

2. WEEKLY MARKETS AND MANDIS

You may have gone to a weekly market (*haat*). You may have also gone to or heard about a *Mandi*. Discuss with your teacher the difference between a *haat* and a *mandi*.

The previous chapter was about inter-dependence. You learnt how goods need to be transported from one place to another because of this inter-dependence. Often the things that we use have to pass through many hands before they reach us. Traders organise this movement of things from one place to another. For instance, traders bring many things to be sold at the weekly market. A *mandi* is also a market, but of a different kind. Come let us learn about how *haat* and *mandi* function.

MARKETS WITH PERMANENT SHOPS

You must have seen a city or town market. They have permanent shops. They open every day and stock many items for sale. Since there are a large number of people living in the city, the shopkeepers are able to sell some things every day. The buyers usually visit different shops which sell the same thing to compare its price. If there was only one shop selling a particular item, the shopkeeper could charge as much as he wished to. However, there are usually many shops selling the same thing and each shopkeeper is keen to sell his goods. In such a **competitive** situation any one shopkeeper cannot sell at very high prices.

Fig. 1. City market



Are there permanent shops in the villages around you? Leaving aside a few big villages, most others do not have such markets of permanent shops. What is the reason for this?

Compared to a city, there are much fewer people in a village. If there are many permanent shops in a village, they cannot not sell their wares. That is why there are no permanent markets in the villages in our state. What kind of market do the villagers buy from? All villagers cannot repeatedly go to a nearby city market to buy the things they need. Hence for people living in villages, the most convenient market is the nearby weekly market, or the *haat bazaar*.

- **Select the correct meaning:**
“permanent” means: *place, everlasting, changing, big.*
- **Give two important features of a city market.**

WEEKLY MARKET IN VILLAGES: HAAT

The picture of a weekly market in a village, on the next page, looks so different from the picture of the city market. Traders have spread out their sheets to display and sell their wares. Vegetables are being sold in one quarter while shoes are being sold in another. In yet another place potters have set up shops.

These shops in the village *haat* are not permanent. The trader who puts up a shop at the *haat* winds it up the same evening. The next day he puts up shop at some other *haat*.

Most village people buy a variety of things of everyday use from the weekly market. Does this mean that there is a weekly market at every village? No, every village does not have a weekly market or

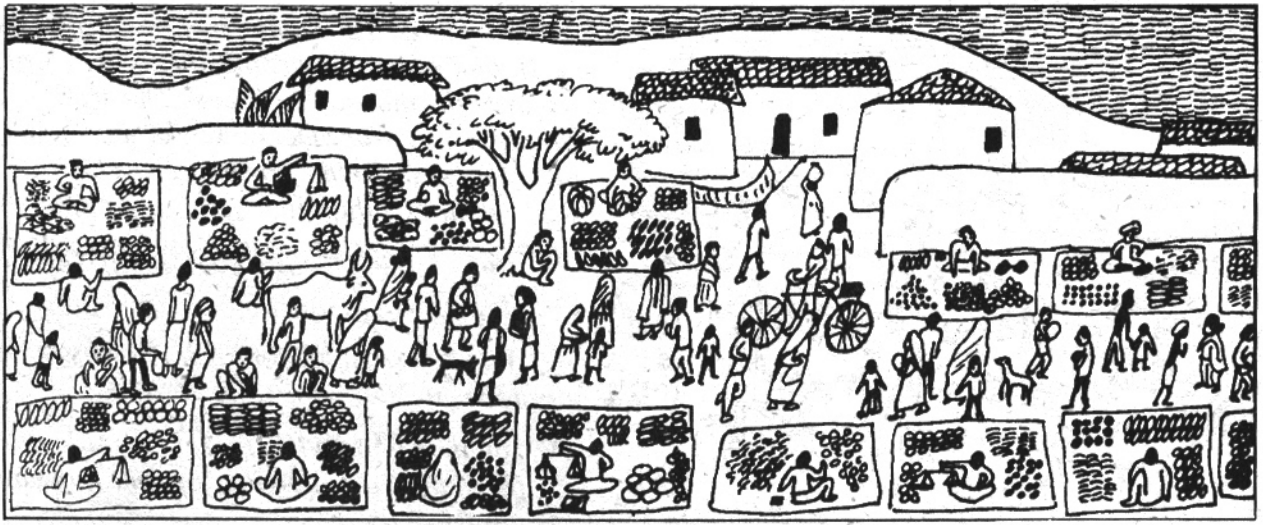


Fig 2. Haat: weekly markets

haat. When a weekly market is held in one village the people from nearby villages also come to buy things from there. The day of the weekly market at a particular village is fixed, usually once a week.

People living in villages cannot do without a *haat*. It is here that they buy clothes, shoes, vegetables, jaggery, chillies, etc. They buy all products which are needed for their daily lives, which they do not produce themselves.

- Give some examples of permanent city markets near your place.
- Are there weekly markets in the region where you live? Make a list of them and also record the market day for each such market.

A Trader in the Haat

There is a trader called Aftab who lives in Itarsi town. Come, let us meet him. Aftab sells locks and metal tools of different types. But he does not have a permanent shop in Itarsi. He sells his wares in the haats that take place in nearby villages and towns.

There are many traders who put up their shops in weekly markets and have to keep travelling around. They are in one place today and in another the next day. Aftab, too, is one such trader. Do they travel along a particular pre-decided route or do they simply get up and go anywhere? Usually, these traders decide on a route which takes the form of a weekly cycle. In this way they set up shops in different *haats*

and come back to the same place once a week. Their routes are decided according to their convenience.

Aftab lives in Itarsi. On Monday, he sets up shop in Seoni-Malwa and on Tuesday in Babai. On Wednesday he takes a holiday and on Thursday he sets up shop in the Itarsi haat. Then he goes to the Bhaunra haat on Friday, the Pathakheda haat on Saturday and the Saarni haat on Sunday. Aftab keeps travelling in this way and completes his cycle of haats in a week. Aftab gets quite tired travelling like this for the whole week. He gets to rest only one day of the week. Setting up shop at six different places on six days, one after the other, with only one day's rest – of course he will be exhausted!

Aftab's cycle of haats is given in the map. In this map, you can see how Aftab travels

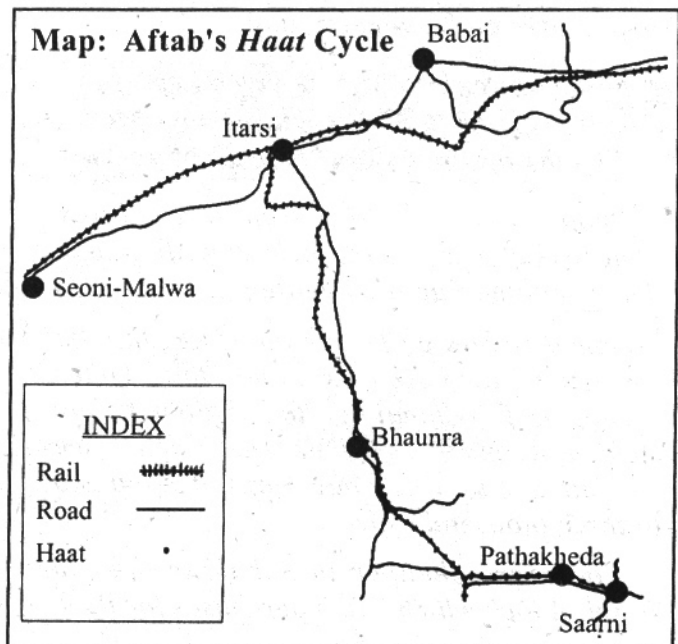




Fig. 4. Aftab's shop. What all can you see in this picture?

around Itarsi, the place where he stays. You can also figure out how he actually travels to different places, whether by rail or road since routes are shown on the map.

Aftab has to set up his shop every day in a new place. He spreads a sheet on the ground and displays his wares on it. In the evening, as the weekly market closes, he totals up his sales of the day and packs up his wares into a box. Then he goes home to Itarsi.

On Fridays and Saturdays, he doesn't return home. As can be seen in the map, Bhaunra, Pathakheda and Saarni are in the same direction, away from Itarsi. So he spends his night at the place of the day's haat and goes to the other haat from there. He returns home from Saarni on Sunday evening.

- In the circular diagram given here, fill in the names of the places to which Aftab goes in his weekly cycle of haats.

People from 10 to 20 or even more villages come to each haat. So the locks that Aftab sells reach people of upto 200 villages.

Some traders go to buy the wares in bulk on their holiday. Aftab does not do it. Other members of his family go to Jabalpur to buy metal tools and locks in bulk. This is done once a month and they may buy wares of about two to three thousand rupees.

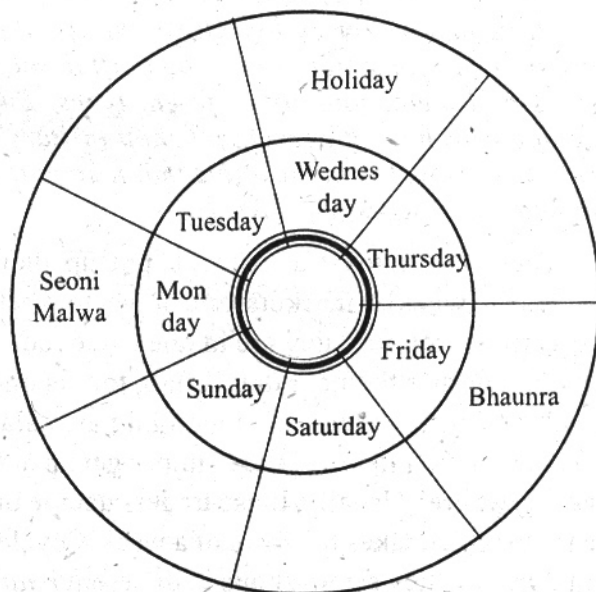
Locks are cheaper in Jabalpur than in Itarsi. A lock which Aftab purchases for Rs 9,

he sells for Rs 12. Sometimes, he thinks that he should go to Delhi and buy wares worth six to eight thousand rupees. The traders in Jabalpur buy from Delhi. Locks are made in Aligarh, near Delhi, so they are cheaper in Delhi than in Jabalpur.

- Why does Aftab travel to different places?
- Why does Aftab's family buy locks from Jabalpur?
- You may go to a haat. Make a table and fill in the the following information you get from there.
 - Make a list of the villages from where people come to this haat.
 - Find out from any trader his weekly cycle of haats.
 - In which places does he put up his shop?
 - Does he set up a shop on every day of the week? If not, what does he do on that day(s)?

Many towns, too, have weekly markets. In some areas of these towns weekly markets have been held for many years, even before they became part of the town. Hence, people in these towns buy things from the permanent shops as well as from the weekly markets.

You read in the chapter on 'Interdependence' how goods travel over long distances to different places. It is through



traders like Aftab who put up their shops in different *haats* that goods reach distant villages. These traders buy their wares in cities. Big cities of Madhya Pradesh like Bhopal, Indore and Jabalpur, in their turn, get goods from different regions in the country.

Some people from the villages too put up shops in their *haats*. Artisans bring items like shoes, pots and baskets and farmers sell grain and vegetables.

- **Correct the wrong sentence(s) –**
 - a. A *haat* has permanent shops.
 - b. The locks that Aftab sells in Seoni-Malwa are made in Aligarh.
 - c. *Haats* do not link distant regions.

MANDI

We saw that goods can reach even remote villages through the *haat bazaar*. Similarly, agricultural produce grown in villages too reaches distant places. How does this happen?

Many farmers go to the *mandi* to sell their produce. Traders buy this agricultural produce and transport it to far off regions.

Let us go to a *mandi* and find out how agricultural produce is sold there.

There is a large open yard surrounded by the shops and godowns of various traders. There is a big gate in front, through which a number of loaded trucks are going out. There is also a stream of tractors and bullock carts loaded with grain coming into the *mandi* through the same gate. Sacks of grain can be seen in many piles in the yard. Some of the shops have the traders' nameplates

hanging outside. "Dhannumal and Sons", "Chhaganlal Grain Merchants", etc.

Grain is being weighed on large weighing scales. These scales can be seen at many places in the yard. At another place there is a heap of grain, around which people are standing. Let us see what is happening there.

- **What differences can you see between the pictures of the *haat* and the *mandi*?**

Auction at the *Mandi*

At one end of the yard, gram (*chana*) is being auctioned. It belongs to a farmer called Kanhaiyalal. Two men in uniform are standing next to the heap. One has a receipt book in his hands. Can you identify them in fig.6? These people in uniform are not policemen, but employees of the *mandi samiti*. One of them is taking the bids while the other is there to keep a written record of the sales.

"Gulabi gram 875!" One of the employees began by calling out the starting bid. Traders are standing round the heap and examining some of Kanhaiyalal's gram held in their palms. What kind of gram is it? How are the grains? Are they worm-bitten? Is there any husk mixed in it?

Fig 5. *Mandi* yard

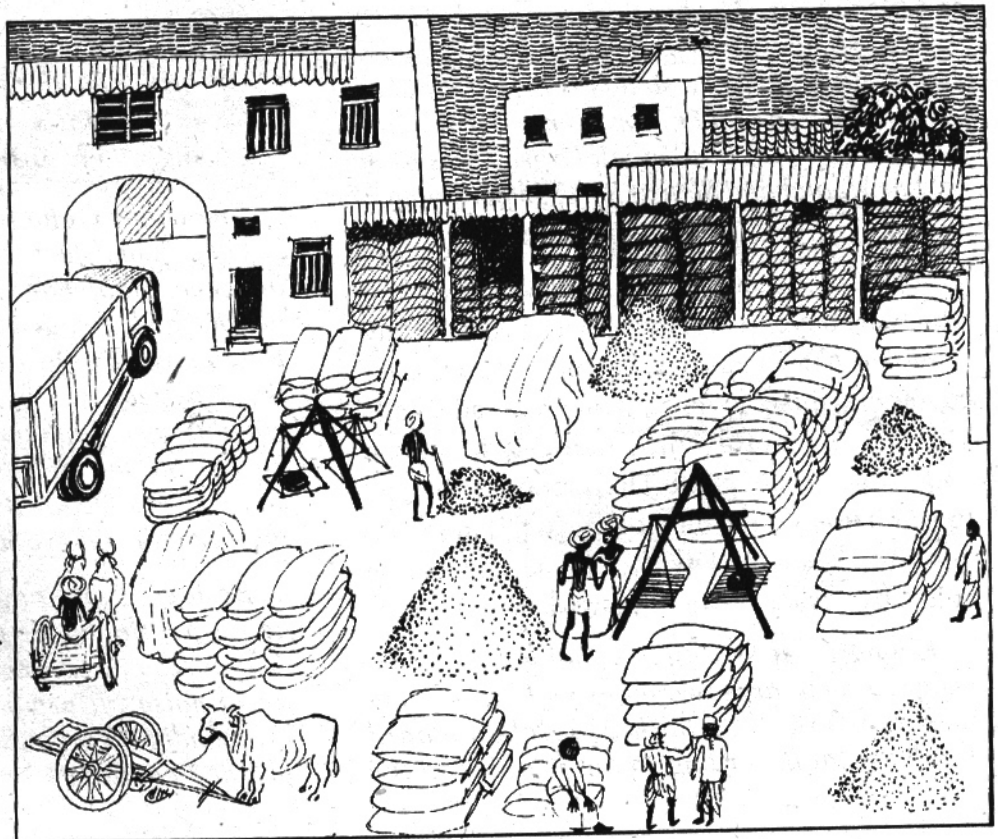




Fig. 6. Mandi samiti employees conducting an auction

One of the traders calls out a bid, "920 rupees!" He is one of the **registered traders** in the mandi samiti. No one can simply walk in and start bidding. Only those traders who are registered with the mandi samiti can bid at the auctions of that particular mandi.

The mandi samiti auctioneer calls out "920 one, 920 two..." But before he could say "920 three," another trader calls out a higher bid, "950 rupees." And so the bidding went on. After some time, Moolchand Seth called a bid of 1335 rupees. The auctioneer called, "1335 one, 1335 two ... 1335 three!" There was no one to bid higher and so this is the final bid of the auction. The other Samiti employee writes out on a slip that Kanhaiyalal's gram has been sold to Moolchand Seth at Rs. 1335 per quintal.

In an auction, bids are called for the product being auctioned. Bids are prices at which the buyer (here, the trader) wishes to buy the grain. After a trader calls a bid, the auctioneer counts slowly up to three. If another trader calls a higher bid before the count of three, the earlier bid is cancelled. The auctioneer begins to count up to three on the next bid. If the count up to three is completed, no higher bid can be called by a trader, even if he wishes to do so.

Kanhaiyalal and Moolchand got the gram weighed on a large weighing scale. The gram was ten quintals. Seth Moolchand paid Kanhaiyalal according to the final bid at the

auction and got a receipt. Then Moolchand sent the sacks of gram to his godown. He had bought some gram earlier, too, and wanted to send the whole lot to Indore.

• **How many rupees did Moolchand Seth give to Kanhaiyalal?**

Kanhaiyalal's gram was auctioned at Rs. 1335 per quintal. But Bheerulal, another farmer, got only Rs. 990 per quintal for his gram. Different farmers' gram were auctioned at different rates.

• **What could be the reasons for Kanhaiyalal's and Bheerulal's gram being sold at different rates? Discuss.**

The traders who buy at the mandi have to pay the mandi fees, to the mandi samiti. For instance, Moolchand has to pay 2 % of all the purchases he made that day. Thus, for every Rs. 100 worth of grain, Moolchand has to pay Rs. 2 as fees. On the gram that Moolchand bought from Kanhaiyalal, he had to pay Rs. 267 to the mandi samiti. The mandi samiti charges this fee for its services in auctioning the agricultural produce.

Besides gram, other foodgrains are also being auctioned at the mandi. The mandi employees are calling the bids and there is a lot of noise all around. A person coming to the mandi for the first time is sure to feel quite lost and confused!

Mandi Samiti

Auction of all produce brought to the *mandi* takes place under the supervision of the *mandi samiti* employees. How is *mandi samiti* formed? Who are its members? A *mandi samiti* is formed through elections. Who are the people who elect the members? Every *mandi* has a demarcated area or region. All the voters of the *panchayats* falling under that area, all the farmers (those who own land) along with the registered traders, can vote to select the members of the *mandi samiti*. The members of a *mandi samiti* can be either farmers or traders. But according to the rules, both the Chairperson and Vice-Chairperson of the *mandi samiti* have to be farmers. A *mandi samiti* is elected for five years.

- Who are the people wearing uniforms in the pictures of the *mandi*?
- Who among the following elect the *mandi samiti*? Select the correct answer—
 - Only members of the *panchayats*.
 - Only traders registered with the *mandi samiti*.
 - The government appoints the members.
 - Voters of *panchayats* along with registered traders.
- Do you think it is right to have only farmers as the chairperson and vice-chairperson of the *mandi samiti*?

Comparison between Mandi and Haat

You saw people buy and sell grain in large quantities in the *mandi*. The grain was packed in sacks and no one was buying or selling just one or two kilograms of grain. In the *haat*, however, people usually buy in smaller quantities for their day to day requirements. This kind of buying and selling in small quantities is called 'retail trade'. As compared to this the goods that traders bought in the *mandi* were in large quantities and they were meant to be further sold and transported to other traders. This is called 'wholesale trade'.

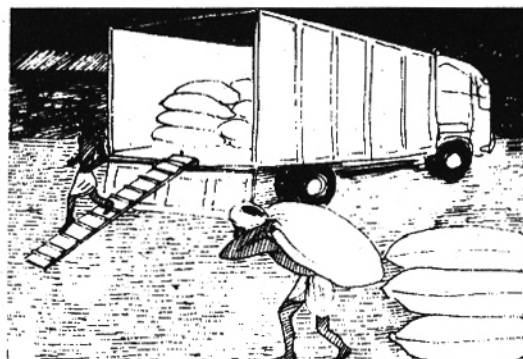
Wholesale trade does not take place only in the grain *mandi*. All goods have their own *mandi* or wholesale market. You may have heard the names of wholesale markets such as Vegetable market (*Subzi mandi*), Iron market (*Loha mandi*), Oil market (*Tel mandi*), etc. In some wholesale markets all trade is carried out through auctions. Elsewhere there are other ways of buying and selling. For example, there is no auctioning in the cloth or iron wholesale markets.

Only bulk sale takes place in wholesale markets. If someone wants to buy a kilogram of oil or one metre of cloth, he cannot do so in these markets. Usually wholesale prices are less than retail prices.

ARHATIA – A COMMISSION AGENT

In 1986, a number of changes were made in the *mandi* laws of Madhya Pradesh. Before these changes were introduced, the sale of all agricultural produce was in the hands of commission agents called 'Arhatia'. The farmer would take his produce to the commission agents' shop in the *mandi*. He would then be given a number. The number denoted the farmer's turn for selling the produce. When the farmer's turn came, the commission agent would hold the auction and call out the bid and sell off the grain. Then the *arhatia* would pay the price to the farmer after deducting his commission or share from the amount paid by the trader. Hence the farmer paid the *arhatia* a commission for the service of selling his produce.

Fig. 7. Labourers in the *mandi*



The following is a story about the Dewas *mandi*. It was written by a student named Shridhar from Khareli, a village near Dewas. This story was published in a children's magazine called *Chakmak*.

SHRIDHAR'S STORY

One day, my father and I went to Dewas *Krishi Upaj Mandi* to sell our soyabean. A coolie unloaded the soyabean in the *mandi* compound. There was an argument between the coolie and my father over the payment.

After a while my father asked me to take care of the soyabean while he went to the market to buy some snacks. While I was eating my snacks, a trader came up to my father and said, "Hey there, old man! How much are you asking for your soyabean?"

"Seth Sahib, mind your language!" said my father, "Because if I were to speak to you in the same manner, you too would get angry."

Just then, another trader came up and said, "Dada sahib, at what price will you sell your soyabean?"

My father replied, "I'll sell at whatever is the going price today." As we were talking to the trader, the number which we had taken from our commission agent came up and our turn was called out. The bidding began. The last bid was Rs. 395 per quintal. This was the price that we would be paid for our soyabean.

The soyabean was then weighed. It weighed 2 quintals. It was worth Rs. 790. The commission agent was a cunning fellow. He thought my father was an old village simpleton who could be easily duped. He made a bill for only Rs. 670. My father was about to go to the *arhatia's* shop to get the money when I stopped him saying, "Father, let me see the bill."

"What do you know about these matters?" father said.

"Father, I study in class VIII. I, too, know about these things," I replied. "Look, this is Rs. 100 less."

"No, no, it can't be," said my father.

"How much would it be for two quintals?" I asked

"Rs. 790," my father said.

"Subtract Rs. 20 for the *arhatia's* commission," I said.

"Then it comes to Rs. 770," said my father.

"But the bill has only Rs. 670," I pointed out.

Then my father and I went to the *arhatia* and told him that he had put Rs. 100 less on the bill. He corrected the bill and patted me on my back, saying, "This boy is smart."

He then gave father the money. Father said, "That was great, son. Or else, the agent would have made off with our Rs. 100!"

THE MANDI ACT

This story gives a glimpse of the time before the *Mandi Samitis* took over the selling of agricultural produce. At that time the farmers had to pay a commission agent for getting their produce sold. In Shridhar's story, the agent made the cash payment at once. But at that time not all agents paid up immediately. The farmers had to make several trips to the agents in order to get their payment. Sometimes they would even be cheated.

- How was the sale of agricultural produce organised before 1986? How is it done now?
- If Shridhar's father sold soyabean at the *mandi* today, would he have to pay commission to the agent?
- Who pays the *mandi* fees and whom is it paid to?

After the 'Mandi Act' of 1986, the *mandi samiti's* employees now conduct the auction of agricultural produce, instead of the commission agent.

There are three main reasons for the changes made in the law. One reason is to reduce the burden on the farmer. Earlier the agent would charge commission from the farmer for arranging to sell his produce. After the change in the law, only the trader who buys the produce has to pay a fee to the *mandi samiti*. The farmer does not have to pay the



Fig. 8. Sridar watching *mandi* auction

commission. The *mandi samiti* uses the funds collected from this fee to organise the work of the *mandi*.

The second reason for changes in the law is to ensure that farmers are not cheated. This is why now it is the *mandi samiti* that organises the auction.

Earlier the agricultural produce was sold in many different ways. It was easy to cheat the farmer. The *arhatia* could communicate with a trader in a sort of code language, so that an outsider would not know what had passed between them. However, since the changes in the Mandi Act agricultural produce can only be sold by open auction. It is open in the sense that the bidding is carried on in front of all the traders and in the presence of the farmer and everyone can see and understand what is being said or done.

The third reason for the new Act is to ensure immediate payment to the farmers. One of the main functions of the *mandi samitis* is to get the trader to pay the farmer within twenty four hours. If the trader does not pay up, the farmer can complain to the *mandi samiti* and have him penalised.

Problems of Today

The new law has benefited the farmers, but not as much as it should have. In some *mandis* the traders do not pay the farmers immediately and they still have to keep chasing the traders for their money. Some *mandi samitis* do not function properly. The new regulations may not be followed fully. The example given below brings out a few of the problems of some *mandi samitis*. This news item was carried in a newspaper:

Dharna at the grain mandi continues for the third day

Vidisha, (Feb 6, 1991) The work at the *mandi* remained at a standstill for the third day today due to the continuing *dharna* (sit-in) by the farmers. The police have registered a case against an absconding trader on the charge of cheating. Government officers of the Mandi Board who have come from Bhopal to investigate this case have been examining the *mandi* papers since last night. Meanwhile, the *kisan* leaders have declared that their agitation will continue till the farmers are paid their outstanding dues of Rs. 20 lakhs and the rampant irregularities in the *mandi* are checked."

- *Why was the mandi law changed?*
- *Under the new mandi law, how are the farmers being benefited?*

- *In the above example, which aspect of the new Mandi Act is not being implemented ?*

THE MANDI IN YOUR AREA

- If you stay in a village, find out –
 - Which is the nearest mandi?
 - Are there any advantages in having a mandi very near to your place? Explain.
 - There must be a number of farmers in your village who do not go to the mandi to sell their grain. What are the reasons for this?
 - Find out from some farmers what benefits they have got from the new mandi laws?
- If you live in a city, find out –
 - Is there a grain mandi in your city? Where?

- From which places do grain come to your city?
- Does grain get transported from your mandi to other places? Where does it go?
- Find out from traders in your city how beneficial the new mandi laws have been.
- Find out what people around your area think about the new mandi laws.

We read about the grain trade taking place in the *mandis*. But not all farmers come to the *mandi* to sell their produce. Some farmers sell their grain to other farmers and some sell it to traders in the village and some sell it to traders in the town. Some farmers also sell a part of their produce in the *haat*.

EXERCISES

1. Compare and contrast the figures 6 & 8. What differences can be observed because of the changes, in *mandi* laws.
2. How does an auction take place in a *mandi*? Who has to pay the *mandi* fee? How much is the *mandi* fee?
3. People living in different places are linked to each other. Explain how this inter-linking takes place through the weekly markets and the *mandi*.
4. What is wholesale trade? Explain in two sentences.
5. Read page 171 and explain how *mandi samiti* elections take place?
6. What problems did the farmers face in the commission agent system?
7. What are the differences between a weekly markets and a *mandi*? Copy the table given below in your notebook and fill it up –

	Weekly Markets	Mandi
Shops		
Sellers		
Buyers		
Methods of sale-purchase		