

Agricultural Marketing

43. There are currently 7062 regulated markets in the country. To promote grading and standardisation and exercising quality control on agricultural commodities and livestock products, Directorate of marketing has formulated grade standards for 162 agricultural and allied commodities graded in the country. In continuation of the process of economic reforms, resumption of Futures trading has received a renewed focus. Futures trading was earlier permitted in gur, potato, castor seed, pepper, turmeric and hessian. In 1997-98, futures trading was permitted in coffee, cotton, castor oil and jute goods. In 1998-99 Budget, the Government announced futures trading in oilseeds, oilcakes and edible oils. International futures trading is also allowed in pepper and castor oil.

44. National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) is the apex Cooperative Marketing Organisation dealing in procurement, distribution, export and import of selected agricultural commodities. NAFED is a central nodal agency of the Government for undertaking price support operations for non-perishable commodities such as pulses, oilseeds and for Market Intervention in perishable horticultural items like - Potato, onion, grapes, kinno, oranges, eggs, apples, chillies, black pepper etc. During the period January 1997 to February 1998, market intervention was implemented for 13 items in various parts of the country. The target of turnover for NAFED for the year 1997-98 is Rs. 810 crore. The marketing of agricultural produce through cooperatives has registered a remarkable growth from Rs. 1950 crore in 1980-81 to about Rs. 11500 crore in 1995-96.

45. National Cooperative Union of India (NCUI) is the apex institution of the cooperative movement encompassing all types of cooperatives. It promotes and develops cooperatives in the country, assists people in their efforts to build up and expand the cooperative sector. It imparts cooperative education and organises training programmes for the managers and executives of cooperatives.

Fruit and Vegetable Marketing

46. India produces more than 100 million tonnes of fruit and vegetables distributed through a number of rural, wholesale assembling and terminal markets. Marketing of fruit and vegetables are not notified under regulation throughout the country uniformly. While they are under regulation in Rajasthan, Maharashtra, Bihar, Delhi, U.P., Karnataka, they are out of regulatory purview in Tamil Nadu, West Bengal and Jammu & Kashmir. The arrival of fruits is centralised in ten large cities, namely, Delhi, Calcutta, Bangalore, Chennai, Mumbai, Jaipur, Vijayawada, Nagpur, Lucknow and Varanasi. These cities also account for 75 per cent of vegetables arrivals, with Mumbai, Calcutta, Delhi and Pune alone accounting for 55 per cent of the vegetables. Delhi and Calcutta are two dominant cities with transit trade of more than 40 per cent in respect of fruit and 13 per cent in respect of vegetables. Delhi, Calcutta and Mumbai receive 59.1 per cent of total fruit output and 46.3 per cent of total vegetables output. The cities with 20 lakh and above population act as nodal points of transit trade to the extent of 66.6 per cent of fruit and vegetables. A study conducted in 1988 found that in 48 cities with a population of more than 5 lakhs (1981 census) as many as 102 fruit and vegetable markets were found to be operating with only 54 markets being regulated. The wholesale trade of fruit takes place in 65 markets, while 81 markets handled wholesale trade of vegetables. On an average 6.96 lakh population is served by each market. The prices of fruit and vegetables traded in these markets are governed by market forces of demand and supply. The regulated market committee has no role in price correction and their fluctuations.

47. Marketing reforms have so far encompassed largely the foodgrain sector. Marketing of fruits and vegetables has received little attention so far and there is reason to believe that there is much larger gap between the producer price and the consumer price due to a large number of intermediaries operating in unregulated and unsupervised vegetable and fruit markets. This aspect requires urgent attention.