual and other rights that form the foundation of markets and are the primary means of regulating the behaviour of participants in markets and the consequences of their actions. Legal reform is one of the key tools available to policy makers wishing to reform agricultural marketing system. Programme to liberalize agricultural marketing have to be based on adequate understanding of relationship between law and the functioning of marketing system. The developing countries world over have recognized the importance of market liberalization programme and the need for legal reforms intended to improve the efficiency and effectiveness of marketing system.

In the pre-Green Revolution period, regulation of markets and marketing practices was accepted as one of the most important measures for improvement of agricultural marketing. The strategy for development of agricultural sector through development of an agricultural marketing system, centered on the Market Committee constituted under the State Marketing Legislations. The democratically constituted market committees with representation from all stakeholders and farmers were conceived to be an ideal and cohesive model for the farmers and other market participants to prosper. Except the States of Jammu and Kashmir, Kerala, Manipur and small Union Territories such as Dadra and Nagar Haveli, Andaman and Nicobar Islands, Lakshadweep, etc. all other States and UTs in the country have enacted State Marketing Legislations. The regulatory provisions are enforced by Agricultural Produce Market Committees, established under the Act.

NEED OF AGRICULTURAL MARKETING REFORMS IN INDIA

There was a felt need to bring reforms to make the government administered marketing organisations financial viable and managerially competent in keeping with the liberalised trade atmosphere. The marketing activities are manifold and need liaison and collaboration with related organisations. Market committees, including sub-yards, should be headed by professionals and existing secretaries need to be trained in professional management of the markets. The functions of APMC and marketing boards need to be remodelled accordingly.

The draft model legislation, the State Agricultural Produce Marketing (Development and Regulation) Act, 2003, provides for the establishment of private markets/yards, direct purchase centres, consumer/farmers markets for direct sale and promotion of public private partnership in the management and development of India's agricultural markets.

- It provides for the constitution of special markets for commodities like onions, fruits, vegetables and flowers among others.
- A separate chapter has been included in the legislation to regulate and promote contract farming arrangements in the country.
- It provides for prohibition of commission agency in any transaction of agricultural commodities • It redefines the role of State Agricultural Marketing Boards to promote standardisation, grading, quality certification, market-led extension and training of farmers and market functionaries in marketing related areas.
- It provides for the constitution of State Agricultural Produce Marketing Standards Bureau for promoting grading, standardisation and quality certification of agricultural produce with the producers.

Many states have introduced some reforms in agricultural marketing; the need of the hour is to consolidate the gains of reforms through appropriate policies and plans.

REVIEW OF EXISTING LEGAL FRAMEWORK (APMC ACT)

The legal and administrative framework for regulation and management of agricultural produce markets has mainly been provided in the provisions of more than 27 Regulated Markets Acts in vogue in different States and Union Territories of the country. Although the purpose of enactment of these Acts is basically the same i.e. regulation of trading practices, increased market efficiency through reduction in market charges, elimination of superfluous intermediaries and protecting the interest of producer-seller, many of these Acts differ even in vital contents. All the same, the States and UTs where such Regulated Market Acts have not been enacted and enforced have some administrative arrangements to look after the subject though rudimentary and of varied pattern. An attempt has been made to highlight the important aspects, problems and suggestion thereof.

(a) Commodity coverage*:* The manner of notifying the commodities for regulation varies from State to State. Some States like Andhra Pradesh and Himachal Pradesh have included all the commodities in the schedule or within the definition of the agricultural produce on the other hand in case of Punjab, Madhya Pradesh, Maharashtra, Rajasthan, Gujarat, etc though the schedule of the commodities has been appended to the respective Acts, yet control could be exercised

only on such commodities from amongst these included in the schedule, as are specified in the notification in respect of each market, despite the fact that some more agricultural commodities arrive in the markets which are intended to be regulated.
(b) Market Committee*:* The responsibility of enforcing different provisions of the Acts, Rules and Bye-laws framed thereunder for regulation of markets has been vested with the Market Committee in all the State Acts. In case of Tamil Nadu, only one Market committee is constituted for all the regulated markets located in the district. The number of members of the Market Committees varies from 10 to 17 in different States. They are either elected or nominated by Government in accordance with provisions of the State Act.
(c) Agricultural Marketing Boards*:* The institution of Agricultural marketing Board was established for expeditious execution of the market development work. In some States like A.P., Odisha and Tamil Nadu the Boards are advisory in nature and in the Sates of Punjab, Haryana, Rajasthan, W.B., Karnataka and Maharashtra are statutory in nature and have powerful role. There are wider variation in their composition and functioning.
(d) Demarcation of functions between Director Marketing and Board; The review of function of the Board revealed that functions assigned to the Board in Punjab, Haryana, Rajasthan, U.P. are wide and therefore, gives an impression that these Boards are slightly over stepping the principal purpose of their establishment. Most of the States have also State Agricultural Marketing Departments and in many of the States, Director of marketing also functions as Managing Director or Secretary of the State agricultural Marketing Board. Therefore, it is necessary that functions of the Director marketing and Board may be defined clearly for smooth functioning and implementation of the Act. The Director Marketing may look after the statutory regulation, standardization and grading, market intelligence, etc and Board may be assigned the work of development of infrastructure, market research and training, etc.
6. Though market regulation programme has initially served the purpose well, in the emerging scenario, several questions relating to the functioning and even relevance are being raised. The institution of regulated markets set up to strengthen and develop agricultural marketing in the country has achieved limited success in providing transparent transactional methods/marketing practices, need based amenities and services conducive to efficient marketing, marketing information and extension services. In a comprehensive study of agricultural marketing system in India during the last fifty years (Acharya, 2004) several problems associated with regulated markets have been identified:
(i) The marketing committees do not allow the traders to buy from the farmers outside the specified market yards or sub-yards. This adds to avoidable cost of marketing;
(ii) Despite expansion in the number of regulated markets, the area served per market yard is quite high. The national average is 454 square km and in some states like Assam, Himachal Pradesh, Meghalaya, it is considerably higher. The farmers are, therefore, required to travel long distances to reach a market place. With small surplus to sell, most of the farmers try to evade these markets;
(iii) Though the Acts stipulate for the provision of some prescribed facilities and amenities in each market yard, in several markets, the facilities/ amenities actually created are far from the prescribed norms;
(iv) Apart from the primary assembling markets, there are 21,238 Rural Periodic Markets (RPMs), where small and marginal farmers and livestock owners come in contact with the market economy. Most of these (80 per cent) have not been developed which hinders the market orientation of rural areas;
(v) In several States, regular elections of APMCs are not being held. These have been superseded by the Government and, for long, are being administrated by bureaucrats. They have thus, lost the characteristic of farmers-dominated managerial bodies (APMCs). The staff remains overly occupied in collection of market fees and construction work rather than market development;
(vi) With the expansion in the market arrivals, there is considerable congestion in several market yards. This leads to undue delays in the disposal of the farmers produce resulting in long-waiting periods and frustration for the farmers;
(vii) In several markets, malpractices like late payment to farmers are still prevalent and deduction of certain amount for cash or spot payment and non-issue of sale slips by traders have continued unabated;
(viii) Market functionaries (like traders, commission agents and labourers) in some markets have organized themselves in strong associations and thus, have created barriers to entry of new functionaries;
(ix) Market fee, by definition, is the charge for the services provided to market functionaries. But a considerable part of the market fee is not ploughed back. In some States, this has even become a source of income for the government. The market fee varies from 0.5% to 2% and Commission Charges from 2 to 8% across States depending upon the type of commodity; and
(x) By and large, the APMCs have emerged as some sort of Government sponsored monopolies in supply of marketing services/ facilities, with all drawbacks and inefficiency associated with a monopoly.

NEED FOR MODEL APMC ACT

The supply chain of agriculture products remain very fragmented with a large number of intermediaries. A study by Global AgriSystem of Fruit & Vegetable supply chain in four metros (Delhi, Mumbai, Bangalore and Kolkata) revealed that, on an average there are 5-6 intermediaries between the primary producer and the consumer. The total mark up in the chain added upto 60-75%. As a result the primary producers receive only 20-25% of the consumer price. Moreover, multiple handling by different intermediaries resulted in huge wastage of 15-25% of the value.
With increased quantity of marketable surplus coming into the market and the fact that the income from market fee is generally not being ploughed back for developing infrastructure, there has been huge gap in marketing infrastructure. Under NHM, only 11 States have taken initiative in establishing 109 cold storages and eight states have established 51 apni mandies. There is virtually no progress in the setting up of wholesale markets except in Kerala. Only 1637 grading units at the primary level, which include 125 units with cooperatives and 144 units with others. In Regulated markets, there are only 1368 grading units in a total of 7246 market yards/sub-yards. Only around seven percent of the total quantity sold by farmers is graded before sale. Scientific storage capacity is only 30 per cent of the required capacity. Cold Storage facility is available for only 9 per cent of fruits and vegetables.
Due to the glaring gaps in marketing infrastructure, existing markets operate very inefficiently and the transaction costs are high. Multiple handling by various players in the fragmented supply chain and the lack of warehouse and cold storage facilities also result in high post-harvest losses. A recent ICAR study on Status of Post- Harvest losses reveals the following:
Rural Periodic markets which are basically primary assembly markets such as *Haat, Bazaar* are most neglected. There is wide variation in their governance. While in some States they come under the purview of Panchayati Raj institutions, in other states they are directly under the local administration. The numbers of such Rural Periodic Markets may vary from 21,000 to 70,000. Most of them do not have even basic amenities like sheds to protect the users from the scorching heat of the sun or drinking water. The condition of cattle markets and fish markets are even move appalling. In most States they do not come under the purview of Agriculture Marketing Board/Department and are in a state of utter neglect.
The current marketing system also suffers from multiple tax regime and multiple licensing system. Apart from the market fees, commission charges, octroi entry tax, sales tax, weighing charges, labour charges for handling, loading and unloading, purchase tax, Rural Development cess etc. are charged. In Punjab, the total market charges on transactions of foodgrains are around 15.50%. (market fee 2%, Development charges 2%, Purchase Tax 4%, Commission charge – 2%, Infrastructure cost 1.5%, VAT 4% ad valorem apart from the charges for weighing – Rs.0.55, loading – R.0.40, Brokerage – Rs.0.16, Hamal Rs.1 and cleaning 0.65/bag/qtl.) Commission charges in the market area varies between 2-5% in foodgrains and 4-8% in case of fruit and vegetables for different commodities across the States. There is lack of uniformity in market fee across States. Multi-point levy of market fee in sales transactions leads to high marketing cost. Separate mandies for cereals and fruits-vegetables require obtaining more than one license. There is also variation in period of validity of license. Separate license to be obtained for other market functionaries viz weighmen, Palledars etc. There are conditions imposed for licensing. Most State Marketing Boards have made it a pre-condition that the licensee must own a shop or warehouse in the Mandi which imposes severe restrictions on the number of licensed buyers. These restrictions result in logistical complexities and create inefficiencies in the value chain. Declaration of warehouses at the time of applying license increases warehousing and logistics costs. Procedure for filing of APMC returns and mandi fee payment (periodicity) is not uniform across the States.

In view of the existing conditions as described above, it is felt urgent reforms are needed in agricultural marketing. To be effective, the reforms must try to a) empower producers with knowledge, information and capability to undertake market-driven production b) provide multiple choice and competitive marketing channels to farmers c) provide efficient service at a reasonable transaction cost, and d) attract large scale investment needed for building post-harvest infrastructure.

The matter had been under continuous scrutiny during the last eleven years. On the recommendation of the Expert Committee for Agricultural Marketing (Government of India, 2001), the Inter-Ministerial Task Force (Government of India, 2002) recommended for formulation of Model Act for this purpose. Accordingly, the Department of Agriculture and Cooperation, Ministry of Agriculture, Government of India, in consultation with State Governments, trade and industry has formulated a Model APMC Act and circulated to the States during 2003 for its adoption.

The Model Legislation provides for establishment of Private Markets/Yards, Direct Purchase Centers, Consumer/Farmers Markets for direct sale and promotion of Public Private Partnership in the management and development of agricultural markets in the country. It also provides for separate constitution for Special Markets for Commodities like Onions, Fruits, Vegetables, Flowers, etc. A separate Chapter has been included in the legislation to regulate and promote contract-farming arrangements in the country. It provides for prohibition of commission agency in any transaction of agricultural commodities with the producers. It redefines the role of present Agricultural Produce Market Committee to promote alternative marketing system, contract farming, direct marketing and farmers/consumers markets. It also redefines the role of State Agricultural Marketing Boards to promote standardization, grading, quality certification, market led extension and training of farmers and market functionaries in marketing related areas. Provision has also been made in the Act for constitution of State Agricultural Produce Marketing Standards Bureau for promotion of Grading, Standardization and Quality Certification of agricultural produce. This would facilitate pledge financing, e-trading, direct purchasing, export, forward/futures trading and introduction of negotiable warehousing receipt system in respect of agricultural commodities.

STATUS OF AGRICULTURAL MARKETING REFORMS IN INDIA

The status of implementation of market reforms by the States is given as under:

(i) Adoption of provision related to Private markets

The Model Act suggests provisions for private markets or yards managed by persons other than APMCs. Out of 35 states and UTs, the States of Andhra Pradesh, Arunachal Pradesh, Assam, Gujarat, Goa, Himachal Pradesh, Karnataka, Madhya Pradesh (only direct purchase), Maharashtra, Mizoram, Nagaland, Orissa (excluding for paddy / rice), Rajasthan, Sikkim, Tripura, Jharkhand and Uttarakhand have the provision for private market yards but Rules/bye-laws have not been formulated by all. Tamil Nadu is stated to have provided enabling provision through executive orders and Madhya Pradesh has provision for direct purchase and not for private market. Andhra Pradesh has formulated Rules, which stipulate a license fee of Rs 50,000 and minimum cost of Rs 10 crores for setting up of private markets. Orissa has not permitted private markets for paddy/rice. Some States have also prescribed a minimum distance of these markets from the APMC markets. Such stipulations are likely to be prohibitive and may not encourage private markets. Only the States of Maharashtra, Karnataka, Gujarat and Tamil Nadu have issued license to Private Markets. However, only one Private Market has come up in Maharastra so far, but is reported to be having problems.

(ii) Provision for Direct marketing

The Model Act provides for granting licenses to processors, exporters, graders, packers, etc. for purchase of agricultural produce directly from farmers. The States of Andhra Pradesh, Arunachal Pradesh, Assam, Gujarat, Goa, Himachal Pradesh, Karnataka, Madhya Pradesh (only direct purchase), Maharashtra, Mizoram, Nagaland, Orissa (excluding for paddy / rice), Rajasthan, Sikkim, Tripura, Jharkhand and Uttarakhand have so far made this provision. In Andhra Pradesh, the license fee (Rs 50,000) prescribed for such a procurement centre is prohibitive. In Punjab and Chandigarh, there is an exemption of market fee for direct purchases of certain commodities by selected/identified processors. The States of Maharashtra, Gujarat and Karnataka have issued common license for direct procurement from farmers.

(iii) Provisions for Contract Farming

The Model Act provides for permitting contract farming by registration of contracts with APMCs, allowing purchase of contracted produce directly from farmers outside market yards, and exemption of market fee on such purchases. So far, the States of Andhra Pradesh, Arunachal Pradesh, Assam, Chhattisgarh, Goa, Gujarat, Himachal Pradesh, Haryana, Jharkhand, Karnataka, , Maharashtra, Mizoram, Nagaland, Punjab, Chandigarh (enabling provision in Rules), Orissa, Rajasthan, Sikkim, Tripura and Uttarakhand have incorporated these provisions, except the exemption of market fee. Only 11 States have exempted the market fee on purchases under contract agreements. The States of Karnataka has only exempted 30% of market fee under contract farming. Andhra Pradesh APMC Act requires the buyer to render a bank guarantee for the entire value of the contracted produce. One of the biggest concerns is that APMC, who is the major market player, is also a registering authority for contract farming and the arbitration process is not time bound.

(iv) Single Point levy of Market Fee

Only 13 States have provided provisions for single point levy of market fee. However, the rates of market fee vary generally between 0.50% to 2.00%. In many States, market fee is recovered by APMCs not only at the check-gates for transactions carried out in the notified area of APMCs but also outside the physical APMC yard thus, hampering the smooth flow of goods and services. In addition to above, in some of the States, additional developmental fee/cess/purchase tax is levied on the commodities traded in the market. For example, in Punjab the total markets charges on transactions of foodgrains are around 15.50% (Market Fee-2%, development Cess-2%, Purchage Tax-4%, Commission Charge-2%, Infrastructure Cost-1.5%, VAT-4%,) ad valorem apart the charges for weighing-Rs.0.55, loading-Rs.0.40, Brokerage-Rs.0.16, Hamal-Rs.1 and cleaning0.65/bag/qtl). Besides, this fee/cess, the commission agents also charge their commission (payable by the buyers) on the transaction. In many states the agricultural commodities are subjected to cascading market fees when traded in subsequent markets within the State or in other States. The states of Chhattisgarh, Gujarat, Goa, Himachal Pradesh, Madhya Pradesh, Mizoram, Karnataka, Nagaland, Sikkim, UT of Chandigarh, Punjab, Jharkhand and Uttarakhand have made the provision for single point levy of fee.

(v) Commission Agents

Commission agents in the market provide an essential service to both buyers and sellers. The existing APMC Acts authorize APMCs to prescribe the rate of commission and also to specify whether to be collected from buyer, seller or both (though the first Model Act of 1960s desired that the farmer or seller should not be required to pay any charge including the commission). While Madhya Pradesh has reportedly abolished the system of commission agents in agricultural produce markets, the commission is payable by sellers in AP, Tamil Nadu and Delhi. In all other States, it is it is payable by the buyers. The commission charges vary from 1% to 2.5% in food grains, and 4% to 8% in case of fruit and vegetables. It has been reported that transactions of fruit and vegetables, the commission is charged from both buyers and sellers. The model Act, 2003 stipulates prohibition of commission agents in any transaction of agricultural produce of the farmers. The States of Madhya Pradesh, Chhattisgarh, Mizoram, Nagaland and Sikkim have amended the Act and made the provision, it is doubtful whether this provision will be implemented in letter and spirit.

(vi) Establishment of Farmers markets (Direct Sale by the Farmers)

With a view to provide the opportunity to farmers to undertake sale of their produce direct to the consumers, the model APMC Act , 2003 provides for establishment of such markets where no market fee is levied on farmers, though some service charge may be imposed. Such markets can be established either by the APMCs or by any person licensed by the APMC for this purpose. However, long before the circulation of Model Act, several States had promoted Farmers‟ Market. These include Punjab and Haryana (Apni Mandi), Rajasthan (Kisan Mandi), Andhra Pradesh (Raythu Bazar), Tamil Nadu (Uzhavar Shanthigal), Maharashtra (Shetkari bazaar) and Odisha (Ksushak bazaar). These markets have benefitted both farmers and consumers; but it has been noted that with lapse of time, small traders have taken over the place of farmers in many of these markets. Seventeen states have made provisions in their Act. The states of Arunachal Pradesh, Assam, Gujarat, Goa, Himachal Pradesh, Karnataka, Mizoram. Maharashtra, Nagaland, Rajasthan, Sikkim, Tripura, Punjab (only enabling provision), UT of Chandigarh (only enabling provision), Jharkhand and Uttarakhand have made provisions in their Act.

(vii) Sale of notified commodities outside the Market Yard by farmers

There is a huge variation in the density of regulated markets in different parts of the country. While the all-India average area served by a regulated market is 454 sq km, the same is 103 sq. km for Punjab and 11,215 sq km in Meghalaya. Though the original Act allowed the sale of produce by the farmers at any place in the market area (outside market yard or sub-yard) to a licensed buyer or consumer, the APMCs have restricted such sales, mainly with the intention of checking the evasion of market fee. Under the present APMC Act, the whole geographical area in the State is divided into and declared as market areas. A Market Committee constituted by the State Governments manages each of these markets. Once a particular area is declared a market area, no person or agency is allowed to carry on wholesale marketing activities in that area without obtaining license for the same. This restriction has led to large intermediation and effectively resulted in limiting market access to farmers and prevented development of a competitive marketing system in the country.

(viii) Declaration of some markets as special commodity markets

Already there are special markets for fruit and vegetables. The Model Act 2003 provides for declaration of any market as a special market or special commodity market with proper market infrastructure. The States Andhra Pradesh, Gujarat, Maharashtra, Karnataka, Nagaland, Sikkim, Tamil Nadu, Tripura, Jharkhand and Uttarakhand have only made this provision in their amended Act.

(ix) Mandatory utilization of Market committee fund for Market development

The existing State APMC Acts provide for creation of market committee funds to meet establishment expenses and cost of market development. The market development fund is created at the level of SAMB with contributions from APMCs. The development heads vary from market to market depending on the volume of transactions and number of market players visiting and using the market yards. There is no specific provision in the Act, which prohibits spending of Market Committee fund or development fund on purposes other than market development. As a consequence, a considerable part of these funds built out of market fee is transferred to the general account of the State Governments. To check such practices, the Model Act provides for application of market committee fund or development fund for creation and promotion, on its own or through public-private partnership, infrastructure of post-harvest handling, cold storage, pre-cooling facilities, pack houses, etc. for modernizing the marketing system. Out of seventeen States, which have recently amended their Acts, three have no such suggested provision.

A study undertaken in June 2010 by Premium Farm Fresh Produce Ltd, the country's first private wholesale market developing company, to assess the impact of these reforms across the country also tried to understand the perceptions of the stakeholders and identify the major gaps between provisions and their implementation at the ground level. A total of 300 samples of farmers and traders, including 60 APMC officials and 20 private investors were selected across the states of Rajasthan, Gujarat, Karnataka, Andhra Pradesh, Maharashtra, Tamil Nadu, Punjab, and Himachal Pradesh. The study analysed the following aspects of reforms in the Model Act in identified/selected states.

- Provision to promote and encourage PPP (Public-Private Partnership) in management of markets and e-trading.
- Provisions on indemnity against the alienation of producer's land on failure of contract farming.
- Provision specifying a model agreement format for contract farming.
- Provision for single-point levy of market fee in the state.
- Registration of market functionaries (not licensing).
- Provision for single-point registration for trade and transaction in more than one market area.
- Provision for prohibiting commission agents in the APMCs.
- Provision for setting up of producer/consumer markets (being facilitated through exemption clause) and dispute settlement mechanism for private markets/direct marketing.
- Provision for setting up of a separate market extension/training cell and the agricultural produce marketing standards bureau.
- Identifying Acts amended but respective rules not notified.
- Provision for notification of market area for private markets.
- Provision for strengthening backward-forward linkages by declaring value added centres (collection centers) such as sub-yards of private markets.
- Provision for level playing field between private markets and APMCs and maintaining market fee parity.
- Provision of developmental issues (preamble focused).

In spite of the efforts and repeated persuasion by the Ministry of Agriculture; reforms in agricultural marketing have not come up to a level of satisfaction, thereby affecting private investment in the sector for efficient marketing in the country. During the conference of State Ministers of Agriculture/Agricultural Marketing organized by the Department of Agriculture and Co-operation on 23rd April, 2008, a general consensus was that Ministry of Agriculture may constitute an Empowered Committee of State Ministers of Agricultural Marketing to guide the implementation of agricultural marketing reforms initiatives and for improving a framework for the APMC amendments and Market Reforms in agriculture. Accordingly, the Ministry of agriculture set up a Committee of State Ministers-in-charge Agricultural Marketing under the Chairmanship of Hon‟ble Minister of Marketing and Co-operation, Government of Maharashtra on 2nd March, 2010 with members from the States of Orissa, Haryana, Gujarat, Uttrakhand, Madhya Pradesh, Andhra Pradesh, Assam, Karnataka, Bihar and Agricultural Marketing Adviser to the Government of India as a Member Secretary. The Committee had six meetings so far with the member States and other stakeholder and discussing the issues related to market reforms. The interim report of the Committee has been submitted to Government on 8th September, 2011.

The major recommendations of the Committee are as follows:

1. The States are required to amend the APMC Act on the lines of Model Act and the reforming States may also notify Rules at an early date. It is necessary that Member States may complete the process early;
2. There is a need for independent regulator for market operation for which the post of Director Marketing as regulator may be segregated from the post of M.D. of Marketing Board. as the Operator and Director Marketing should not draw salary and allowances from the Marketing Board. Thus, the role of service provider and regulator should be demarcated;
3. In many of the States, there is a provision that for taking a license, there should be shop in the mandi yard, which is hindrance for increasing the number of buyers in the market. Therefore, it was decided that the Member States de-link the provisions of compulsory requirement of shop for registration of traders / market functionaries for increasing the competition;
4. Under Essential Commodities Act, there is a need to have distinction between genuine service provider and black marketers/hoarders, to encourage investment and better service delivery to the farmers. It was recommended to provide exemptions to Direct Marketer, Contract Farming sponsor and Godown owner to the limit of their capacity of utilization of previous year;
5. Member States may maintain a separate account of market fee realized from purchase /sale of perishable horticultural produce and utilize the same for development of marketing infrastructure for horticultural produce exclusively. Member States are required to amend their corresponding Rules to facilitate the same pending with which Member States may consider by issuing and instant appropriate orders to implement the same;
6. It was unanimously agreed that investment in marketing infrastructure under RKVY be increased to minimum 10-15% of State RKVY spending in reformed states. A letter should be issued to the Chief Secretaries of States stipulating such minimum investment. It was further stipulated that efforts be made to encourage certain minimum private investment in marketing infrastructure outside the APMCs also;
7. In order to enhance the private sector investment in marketing and market infrastructure development projects, there is need of incentivizing such investments, being long gestation period projects, by way of Viability Gap Funding and treating them "as infrastructure project" so as to help attract FDI and ECB for their development;
8. Market fee/cess including Rural Development Fund, Social Development Fund and Purchase tax etc. should be maximum 2% of the value and the commission charges should be not more than 2% for food grains/oilseeds and 4% for fruits and vegetables;

9. Link the mandi fee with the services and infrastructure being provided for transaction of agricultural commodities. If the direct marketing entrepreneur provides minimum specified infrastructure facility and backward linkage to the farmers, the concerned States/APMC should waive off market fee on such direct marketing;
10. To encourage contracting parties, the following is recommended for simplifying & rationalizing the registration process:
a. District level authority may be set up for registration of contract farming and no market fee should be levied under it. The APMC should not be the authority for registration / dispute settlement under contract farming; and

b. The disputes may be settled within five days and the decretal amount of appeal should not be more than 10 per cent of the amount of goods purchased under contract farming. Appeal should be disposed off within 15 days. No solvency certificate / bank guarantee may be required, if payment is made to the farmers on the same day of procurement of their produce.

11. With the view to move towards barrier free National market, it was unanimously agreed by the Member States that market fee/Cess can be levied at first transaction only between farmer and trader and in subsequent trading between trader to trader, there should be service charge related to service in the State as well as across the country;

PROGRESS OF REFORMS IN AGRICULTURAL MARKETS (APMC ACT) AS ON 30.09.2011

Sl. No.	Stage of Reforms	Name of States/ Union Territories
1.	States/ UTs where reforms to APMC Act has been done for *Direct Marketing; Contract Farming and Markets in Private/ Coop Sectors*	Andhra Pradesh, Arunachal Pradesh, Assam, Chhattisgarh, Goa, Gujarat, Himachal Pradesh, Jharkhand, Karnataka, , Maharashtra, Mizoram, Nagaland, Orissa, Rajasthan, Sikkim, Tripura and Uttarakhand.
2.	States/ UTs where reforms to APMC Act has been done partially	a) *Direct Marketing:* Madhya Pradesh, NCT of Delhi *b) Contract Farming:* Haryana, Punjab and Chandigarh. *c) Private markets* Punjab and Chandigarh
3.	States/ UTs where there is no APMC Act and hence not requiring reforms	Bihar*, Kerala, Manipur, Andaman & Nicobar Islands, Dadra & Nagar Haveli, Daman & Diu, and Lakshadweep.
4.	States/ UTs where APMC Act already provides for the reforms	Tamil Nadu
5.	States/ UTs where administrative action is initiated for the reforms	Meghalaya, Haryana, J&K, West Bengal, Puducherry, NCT of Delhi and Uttar Pradesh.

STATUS OF APMC RULES

Only the State of Andhra Pradesh, Rajasthan, Maharashtra, Orissa, Himachal Pradesh, Karnataka, Mizoram (only Single point levy of market fee), (Madhya Pradesh (only for special license for more than one market) and Haryana (only for contract farming) have notified such amended Rules so far.
Progress of Market Reforms as per major areas identified in Model APMC ACT:

Sl. No.	Area of Reforms	States adopted the suggested area of market reforms
1.	Initiative for setting up of new market by any person, local authority or grower	Chhattisgarh, Goa, Assam, Mizoram, Nagaland, Sikkim, Tripura, Uttarakhand and Jharkhand
2.	Setting up of Special Markets and Special Commodity Market	Andhra Pradesh, Gujarat, Maharashtra, Karnataka, Nagaland, Sikkim, Tamil Nadu Tripura, Jharkhand and Uttarakhand
3.	PPP in Market Extension activities of Market Committee	Andhra Pradehsh, Himachal Pradesh, Karnataka, Nagaland and Sikkim
4.	To promote and encourage e-trading, Market Committee may establish regulatory system, create infrastructure and undertake other activities and steps needed thereto	Gujarat, H.P., Karnataka, Nagaland, Sikkim, Mizoram, and Goa and Maharashtra (under Rule 5 license granted to Commodity Exchanges registered under FMC) and Uttarakhand
5.	Secretary to be Chief Executive Officer of Market Committee. CEO shall be appointed by the Market Committee from the panel maintained by the Director/Board which may include professionals from open market.	Nagaland, Sikkim, Mizoram, Maharashtra (under Rule)
6.	Contract Farming Sponsor shall register himself with the Marketing Committee or with a prescribed officer in such a manner as may be prescribed.	Andhra Pradesh, Arunachal Pradesh, Assam, Goa, Himachal Pradesh, Karnataka, Haryana, Maharashtra, Madhya Pradesh, Mizoram, Nagaland, Orissa, Rajasthan, Chhattisgarh, Sikkim, Tripura, Jharkhand* and uttarakhand
7.	The contract Farming Sponsor shall get the contract farming agreement recorded with the prescribed officer.	Andhra Pradesh, Arunachal Pradesh, Assam, Chhattisgarh, Gujarat, Goa, Karnataka, Haryana, Madhya Pradesh, Mizoram, Maharashtra, Nagaland, Orissa, Rajasthan, Sikkim, Tripura, Jharkhand* and Uttarakhand
8.	No title, rights, ownership or possession shall be transferred or alienated or vest in the contract farming sponsor or his successor or his agent as a consequence arising out of contract farming agreement.	Arunachal Pradesh, Assam, Goa, Haryana, Maharashtra, Mizoram, Nagaland, Orissa, Rajasthan, Sikkim, Tripura, Jharkhand*, Andhra Pradesh, Karnataka and Uttarakhand
9.	Dispute settlement mechanism	Andhra Pradesh, Arunachal Pradesh, Assam, Chhattisgarh, Gujarat, Goa, Karnataka, Haryana, Madhya Pradesh, Mizoram, Maharashtra, Nagaland, Orissa, Rajasthan, Sikkim, Tripura, Jharkhand*; Himachal Pradesh and Uttarakhand
10.	Exemption of Market Fee on the sales to the contract farming sponsors taking place outside	Arunachal Pradesh, Goa, Karnataka (Reduced by 30%), Maharashtra, Mizoram, Nagaland, Orissa,

CONCLUSION

It is of immense importance to implement the reforms in agriculture marketing through adoption of model APMC Act and rules. Reforms are necessary to provide a barrier free national market and effectively disseminate market information and promote grading, standardization, packaging and quality certification of agricultural produce.

The committee of state ministers' incharge of agriculture marketing to promote marketing reforms has called for an effective implementation of the model Agriculture Produce Market Committee (APMC) Act in all the states. The committee has submitted final report to the agriculture minister Sharad Pawar. This committee was constituted in March, 2010 with Harshvardhan Patil, Maharashtra minister for cooperation and parliamentary affairs, as chairman. Sources said that the report was comprehensive and is supposed to boost reforms in agriculture marketing committees across the country.

The committee has recommended the setting up of multiple and competitive marketing channels; independent regulatory authority to encourage private investors and need for viability gap funding to attract private sector investment. It also supported waiver of market fee on fruit and vegetables; setting up of independent district level authority for registration and dispute settlement; and setting up grading units with trained manpower in the market.

REFERENCES

1. Athukorala, P.C. (2005), "Agricultural Trade Policy Reforms in India," South Asia Economic Journal, 6(1), 23-36.
2. Awokuse, T.O., and J.C. Bernard (2007), "Spatial Price Dynamics in U.S. Regional Broiler Markets," Journal of Agricultural and Applied Economics, 39(3), 447-456.
3. Bathla, S. (2006), "Trade Policy Reforms and Openness of Indian Agriculture: Analysis at the Commodity Level," South Asia Economic Journal, 7(1), 20-53.
4. Baulch, B. (1997), "Transfer Costs, Spatial Arbitrage, and Testing for Food Market Integration," American Journal of Agricultural Economics, 79(2), 477-487.
5. Chadha, R., S. Davenport, and K. Elumalai (2008), "Competition and Regulatory Reforms in Indian Agricultural Markets," Paper presented in the International Workshop on 'Agricultural Trade Liberalization and Domestic Market Reforms in Indian Agriculture', New Delhi, June 5, 2008.
6. Dahlgram, R.A., and S.C. Blank (1992), "Evaluating the Integration of Continuous Discontinuous Markets," American Journal of Agricultural Economics, 74(2), 469-479.
7. Dercon, S. (1995), "On Market Integration and Liberalisation: Method and Application to Ethiopia," Journal of Development Studies, 32(1), 112-143.
8. Dickey, D.A., and W.A. Fuller (1979), "Distribution of the Estimators for Autoregressive Time Series with Unit Roots," Journal of the American Statistical Association, 74(366), 427-431. _____ (1981), "Likelihood Ratio Statistics for Autoregressive Time Series with a Unit Root,"
9. Econometrica, 49(4), 1057-1072.
10. Econometrica, 55(2), 251-276.
11. Engle, R.F., and C.W.J. Granger (1987) "Cointegration and Error Correction: Representation, Estimation and Testing,"
12. Fackler, P.L., and H. Tastan (2008), "Estimating the Degree of Market Integration, American Journal of Agricultural Economics, 90(1), 69-85.
13. Faminow, M.D., and B.L. Benson (1990), "Integration of Spatial Markets," American Journal of Agricultural Economics, 72(1), 49-62.
14. Fuller, W.A. (1976), Introduction to Statistical Time Series, New York: John Wiley & Sons.
15. Ghosh, M. (2000), "Cointegration Tests and Spatial Integration of Rice Markets in India," Indian Journal of Agricultural Economics, 55(4), 616-626. _____ (2003), "Spatial Integration of Wheat Markets in India: Evidence from Cointegration Tests," Oxford Development Studies, 31(2), 159-171. _____ (2008), Economic Reforms and Indian Economic Development - Selected Essays, New Delhi: Bookwell (Chapter 7), 131-154.
16. Goletti, F., R. Ahmed, and N. Fraid (1995), "Structural Determinants of Market Integration: The Case of Rice Markets in Bangladesh," The Developing Economies, 33(2), 185-202.
17. Goodwin, B.K., and T.C. Schroeder (1991), "Cointegration Tests and Spatial Price Linkages in Regional Cattle Markets," American Journal of Agricultural Economics, 73(2), 452-464.
18. Ismet, M., A.P. Barkley, and R.V. Llewelyn (1998), "Government Intervention and Market Integration in Indonesian Rice Markets," Agricultural Economics, 19(3), 283-295.
19. Jadhav, R. (2013), 04.04PM IST, viewed on november 01, 2013 http://articles.timesofindia.indiatimes.com/2013-07-04/pune/40370514_1_agriculture-marketing-reforms-agriculture-minister-sharad-pawar
20. Jha, R., K.V.B. Murthy, and A. Sharma (2005), "Market Integration in Wholesale Rice Markets in India," ASARC Working Paper 2005/03, Australian National University, Canberra.
21. Jha, R., K.V.B. Murthy, H.K. Nagarajan, and A.K. Seth (1997), "Market Integration in Indian Agriculture," Economic Systems, 21(3), 217-234.
22. Jha, S., and P.V. Srinivasan (2000), "Liberalisation of Foodgrain Markets: Implications for Food Security and Price Stability," in N. Krishnaji and T.N. Krishnan eds., Public Support for Food Security: The Public Distribution System in India, New Delhi: Sage Publications, 144-179.
23. Johansen, S. (1988), "Statistical Analysis of Cointegration Vectors," Journal of Economic Dynamics and Control, 12(2-3), 231-254.
24. Johansen, S., and K. Juselius (1990), "Maximum Likelihood Estimation and Inference on Cointegration with Application to the Demand for Money," Oxford Bulletin of Economics and Statistics, 52(2), 169-210.
25. Osterwald-Lenum, M. (1992), "A Note with Quantiles of the Asymptotic Distribution of the Maximum Likelihood Cointegration Rank Test Statistics," Oxford Bulletin of Economics and Statistics, 54(3), 461-471.
26. Palaskas, T.B., and B. Harriss-White (1993), "Testing Market Integration: New Approach with Case Material from the West Bengal Food Economy," Journal of Development Studies, 30(1), 1-57.
27. Parikh, K.S., A.G. Kumar, and G. Darbha (2003), "Growth and Welfare Consequences of Rise in MSP," Economic and Political Weekly, 38(9), 891-895.
28. Patnaik, G. (2011) "status of agricultural marketing reforms" viewed on September 21, 2013 http://www.igidr.ac.in/newspdf/srijit/PP-069-11b.pdf
29. Quddus, M., and C. Becker (2000), "Speculative Price Bubbles in the Rice Market and the 1974 Bangladesh Famine," Journal of Economic Development, 25(2), 155-175.
30. Ravallion, M. (1986), "Testing Market Integration," American Journal of Agricultural Economics, 68(1), 102-109.
31. Stock, J.H., and M.W. Watson (1988), "Testing for Common Trends," Journal of the American Statistical Association, 83(404), 1097-1107.
32. World Bank (1999), India Food Grain Marketing Policies: Reforming to Meet Food Security Needs, Vol. I and II, Report No. 18329-IN, April.
33. Yadav, J.S. (2011), viewed on October 15, 2013 http://farmersforum.in/post-harvest/marketing/reforming-agri-marketing-reforms/
34. Zanias, G.P. (1999), "Seasonality and Spatial Integration in Agricultural (Product Markets," Agricultural Economics, 20(3), 253-262.

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce, Economics & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you tosupply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mail**infoijrcm@gmail.com** for further improvements in the interest of research.

If youhave any queries please feel free to contact us on our E-mail **infoijrcm@gmail.com**.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-
Co-ordinator

DISCLAIMER

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals