Foreword

Agricultural Marketing in India is handled both by private traders and government. Though, major part of the agricultural produce is handled by private traders. The objectives and form of government interventions, however, change over the time with the intention of protecting the interests of producers and consumers. A number of government organizations, such as Food Corporation of India, NAFED and other state agencies are involved in agricultural marketing mainly to procure agricultural commodities at Minimum Support Prices (MSPs) from the producers and maintain PDS. In course of time, the state governments introduced Agricultural Produce marketing Committee (APMC) Act, with a view to regulate the marketing of agricultural produces in market areas. The regulation of market had several positive features. Despite its advantages that the regulated markets had, there still existed several constraints. With the emergence of free market economy and fast expansion of agri-business activities in post –WTO period, the Government of India drafted a model APMC Act in 2003 circulated to states for amendments in their respective APMC Acts. Accordingly, some states have amended their APMC Act and some are under the process of revisions. In the meanwhile, several private players have entered in the marketing of agricultural produces, whereof presence is supposed to reduce the inefficiencies in the market.

The present study is an attempt to analyze the benefits and constraints for agents trading in traditional marketing channel (TMC) and emerging marketing channel (EMC) in Bihar & Jharkhand states. As of now, Bihar has no APMC Acft as such, whereas that of amended in Jharkhand in the light of model APMC Act. The study is unique and, perhaps, first in its kind in both the states. It has measured the marketing efficiency of fruit (mango) in Bihar and vegetable (cauliflower) in Jharkhand on both the channels, which revealed that it is 1.892 and 1.858 for mango on TMC & EMC farms, whereas that of 0.91 and 0.98 for cauliflower on TMC & EMC farms respectively. It suggests that marketing conditions in selected crops in both the states are not efficient, which need due attention for development of marketing infrastructure matching with the developed regions of the country, otherwise benefits to the producers and consumers shall remain chocked.

I thank Dr. Ranjan Kumar Sinha, Research Officer-Cum-Project Leader of the study and all the members of the Project Team for completing this study on behalf of the Centre. They all indeed deserve full appreciation.

It is hoped that the results of the study will be useful for the policy markers, researchers and other professionals.

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Preface

Organized marketing of agricultural commodities is being promoted in the country through a network of regulated markets. Most of the states and UTs have enacted legislation, the Agricultural Produce marketing Committee (APMC) Act to provide for regulation of agricultural produce markets. In Bihar, after independence, a major breakthrough in the marketing of agricultural produce took place with the promulgation of Bihar State Agricultural Produce markets' Act, 1960. Subsequently, the Bihar State Agricultural marketing Board was created in the year 1972. Since then, 122 agricultural produce market committees have been set up to bring the entire state under the fold of market regulation. Out of these 122 market committees, 95 fell in residual Bihar, after carving out Jharkhand state in November, 2000; and remaining 27 in Jharkhand state.

After WTO regime, worldwide governments have recognized the importance of liberalized agricultural markets. Following the need, Government of India drafted a model law (2003) for agricultural market and suggested the states for amendments in the light of the Act in their respective APMC Act, so as to allow private players in marketing of agricultural produce. However, Government of Bihar repealed BAMPC Act in 2006 whereas government of Jharkhand amended its JAMPC Act in 2008 and, allowed contract farming etc. But, it is yet to be enforced in true sense. In the meanwhile, several channels have emerged in marketing of agricultural commodities. The present study relates to impact of those emerging marketing channels in agricultural marketing Bihar & Jharkhand states. It analyses the impact on fruit (mango) in Bihar and vegetable (cauliflower) in Jharkhand. It is hoped that the findings of the study will be useful for the policy planners, academia and all concerned.

In course of study we have received immense benefit from different scholars and officials belonging to various government departments. First of all, I am grateful to Dr. Ananda Vadivelu and Dr. Nilabja Ghosh, Co-ordinators of the study, Institute of Economic Growth, Delhi University for guiding in conduct of study and giving valuable comments on the draft report, which have been duly incorporated. I am also grateful to our Director Prof. (Dr.) Basant Kumar Jha for his overall supervision and guidance. I thankfully acknowledge the contribution of Prof. (Dr.) R K P Singh, Ex-Member Secretary, Bihar Farmer's Commission, Dr. Jagdish Prasad, Ex-Head, Division of Economics, A N Sinha Institute of Social Studies, Patna, Prof. (Dr.) R P Singh Chairman, Dept. of Agricultural Economics, Birsa Agricultural University, Ranchi (Jharkhand) and Shri Jata Shankar Choudhary, Director, SAMETI, Govt. of Jharkhand, Ranchi for valuable discussions on the theme. I thank the Manager, Pithoria (Ranchi) collection centre, Reliance Fresh for providing us secondary information and data. I would like to record my sincere thanks to all the government officials of both the states for their invaluable help.

I express my thankfulness to the respondents for providing us necessary information and sparing valuable time in collection of primary data. Last but not least, the present work is the outcome of the efforts made by the members of the project team, so I take this opportunity to thank all of them.

Ranjan Kumar Sinha
Project Leader

List of Tables & Boxes

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