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## Role of Agricultural Marketing & Socio-Economic Wellbeing of Farmers - A case study of Naubasta Mandi, Kanpur Nagar, Uttar Pradesh

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### Abstract

Agricultural marketing plays a crucial role in determining the socio-economic condition of farmers in India. Efficient marketing systems help farmers obtain fair prices, reduce post-harvest losses, improve market access, and strengthen rural livelihoods. The present study examines the role of agricultural marketing in enhancing the socio-economic wellbeing of farmers with special reference to Naubasta Mandi. The study analyzes the functioning of the mandi system, pricing mechanisms, transportation facilities, storage arrangements, and the role of intermediaries in agricultural trade. It also evaluates how market accessibility influences farmers' income, employment opportunities, living standards, education, health, and social security.

The research is based on both primary and secondary data collected from farmers, traders, commission agents, and mandi officials associated with Naubasta Mandi. The findings indicate that agricultural marketing significantly contributes to rural economic development by providing better opportunities for the sale of agricultural produce. However, challenges such as price fluctuations, inadequate storage facilities, exploitation by middlemen, lack of market information, and transportation constraints continue to affect farmers adversely. The study further highlights the need for modernization of mandi infrastructure, digital marketing systems, improved government support, and farmer awareness programs to ensure equitable and sustainable agricultural growth.

The paper concludes that a well-organized agricultural marketing system is essential for improving farmers' socio-economic status and achieving inclusive rural development in Uttar Pradesh. Strengthening mandi reforms and enhancing market transparency can play a vital role in ensuring better income and welfare for farmers.

**Keywords-** Agricultural Marketing; Farmers' Welfare; Socio-Economic Development; Rural Economy; Mandi System; Naubasta Mandi; Agricultural Trade; Farmer Income; Market Infrastructure; Uttar Pradesh; Rural Livelihood; Price Fluctuation; Market Access; Middlemen; Agricultural Development

### Introduction

Agricultural marketing in India has made notable progress since independence but many challenges still remain. A dynamic and vibrant marketing system with adequate supply chain infrastructure has been felt necessary to keep pace with the changing agricultural production and growing marketable surplus. Moreover, efforts should be made at all legal and policy levels to strengthen the rural economy and create rural employment, which will surely augment production and productivity leading to food security and inclusive growth of the country. There is also increasing pressure on agriculture produce economy to respond to the challenges and opportunities that the global markets pose in the era of globalization and liberalization.

Organized marketing of agricultural commodities has been promoted in the country through a network of regulated markets. The basic objective of setting up of network of physical markets has been to ensure reasonable gain to the farmers by creating environment in markets for fair play of supply and demand forces, regulate market practices and attain transparency in transactions. To cope with the need to handle increasing agricultural production, the number of regulated markets has been increasing in the country.

While by the end of 1950, there were only 286 regulated markets in the country, today the number stands at 7,190 (as on 31.3.2012). Most of these regulated markets are wholesale markets. Besides, the country has 22,505 rural periodical markets also, about 20% of which function under the ambit of regulation. In order to overcome the limitations and constraints of present agricultural marketing system such as lack of sufficient number of markets and adequate marketing infrastructure, high Incidence of market fee/charges and lack of competition with long chain of intermediation, an immediate need has arisen to reform agricultural marketing. Accordingly, Ministry of Agriculture, Govt. of India formulated a Model APMC Act/Rules on agricultural marketing in consultation with the State Governments and circulated to the States/UTs for their adoption during 2003 and 2007 respectively.

Several States have initiated steps for amending their APMC Acts/Rules, but there was variation in adoption of the contents and coverage of reforms to the APMC Acts/Rules across the States/UTs.

Further, during discussions and consultations at various levels, there has been persistent demand for expediting reforms in agricultural marketing in order to facilitate private sector investment in this important area. Accordingly, the Ministry of Agriculture, Govt. of India took this major initiative to set up an Empowered Committee of State Ministers in-charge of Agricultural Marketing on 2nd March, 2010 under my Chairmanship to persuade various States/UTs to implement the reforms in agriculture marketing.

Through adoption of Model APMC Act and Model APMC Rules, suggest further reforms necessary to provide a barrier free national market for the benefit of farmers and consumers and also suggest measures to effectively disseminate market information and to promote grading, standardization, packaging, and quality certification of agricultural produce.

### **Back-Ground of Agricultural Marketing :**

The agriculture sector in India has undergone significant structural changes in the form of decrease in its share of GDP from 30 % in 1990-91 to 13.9 % in 2011-12 indicating a shift from the traditional agrarian economy towards a service dominated. However, this decrease in agriculture's contribution to GDP has not been accompanied by a matching reduction in the share of agriculture in employment.

During the X and XI Five Year Plans, many Mission Mode Schemes have been launched with the target that agriculture should grow at least by 4 % per annum to enable Indian economy to grow at 9 %. These targets could not be achieved for variety of reasons. It is felt that greater focus needs to be given on the areas which have not received adequate attention in the past.

“Agricultural Marketing” happens to be one such area, having huge potential to add value to agriculture produce, which however, needs major reforms.”

Agricultural marketing especially needs to be given more thrust in view of the fact that, public expenditure on this sub-sector ranges at 4-5 % of the total public expenses on agriculture, while expenditure on marketing infrastructure development has been less than 1 % thereof. According to the report of Planning Commission for the XII Plan, requirement of investment in agriculture marketing is estimated at Rs. 56,000

crores. This investment would have to come both from the public sector and the private sector by adopting right policies and creating conducive environment for this. Private sector participation can be further encouraged by reforming various legislations which regulate agriculture marketing particularly the Agricultural Produce Marketing Committee (APMC) Acts, by removing all deterrent provisions therein and dismantling barriers to agriculture trade.

Most of the State Governments, during the sixties and seventies introduced several mandatory regulations in agriculture marketing. Regulation and development of primary agricultural produce markets was taken up as an institutional innovation and construction of well laid out market yards was considered as an essential requirement for regulating the practices in primary wholesale markets.

The regulation of markets, however, achieved limited success in providing an efficient agricultural marketing system in the country because, over the years, these development-oriented institutions (e.g., the State Agriculture Marketing Boards, APMCs etc.) turned out to be more of revenue generating institutions than facilitating efficient marketing practices to benefit the farmers and other market participants. Apart from the market regulation programme, the Essential Commodities Act and plethora of Orders promulgated under this Act by the Centre and States prevented development of free and competitive marketing system in the country.

### 1) How does the Mandi system operate?

Farmers, traders, and the mandi administration are the 3 major parties that comprise the Mandi system. Mandi is the primary platform for the farmers to sell their crop or produce. The licensed traders buy the product of the farmer. And the Mandi administration plays an integral role in safeguarding the farmers' rights. Farmers first come to the Mandi and set up bullock carts, tractors or Lorries in the Mandi. Numbers are allocated to them, following which a slip is generated. The auction for the produce begins. When a trader buys commodities, he first meets the party and then goes to the weighing area to weigh the produce, or the same is weighed in the Mandi itself.

For example, there is a slip system in Bhopal Mandi – white, green, and red slips. The white slip keeps a record of how many farmers came to the Mandi. Whereas the green and red slips track the details of the crop purchased. After the auction, the green slip is given to the farmer and the red slip is given to the trader from the Mandi administration.

### 2) How are the prices of farmers' crops decided in the Mandis?

Farmers spread their produce in the Mandi. All the traders who are eager to buy those commodities assemble there. After examining the produce, they discuss the quality and the possible rate. Based on the discussion, the auction starts. The highest price quoted is mentioned in the rate Mandi contract.

The firm name is written on the green slip which is handed over to the farmer who then takes the produce to that firm. The entire process of the bidding takes place under the supervision of the Mandi staff. There is a fixed time for buying and selling agro-commodities. It's the responsibility of the Mandi administration to ensure that farmers don't get exploited in the entire procurement process.

### 3) What is role of traders and Mandi administration?

The Mandi committee keeps the details regarding which trader bought the produce from which farmer at what price. After the auction, payment is made immediately, but only once the product is weighed.

The Mandi committee oversees this process. This helps farmers get the best prices for their produce. It's not necessary that this process would be the same in every mandi of India. The primary function of the mandi system is to help farmers get the right price for their produce. We hope you found this piece of information insightful. If you wish to know more about Agri trading or mandis, please tell us in the comments below. And, do follow us on all our social media handles.

### **Challenges to Agricultural Marketing :**

**(2.1)** Fragmented supply chain with inadequate marketing infrastructure, long intermediation and lack of accurate and timely market information/ intelligence system have posed challenges to the agricultural marketing system in the country, which needs to be strengthened and revitalized. Some of the basic challenges in present agricultural marketing system are:

#### **(i) Licensing Barriers:**

The compulsory requirement of owning a shop/godown for licensing of commission agents/traders in the regulated markets has led to the monopoly of these licensed traders acting as a major entry barrier in existing APMCs for new entrepreneurs thus, preventing competition. Many market yards established long back do not have adequate space for construction of shops, godowns, etc., thus, the issue of new license for traders is discouraged/banned in such cases. The traders, commission agents and other functionaries organize themselves into associations, which generally do not allow easy entry of new persons, stifling the very spirit of competitive functioning. The system of licensing is quite restrictive and has outlived its utility. There is a need for a transparent and simple system of registration of market functionaries to simplify and revitalize the present marketing system.

#### **(ii) Lack of Market Infrastructure in Agricultural Markets:**

Studies indicate that covered and open auction platforms exist only in two thirds of the regulated markets, while only one-fourth of the markets have common drying yards. Cold storage units exist in less than one tenth of the markets and grading facilities in less than one-third of the markets. Electronic weigh-bridges are available only in a few markets.

#### **(iii) High Incidence of Market Charges:**

APMCs are authorized to collect market fee ranging between 0.50% to 2.0% of the sale value of the produce. In addition, commission charges vary from 1% to 2.5% in food grains and 4% to 8% in fruits and vegetables. Further, other charges, such as, purchase tax, weightment charges and Hamal charges are also required to be paid. In some States, this works out to total charges of about 15% which is excessive.

#### **(iv) High Wastages in Supply Chain:**

Study conducted by ICAR (2010) shows that the post-harvest losses of various commodities range from 3.9-6.0% for cereals, 4.3-6.1% for pulses, 5.8-18.0% for fruits and 6.8- 12.4% for vegetables. The total post-harvest losses of agriculture commodities have been estimated at about Rs 44,000 crores at 2009 wholesale prices.

#### **(v) Long Gestation Period of Infrastructure Projects and Seasonality of Agri.**

**Produce :**

Agriculture marketing infrastructure projects have a long gestation period. The seasonality and aggregation of small surpluses of agricultural produce further affect the economic viability of the projects, which deters investments. 3 There is a strong need of Viability Gap Funding/subsidy and easy availability of finance to attract investment for such projects and also easy availability of concessional funding to attract investment for marketing infrastructure projects.

**(vi) Lack of National Integrated Market:**

Under the present system, the marketable surplus of one area moves out to consumption centres through a network of middlemen and traders, multiple market areas and institutional agencies. Although, there exists a national level physical market, there is no national level regulation for the same and the existing regulation does not provide for a barrier free market in the country. Therefore, there is a need to develop a national level single market for agricultural commodities by removing all the existing barriers of licensing, movement and storage.

**(vii) Less Farmers' Price Realization:**

The share of farmer in consumer's price is very low particularly in perishables due to a number of intermediaries, lack of infrastructure and poor holding capacity. In order to provide remunerative prices to the farmers, there is a need to reduce intermediation by providing alternative marketing channels like direct marketing, contract farming, etc. for which reforms in agricultural marketing system are necessary.

**(viii) Large Number of Marketing Channels with Long Supply Chain:**

Traditionally, the normal agricultural marketing chain in the country is fairly long with a large number of intermediaries between the producers and the consumers, adding up more of costs without adding significant value.

**(ix) High Marketing Cost Affects Small and Marginal Farmers:**

High marketing costs have direct bearing on the efficiency of marketing of agricultural produce. This affects the actual price realization particularly by the Small and Marginal farmers in the country owing to their lower marketable surplus, higher transaction costs and least bargaining capacity vis-à-vis organized traders and big buyers.

**Market Reform Initiatives :**

The issue of reforms in agriculture marketing has been under continuous scrutiny since last decade. On the basis of the report of Expert Committee during 2001 and further on the recommendations of Inter-Ministerial Task Force in 2002, the Govt. of India in consultation with State Governments, trade and industry formulated a Model APMC Act during 2003 and circulated it for their adoption. Ministry of Agriculture also framed Model APMC Rules and circulated to States/UTs in 2007 to facilitate amendment of the existing Rules. So far, only sixteen States have amended their Act and only six states have notified the amended Rules. There are some States which do not have APMC Act and some have partially amended their Act.

Though various States/UTs have taken initiatives to bring reforms in their existing APMC Acts, the pace of reforms has been slow and uneven resulting in lukewarm response from private sector for making investment in development of marketing infrastructure. In order to pursue and expedite the pace of reforms in the country, Ministry of Agriculture set up a Committee of State Agricultural Marketing Ministers under the

Chairmanship of 4 Shri Harshvardhan Patil, Minister for Cooperation and Parliamentary Affairs, Govt. of Maharashtra, which has deliberated on different issues related to marketing reforms, investment in development of post-harvest infrastructure and barrier free supply chains, etc. The Committee has deliberated on different items of agenda on market reforms by holding nine meetings with Hon'ble Ministers of State Agricultural Marketing, farmers, and other stakeholders, representatives of trade industry, experts and practitioners in the field. The present report is the outcome of deliberations held in the aforesaid meetings of the Committee.

### **Recommendations of the Committee :**

#### **A). Reforms to Agriculture Markets:-**

- (i) The States should amend their APMC Acts on the lines of Model Act and notify Rules at an early date. In order to derive full benefits of reforms by small and marginal farmers, States may promote formation of Self-Help Groups, Farmers/ Commodity Interest Groups, etc;
- (ii) The present system of licensing of traders/commission agents must be substituted with a modern and progressive system of registration with open and transparent criteria for registration;
- (iii) The amended APMC Act and Rules should specify clearly the provisions for setting up of Private Wholesale Markets and Terminal Market Complex (TMC). The reformed States may come forward for development of TMC at various locations to facilitate the backward and forward linkages;
- (iv) There should be unified single registration for main market (Hub) and Collection Centres (Spokes) for Wholesale and Terminal Market Complex and the Collection Centres may be treated as sub-yard under the Act;
- (v) The validity period of unified single registration for private wholesale markets including Collection Centres should not be less than five years. It is desirable to keep it for 10 years or even more;
- (vi) The CEO of the Market Committee may be appointed either from outside the cadre or existing personnel may be given professional training to manage the APMCs efficiently;
- (vii) The post of Director of Marketing as regulator may be segregated from the post of M.D. of State Agricultural Marketing Board as the Operator/service provider;
- (viii) States may de-link the provisions of compulsory requirement of shop/space for registration of traders/market functionaries for increasing the competition;
- (ix) The private markets should be treated at par with the existing APMCs and licensing/ registration procedure should be simplified. The developmental fee to be charged from private markets should be at par with APMCs and it should be deposited with respective State Government/Marketing Board and be spent on infrastructure development outside the Mandi;
- (x) There is a need for an appropriate legal and institutional structure with a developmental type of regulation to ensure orderly functioning of agriculture markets and attract investment for infrastructure development in States having no regulation.

#### **B) Promotion of Investment in Marketing Infrastructure Development**

- (xi) Under Essential Commodities Act, there is a need to have distinction between genuine service provider and black marketers/hoarders;

- (xii) There should be a stable and long-term national policy on storage and movement of agricultural produce. The contract farming sponsors and direct marketing licensees may be exempted from the stock limits up to six months of their requirement in the interest of trade;
- (xiii) States/Union Territories should waive off market fee on fruits and vegetables to encourage private investment and Government of India may also consider compensating the losses of revenue during initial period to the States on this account;
- (xiv) Investment in marketing infrastructure under RKVY may be increased to minimum 10-15 % of State RKVY spending in reformed States;
- (xv) In order to enhance the private sector investment in market infrastructure development projects, there is a need to provide subsidy/Viability Gap Funding to make these viable and treat them as “infrastructure project” so as to help attract FDI and ECB for their development;
- (xvi) States may promote PPP Model for infrastructure development and consider exempting market fee on trade transaction taking place inside the private market yard. However, States can levy minimal user charges preferably not exceeding 0.5% of the value of produce transacted. State Governments should also explore the areas for private investments and PPP projects;
- (xvii) Government of India should constitute a ‘corpus fund’ for development of marketing infrastructure. A separate agriculture marketing strategy for North Eastern Region and Hilly areas may be adopted;

### **C) Rationalization of Market Fee/ Commission Charges**

- (xviii) 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;
- (xix) If the direct marketing entrepreneur provides minimum specified infrastructure facility to the farmers, the concerned States/APMCs should waive off market fee on such direct marketing;
- (xx) If a person has already paid mandi fee in a State where it procures agriculture produce and brings the same to another State for processing, no mandi fee should be charged;
- (xxi) Mandi fee should be levied on primary agricultural produce only and secondary agriculture produce (processed food articles) like Besan, Maida, and Ghee should not be treated as eligible agricultural produce for the purpose of levying Mandi fee. However, user charges can be levied based on the use of infrastructure and services;

### **D) Contract Farming :**

- (xxii) (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 fifteen days and the decretal amount of appeal should not be more than 10 % 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 from private sponsors/operators, if payment is made to the farmers on the same day of procurement of their produce;
- (xxiii) States should promote small and marginal farmers groups/associations or their company/society to

encourage contract farming in the States.

#### **E) Barrier Free Markets :**

(xxiv) There should be provision for a single window unified single registration for traders/market functionaries in the State to facilitate free trade;

(xxv) Market fee may be levied only for the first transaction between farmer and trader and in subsequent sales between trader to trader/consumer, there may be only service charge related to service provided in the State and no market fee be levied for the subsequent transactions;

(xxvi) States should take Initiative to remove physical barriers like check gates, etc., if any, and should notify the type of documents required for the producer-seller to be a farmer, so that his consignment is not halted at the check posts / barriers;

(xxvii) Proposed Agricultural Produce Inter-State Trade & Commerce (Development & Regulation), Bill may, to start with, be applied for a few perishable agriculture commodities and it may be expanded for other commodities depending upon the experience of its working.

#### **F) Market Information System :**

(xxviii) Efforts may be made to ensure proper and regular data entry in AGMARKNET nodes provided in the Regulated Markets in the State for the benefit of the farmers;

(xxix) In order to ensure transparent transactions of agriculture produce and to get the best price for the produce, there is a need for electronic trading in the mandi which should be at least at district level;

#### **G) Grading and Standardization :**

(xxx) States should provide Directorate of Marketing and Inspection (DMI), necessary inputs such as name of commodity, quality parameters important for formulation of grade standards for producers' level grading under Agricultural Produce (Grading & Marking) Act, 1937, which are relevant and specific to their State;

### **RESEARCH DESIGN& METHODOLOGY:**

The analysis and interpretation of fact of the present problem entitled the role of Mandi in agricultural development, arrivals and price behaviours of selected crops in the regulated Mandi in district Kanpur Nagar (U.P.) It has broadly been discussed under the heads: Sampling Technique, Method of inquiry and collection of data, Analytical tools used.

#### **1) Sampling technique**

Purposive sampling technique was used to select the regulated Mandi in the study area for the study.

#### **2) Selection of Mandi:**

Only one regulated market (Regulated Mandi) in the district Kanpur Nagar was selected purposely for the study. The structure function, role of regulated Mandi in agriculture development and price behaviour & arrivals of major crops was studied. The major constraints observed during the period of investigation in regulated market was also examined. Method of enquiry of collection of data the enquiry was conducted by survey method. The enquiry was conducted during the agricultural year 2022-23 covering all the agricultural season. the data was collected by direct personal interview with the Mandi personnel.

The data were obtained on well-prepared schedules developed earlier in advance for the purpose of present enquiry; visits were made for the collection of data during the course of investigation. Every possible care was taken for accuracy of the data and whenever, possible, suitable cross checking were made. The help of Mandi Parishad board, Mandi committee, expertise and executive of Mandi was taken for every possible reliability of data.

## LITERATURE REVIEW:

Agricultural produce markets are actual buying and selling of agricultural commodities takes place in market yards, sub-yards and rural markets/ hats spread throughout the length and breadth of the country. Agricultural produce regulated markets have been playing a major role in the smooth distribution of food grains, oilseeds, fibre crops and fruits and vegetables to meet the supply and demand needs of the farmers, traders, processors and consumers of the region.

The research studies revealed that farmers on an average gets 8 to 10 per cent higher price and higher share in the consumer's rupee by selling their produce in the regulated markets compared to rural, village and unregulated wholesale markets. The benefits got by the farmers by sale of agricultural produce in the regulated market varies from area to area because of the variation in the spread of regulated markets over the regions and the existence of necessary infrastructural amenities.

Currently in U.P. 251 main mandi and 381 sub-mandi are regulated under Krishi Utpadan Mandi Act, 1964.

A mandi samiti is organized for each regulated mandi. Regulation of mandis and construction of new mandi site for better facilities of traders is carried out by the Mandi Samiti.

There is uneven spread of these regulated markets in the districts of the state. Most of the regulated markets at present still awfully lacks facilities for handling produce as less space for auction platform, inadequate number of shops and godowns in the premises etc. and hence reduces the effective participation of traders. Absence of storage godowns at market level further perpetuates the problems of traders in general and continuous movement of goods in particular.

Various State government recently initiated a process of direct marketing by producers to the consumers in the State, these markets have been promoted so far only at the State headquarter and some district headquarters adjoining to the state by [Government of India, \(2001\)](#).

A rural periodic market/hats is the first contact point for producer – sellers for en-cashing his agricultural produce. Grant on seed, farm implements and Micro-units to the farmers of the state is being transferred in their bank account through Direct Benefit Transfer (DBT).

Sector Due to the hard work of the farmers of the state and special efforts of the government, there has been a record increase in the crop yield of the state. In the years from 2013-14 till now, maximum purchase of paddy and wheat produce of farmers was done by the government in the years 2017-18 and 2018-19.

At minimum support price, 43.00 lakh tones of paddy were purchased in the year 2017-18 and 53.00 lakh tons of wheat was purchased in the financial year 2018-19. Against the target of purchasing 50.00 lakh tones of paddy in the year 2018-19, 47.95 lakh tones were purchased till the month of February 2019. 821 metric tons of maize was purchased for the first time in the state.

In the financial year 2017-18, a total of 70.00 lakh metric tons (Kharif-26.96 and Rabi- 43.04) were

distributed while making available a total of 93.29 lakh metric tons (Kharif-41.26 and Rabi 52.03). In the financial year 2018-19, in the Kharif season, 28.06 lakh tones of fertilizers were distributed, making 44.44 lakh tones available against the target of 27.54 lakh tones of fertilizer distribution. In Rabi 2018-19, against the target of 42.71 lakh metric tons of fertilizer distribution, 45.20 lakh metric tons of fertilizers were distributed till the month of March, making available 54.83 lakh metric tones. By abolishing ACTN tax from urea fertilizer, the rates of urea were made at par with other states in the interest of farmers.

Realizing the importance of the grading and standardization, a pioneer attempt has been made by the Government through an enactment of legislation “The Agricultural Produce (Grading and Marketing) Act, 1937. Under this act, the grade standard has been notified for 184 agricultural commodities so far.

The commodities graded under this act bear AGMARK label on the products, which is an indication of purity and of quality goods. The AGMARK grading is done both for internal consumption and or for export. Food parks and packs houses in specialized growing regions, India is second largest producer of fruits & vegetables. With a view to tap export markets and catering to the need of bulk buyers, mechanical graded and packed house are required in the horticulture growing areas. Certain activities like cleaning, washing, grading, packaging, refrigerated transportation etc. are to undertaken in conformity to international trade, to address these problems, APEDA an implemented a scheme for catering Export Oriented Agri-Zones.

Under the scheme so far about 111 grading and pack houses has been established so far to answer the need of export markets. Besides these, food parks have also been established in the country with a view to give exposure to farmer – producer. Though 56 food parks have been established in the country, yet their availability is confined to only 20 states. Market Information System (MIS) is farmers need information to aid them in planning their operations right from the time they plant these seeds until the produce possess the hands in the market.

Market information helps the farmers in comparing the prices offered by different firms in different markets and also in the selection of alternative outlets available. Wholesale prices of important agricultural commodities from selected markets are collected daily by these centres and are transmitted to Head office for further transmission to TV and AIR stations. Electronic medium has been used for transmission of information in various industries.

However, their use in agricultural markets is relatively low. Markets of some States are linked with National Information Network (NIC-NET) to provide the speedy and timely dissemination of market information to the growers.

Uttar Pradesh and Uttaranchal by Bradosti H., & Singh, U.S. (2015). Risk management & e – trading infrastructure is agricultural commodities experiences wide fluctuations in their prices largely due to monsoon and their seasonality.

Due to these fluctuations farmers faces huge uncertainties. Derivate products like forward, future and options are the risk management tools which can be used to avoid the impact of unexpected price changes in future price movements. Forward and future contracts enable price discovery. The price discovery function allows important economic decisions to be made as to which commodity produce, how much to sell and what prices, how much to store and for how long.

This is also a form of direct marketing and enhances the share of farmer in consumer rupee. Thus, has assumes special importance in recent times. Commodity future markets in the country have been promoted by

establishing various exchanges. At present their number is 29 only. However, only 20 exchanges are effectively working.

Future trading in agricultural commodities has also been allowed for 54 commodities. Forward trading has been extended to 39 agricultural commodities only. However, the transaction undertaken through these exchanges so far has been minimal but experiencing a rising trend. All out efforts are needed to establish more exchanges for enhancing trading in agricultural commodities as well e-trading so as to promote direct marketing of produce.

Post-harvest technology infrastructure especially for perishables, less perishables and non-perishable commodities is of critical importance to preserve their quantity and quality. A substantial quantity of produce is lost on account of poor post-harvest technology and careless harvesting, assembling, preserving, packaging and use of technology for quality control.

State Agricultural Marketing Board, Directorate of Horticulture and Post-Harvest Technology Centers established for specific crops by ICAR has initiated the process for promotion of Post-Harvest Technology in the form of providing of know-how on different aspects to the farmers and orchardists of the country.

In some of the States, State Agricultural Marketing Board offer services to the traders and processors in providing of technical consultancy, preparation of techno-economic feasibility report, quality control guidance, assessment of packaging necessity of different fruits and advisory services to fruits and vegetables processing units.

Marketing education and training is increasing need to provide market education and training to the farmer-producers, traders, marketing personnel, policy makers etc. on a continuous basis based on regular research studies. These improves know how and decision taking power of the farmers as to when, where and in what form to sell the produce.

The Directorate of Marketing & Inspection, State Agricultural Marketing Board, State Marketing Department, Agricultural University and National Institute of Agricultural Marketing is engaged for helping the farmers and market functionaries in these

Areas. However, the available inputs in these areas are not sufficient to cater to the needs of all the growers and other stakeholder because of varied agro-climatic conditions.

#### **STUDY AREA :**

This is a grain and seed (Galla) Mandi (Hindi word for market). The market has been established by the Uttar Pradesh state government. Two years back this market has been located in Kalaktarganj. As per the state law marketing of agricultural produce is under the state control. One has to have a license to trade agricultural products as per different state charges 2.5% as market fees.

In the market there are big sheds and shops constructed by the government agency, Krishi Utpadan Mandi Samiti, Kanpur (Agricultural Produce Marketing Co-operative, Kanpur). The co-operative issues license to "Aadhatee" or commission agents. There are three types of agents A, B and C. The space is allocated according to the category and monthly rent is collected accordingly.

#### **IMPORTANCE OF AGRICULTURE & ITS MARKETING IN INDIA:**

Agriculture is the practice of cultivating plants and livestock. It is one of the oldest and most important industries in the world. In India, agriculture is a major source of livelihood for about 58% of the population and contributes to about 17-18% of the country's GDP.

### 1) Food security

Agriculture is essential for food security in India. The country has a large population, and agriculture is the main source of food for most Indians. **Livelihood:** Agriculture provides a livelihood for millions of Indians. About 58% of the workforce is employed in agriculture, and this sector accounts for a significant share of the country's GDP.

### 2) Export earnings

Agriculture is also an important source of export earnings for India. The country exports a variety of agricultural products, including rice, wheat, sugar, fruits, and vegetables.

### 3) Rural development

Agriculture is also important for rural development in India. It provides employment and income opportunities in rural areas, and it helps to reduce poverty.

## **Challenges in Agriculture Growth & welfare of its stakeholders :**

### 1) Low productivity

Indian agriculture is characterized by low productivity. This is due to a number of factors, including poor irrigation facilities, lack of access to modern technology, and fragmented landholdings.

### 2) Inefficiency

Indian agriculture is also inefficient. This is due to a number of factors, including the use of outdated farming practices, the lack of access to credit, and the high cost of inputs.

### Volatility

Indian agriculture is also volatile. This is due to factors such as weather conditions, crop diseases, and fluctuations in market prices.

## **Measures and suggestions to improve the situation :**

### Investment in irrigation

One way to improve Indian agriculture is to invest in irrigation. This would help to increase crop yields and reduce the risk of crop failure due to drought.

Promote the use of modern technology: Another way to improve Indian agriculture is to promote the use of modern technology. This includes the use of improved seeds, fertilizers, and pesticides.

### 2) Restructure landholdings

Landholdings in India are often fragmented. This makes it difficult for farmers to adopt modern farming practices and to increase productivity. The government could help to restructure landholdings by providing financial assistance to farmers.

### 3) Provide access to credit

Farmers in India often lack access to credit. This makes it difficult for them to invest in their farms and to improve productivity. The government could help to provide access to credit by setting up rural banks and by providing subsidized loans to farmers.

#### **4) Address market volatility**

The government could help to address market volatility by providing price support to farmers. This would help to ensure that farmers receive a fair price for their crops, even if market prices fluctuate.

In 1964, the "Uttar Pradesh Agricultural Produce Market Act" was passed so that healthy traditions of agricultural marketing could be established by eliminating the evils prevalent in the traditional agricultural markets, illegal deductions and undue influence of middlemen.

Under this Act, regulated markets were formed. The work of regulation was started. Till the year 1965-66, the number of regulated markets in the state was only 2, which has increased to 251. 382 sub-markets are also associated with them. Now the entire state has come under regulation.

#### **1) Market Regulation**

Market regulation is the systematization of the entire process of marketing of agricultural produce in the markets. Under this system, saleable agricultural commodities are filtered, cleaned and classified and sold through auction. The deal is finalized with the consent of each farmer and the selling price of the farmers is paid immediately after proper measurement and weighing using the metric system.

#### **2) Basic objectives of market regulation**

- 1) To reduce the various commercial charges levied from farmer producer sellers prevalent in traditional markets.
- 2) To prevent measurement errors and for this, to inspect the weights, measures and instruments used in the market area. Ensuring periodic testing and verification.
- 3) Establishment of market committees with proper representation of farmers to protect the interests of farmers.
- 4) To provide necessary amenities and facilities in the market.
- 5) To make a fair settlement of the products related to sale.
- 6) Providing better storage facilities.
- 7) To stop unauthorized deductions from seller farmers. ,
- 8) To provide essential commodities like market prices etc. to the farmers.

#### **3) Market committee:-**

For functioning of agricultural produce markets, the entire state has been divided into market areas. There is a provision for forming a market committee for each market area. Under each market area, one main market place, where the office of the committee is established, and that market place has also been declared as per requirement. The Chief Executive Officer of the Mandi Committee is the Mandi. All the rights, functions and duties of the Mandi Committee and the Chairman are currently vested in the District Magistrate, but their powers have been delegated to the Sub-District Magistrate or Additional District Magistrate.

#### **4) Main duties and responsibilities of the market committee**

- (1) To ensure fair dealings between buyers and sellers of agricultural produce.
- (2) Classification of saleable agricultural produce and sale through auction.
- (3) Making arrangements for weighing and weighing using the metric system and making immediate payment for the sold produce.
- (4) To collect and disseminate useful information for buyers and sellers.
- (5) Establish healthy traditions of buying and selling and ensure provision of necessary amenities and facilities in market places.
- (6) Ensuring immediate payment of sold agricultural produce.
- (7) To mediate for a just resolution in case of any dispute.
- (8) To collect and disseminate market prices and other useful information.
- (9) To play the role of mediator in case of disputes and differences between traders and farmers and resolve them.
- (10) Acquiring land for construction of market places and preparing construction maps as well as keeping proper accounts of income and expenditure.

#### **CONCLUSION-**

There is no doubt about the need and importance of agriculture Mandi for co-operative marketing as to enhance the bargaining power of our poor producers who are neglected long by the system and their socio-economic status is quite pathetic since after 75 years of our independence and in a country where agriculture is the mainstay of our national income, out and employment. Ultimate aim of any government policy is to transfer the benefits to our target groups and to uplift their socio-economic position. For this different central and state governments tried in their times but there is a serious lacking in the implementation, monitoring and regulation of the policy time to time , we have a serious grass root level issues because of this we are unable to see the visible difference in those policies. By taking lessons from the past failure, we need to revamping the new policy at realistic level and there should be complete elimination of middle men in this process and a transparent buying system should be promoted in time of harvesting . so that our real growers can financially benefitted and they rescue from all unfair practices in the Mandi.

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