

GLOBALISATION AND IMPACT ON REGULATED MARKET

Dr. Umapathi S, Assistant Professor, Department of Commerce Government First Grade Women's College, Shivamogga.

ABSTRACT:

Regulated market is wholesale and retail market where buying and selling is regulated and controlled by the state government through the elected body of market committee. The movement of regulation of market gained momentum only after 1930. The Bombay Agricultural Produce Market Act of 1939 was passed in respect of all agriculture produces viz., cereals, fibres, fruits, etc. Regulated markets are established under the provisions of the Agricultural Produce Marketing Committee Act of state governments. The establishment of regulated markets helped in creating orderly and transparent marketing conditions.

INTRODUCTION:

With Globalisation Regulated market have changed lot, there are numerous agents involved in marketing of agricultural products. Though they serve the very important purpose of moving agricultural produce from farmer to consumer, they are accused of amassing huge margin in the process. Government has to take into consider all the stakeholders in the process, viz, producers, consumers as well other market functionaries. Therefore, the government intervenes in the process of marketing through various ways. Forms of government intervention in agricultural marketing system consist of framing rules and regulation, promote infrastructure development, administration of prices and influence supply and demand.

CONCEPT OF REGULATED MARKET:

A regulated market is one which aims at the elimination of the unhealthy and unscrupulous practices, reducing marketing charges and providing facilities to producer-sellers in the market. Any legislative measure designed to regulate the marketing of agricultural produce in order to establish, improve and enforce standard marketing practices and charges may be termed as one which aims at the establishment of regulated markets. Regulated markets have been established by State Governments and rules and regulations have been framed for the conduct of their business. The establishment of regulated market is not intended at creating an alternative marketing system. The basic objective has been to create conditions for efficient performance of the private trade, through facilitating free and informal competition. In regulated markets, the farmer is able to sell his marketed surplus in the presence of several buyers through open and competitive bidding. The legislation for the establishment of regulated markets does not make it compulsory for the farmer to sell his produce in the regulated market make it compulsory for the farmer to sell his produce in the regulated market yard. Instead, voluntary action on the part of the farmers to take advantage of such a market is assumed. The basic philosophy of the establishment regulated markets is the elimination of malpractices in the system and assignment of dominating power to the farmers or their representatives in the function of the markets. The committee is responsible for the licensing of brokers and weighmen and is empowered to punish anyone found guilty of dishonest and fraudulent practices. It hears all the complaints and in case of disputes, it arranges for arbitration. The chairman and Vice-Chairman of the Committee are from the farming community. The regulated market system has proved a good source of generating income for the marketing boards and this income is used for creating rural infrastructure. Regulated markets predominate in areas where commercial or non traditional crops are grown. Cooperative marketing and distribution and banking are also linked with the regulated markets. At present, nearly 80 per cent of agricultural produce is sold in regulated markets.

FEATURES OF REGULATED MARKETS: Under the provisions of the agricultural produce market act, the state government gives its intention to bring a particular area under regulation by

notifying market areas, market yard, main assembling market and sub market yard, if any, under the principle regulated market. The meaning of these terms is explained in the following paragraph.

1. Market area: The area from which the produce naturally and abundantly flows to a commercial centre, i.e., the market, and which assures adequate business and income to the market committee

2. Principle assembling market: It is the main market which is declared as a principal market yard on the basis of transactions and income generated for the market committee

3. Sub market yard: It is sub yard of the principle assembling market. This is a small market and does not generate sufficient income to declare as a principal assembling market

4. Market yard: This is a specified portion of the market area where the sale, purchase, storage and processing of any of the specified agricultural commodities are carried out.

SCOPE OF THE STUDY:

- Settlement of dispute through "Arbitration Committee".
- License holders only can enter into trade within market yard.
- Ensures fair prices to the farmers.
- Eliminates intermediaries, brokers, and commission agents.
- Facilities for grading and storage.
- Free services to farmers.
- Hence the present study is an attempt to fill up this research gap.

STATEMENT OF THE RESEARCH PROBLEM:

- Providing all facilities in the market as per the directions of the Director.
- Levying fees on the agricultural produce or sold in the market area and collecting them through agents or otherwise.
- Keeping the account and other records in such a manner as directed by the Director or any other officer authorized by him on his behalf.

OBJECTIVES OF THE STUDY :

1. To make the marketing system most effective and efficient so that farmers may get better prices for their produce, and the goods are made available to consumers at reasonable prices
2. To provide incentive prices to farmers for inducing them to increase the production both in quantitative and qualitative terms and

HYPOTHESES :

- 1.Regulated market not helped in exchange of market information.
- 2.Regulated market restricted smooth supply of raw materials for agro producers.
- 3.Regulated market restricted development of alternative form of markets.

METHODOLOGY AND SAMPLING DESIGN.

Samples were drawn by using the following criteria:

- Representative samples from all the two categories i.e. the customers and authorities of the Regulated market
- In order to get the inferences and to prove or nullify the hypothesis set the collected data were analyzed with the help of statistical techniques like percentages, ratios, averages, ranking method and weighted points methods.
- Both primary and secondary data.

LIMITATIONS OF THE STUDY:

- Government intervention in agricultural markets should be selective and confined only to situations of extreme scarcity.

- Lack of knowledge about the importance of research among the respondents.
- Lack of communicating ability and concealment nature of respondents.
- The Time constraints affect the study.

MAJOR FINDINGS:

Pay-back of Mandi fee to small farmers

The major portion of agricultural produce of small farmers find its way into the hands of village money-lenders and whatever remains in the farmer's hand is sold at a low price to petty traders, who collect the produce from various such farmers and brings the same to the mandi for sale on his own behalf. Therefore, for small and marginal farmers, who bring their produce to the Mandi for direct sale, a scheme of 'Hundred Per cent Pay-back' has been introduced. Under this scheme, market fee collected from such farmers will be paid back to the farmer in the form of rebate on purchases of agricultural inputs like fertilizers, seed, pesticides, etc.

Free transportation facility.

The small and marginal farmers, at the most having a bullock or camel cart, are not able to bring their produce to the market yard either because of lack of transport facility or because of higher costs. They dispose of their produce to the local trader at a lower price. With a view to overcome this difficulty, regulated markets have been directed to start 'collection centres' at appropriate places in their notified areas. From these centres the concerned mandi committee will transport the farmer's produce free of cost to the main yard for open auction. The auction of the produce is then done in the presence of the concerned farmer.

CONCLUSION:

Under the traditional system of marketing of the agricultural products, producer-sellers incurred a high marketing cost, and suffered from unauthorized deductions of marketing charges and the prevalence of various malpractices. To improve marketing conditions and with a view to creating fair competitive conditions, the increase in the bargaining power of producer-sellers was considered to be the most important prerequisite of orderly marketing. Most of the defects and malpractices under, the then existing marketing system of agricultural products have been more or less removed by the exercise of public control over markets, i.e., by the establishment of regulated markets in country.

REFERENCE:

- Sappington, David E.M. (2005), Regulating Service Quality, *Journal of Regulatory Economics*, 123-154.
- Sappington, David E.M. and Stiglitz, Joseph E. (1987a), 'Information and Regulation', in
- Bailey, Elizabeth E. (ed.), *Public Regulation: New Perspectives on Institutions and Policies*,
- Shavell, Steven (1984a), 'Liability for Harm Versus Regulation of Safety', 13 *Journal of Legal Studies*, 357-374.