

## APPENDIX V

### A NOTE BY THE DIRECTOR OF RESEARCH I.C. J.C. ON THE ESTABLISHMENT OF REGULATED JUTE MARKET IN UTTAR PRADESH.

#### *Introduction*

Uttar Pradesh is rapidly becoming an important jute growing state, which has given rise to a number of marketing problems for jute. According to the present marketing practice at Lakhimpur-Kheri (the biggest jute market in U.P.), the chief difficulties faced by the growers or small *beoparis* are:—

(1) They cannot sell jute in the market directly to the balers (*pucca Arhatiyas*), but have to sell jute through '*taulas*' (*Ikutcha Arhatiyas*) who charge a commission of Rs. 1/6/6 per Rs. 100 from sellers.

(2) Jute brought by the grower or the *beopari* is unloaded in an open space where rough grading is done by the *taula* which has to be accepted by the grower or *beoparis* as there is no check on the grading provided on the spot.

(3) The price is first settled between the *taula* and the *pucca* baler on the spot through bargaining. If the grower or the *beopari* is agreeable, then actual sales take place.

(4) After sales the growers and *beoparis* have to carry jute to the godowns of the balers which lie scattered at some distance away from the place where transactions take place.

(5) If no sales take place, then for want of storing facilities, the growers have to carry back their jute to their respective villages.

(6) Some marketing and other allowances have to be paid by the sellers in addition to the commission of the *taulas* as already mentioned. At the Lakhimpur-Kheri market these allowances are as follows:—

<i>Allowances</i>	<i>Rate of deduction</i>
Dhalta	½ seer per md.
Dharmada	as -/5/- per Rs. 100/-
Palledari.	as -/2/- per md.
'Octroi' or 'Chungi'	Re. 1/- per cart load of jute (about 16 mds.)

Similar difficulties are also prevalent at other markets in U.P., such as Colonelganj and Nawabganj. The establishment of regulated markets at these places will help in removing most of these difficulties. The chief benefits of a regulated market are:—

- (1) Fair deal between buyers and sellers.
- (2) Reduction of market charges to the minimum.
- (3) Abolition of all improper allowances and deductions.

- (4) Quick settlement of disputes.
- (5) Storage facilities.
- (6) Supply of market intelligence.
- (7) Use of standard weights and measures.

### *Functions of Regulated Market*

The Chief functions of a regulated market should be:—

1. to provide a suitable enclosure with storage accommodation for sellers for the purpose of a market. It is preferable that buyers' godowns should also be located near about the market area so that storing of the produce after sale does not present a problem. The market should have an open yard where carts can park and unload themselves for inspection.
2. to appoint a Market Committee, representative of jute growers, jute dealers and local authorities, that is, District Board, Municipality etc.
3. to appoint a Disputes Sub-Committee (which may be appointed by the Market Committee) to arrange for the settlement of disputes between buyers and sellers or their agents. This Sub-Committee should consist of one each of growers', dealers' and local authorities representative and also one nominated by the Market Committee itself.
4. to issue licence to brokers and weighmen and to enforce use of standard weights, also to inspect weights, scales and to check malpractices.
5. to register names of persons who wish to buy in the market by realising a prescribed licence fee from them.

In order to encourage growers to sell direct in this market it is desirable that the seller who is himself the producer of the jute offered for sale should be exempted from paying any market fee. A buyer who buys jute only for his own personal consumption should also be similarly exempted.

Licence granted to brokers, commission agents and weighmen may be withdrawn by the Committee at any time if there be reasonable grounds for doing so. Similarly, names of traders may be removed from the register if they are found to violate conditions of agreements.

### *RULES*

As regards sales and trading in a regulated market, the following rules, among others, have to be observed:—

(1) All jute brought into the market shall pass through the market yard and shall not be sold outside it. Fees are to be collected at such rates as may be specified in the bye-laws on the jute brought and sold in the market.

(2) The Committee will maintain an account of each cart-load and will not allow any cart to go out of the yard without taking a gate pass.

(3) A copy of the agreement executed between the buyer and seller shall be kept on the record of the Market Committee.

(4) No Market allowances other than those prescribed by rules or bye-laws shall be paid or realised.

(5) The Market Committee shall arrange to collect price and other information on jute from principal markets and display same in the market for the information of all concerned.

(6) Prices should be settled between buyers and sellers by open bidding and not by any secret signs.

(7) The fee payable to a licensed broker or weighman in respect of the services rendered by him shall be such as may be specified in the bye-laws.

(8) All jute brought into the market shall be stored at such places as may be specified in the bye-laws. Such storing shall be subject to the payment of such storage fee and such other conditions as may be specified in the bye-laws.

(9) It shall be the duty of the Market Committee to take all possible steps to prevent adulteration of jute in the market area.

(10) The Market Committee shall maintain for the use of sellers and buyers a set of samples of standard grades of jute sold at the market and shall renew the same as and when necessary. The price differences between the different types, qualities and grades of jute ruling in terminal and other important markets should also be indicated for the information of sellers and buyers.

(11) The Market Committee shall also maintain daily lists of prices of different types, qualities and grades of jute.

(12) The Market Committee shall have absolute control of the market yard subject to such control of the local Government, District Board or Municipal authorities as may be exercised by them. The Committee shall, however, exercise such rights as may be necessary for the convenient control of the market yard.

(13) No private market should be allowed to be opened or function in or near the area declared and notified as the regulated market.

(14) All fees collected by the Market Committee shall be expended for meeting establishment charges, construction, repair and maintenance of the market or buildings and for such other improvements etc., as may be decided upon by the Committee.

Necessary bye-laws to suit the local conditions may be framed afterwards subject, however, to the rules made and approved by the State Government.