MARKETING PROBLEMS OF FARMERS

IN PUNJAB, PAKISTAN

A CASE STUDY

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To my wife

without whom this thesis

could not have been written

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GLOSSARY

ARAIN	Well known hard-working caste in agriculture in Punjab.
BAR	Planned and canal-irrigated areas in rural Punjab. Village settlements are planned, surrounded by square systems of fertile agricultural land. These areas were developed in many districts of Punjab during the British period, mainly with extensive canal irrigation networks.
BHAROLA	Big mud or cemented vessel for storage of wheat, rice or grain
BEOPARI	Village money lender.
BET	Unplanned rural areas in Punjab. These were irrigated by wells in the Moghal and British periods. Now they are also irrigated by tube wells.
BIRADARI	Relatives.
CHADAR	A piece of cloth worn on the head and covering the body. Its overall meaning is respect and honour of a woman in rural Punjab. The origin of this concept is from religious thought.
CHAR DEWARI	Within the walls of a home. It also means the women's activities in a safe and secure place and without any interference by outsiders (men).
CHOWDARY	An affluent class in rural areas.
DAILY USE	Everyday needs and necessities available from a market.
F.A.O.	Food and Agriculture Organization of the United Nations.
GUJJAR	A nomadic tribe settled in Punjab who rear cows and buffalos; the milk business is mostly in their hands in Pakistan.
HALQA	A panchayat (group of villages and hamlets).
HAWKA	Announcement by a villager in the villages by beating a drum. He may advertise market prices of agricultural produce or others. He may on foot or on a tonga.
HUKA	Huble bubble or water pipe.
IZZAT	Matter of prestige.

JAT	Very handsome and hard-working caste by virtue of both men and women in Punjab.
KACHA ARHATIA	Commission agent (illegal and without licence from the market committee).
KATCHA ROAD	Mud road.
KHARIF	Hot season crop mostly sown before the wet cropping (monsoon) season. Cropping period is April to September. Paddy rice is one of the major Kharif crops in Punjab.
KOTHY	mud block for storage of Rice or grain.
KIARI	Subdivisions of a subsquare (killa = 1 acre).
KILLABANDI	Subsquare system within a square (muraba). (One subsquare = 1 killa = 1 acre).
LUMBERDAR	A revenue officer in the village.
MANDI	A mandi means a wholesale grain market planned and constructed since the British period in Punjab.
MANDI TOWN	Town planned in the British period, located between Bar and Bet areas on the major railway and road axis. A planned grain market located near a railway station is one of its most important salient features.
MANGANY	Announcement and celebration for engagement of a couple agreed by the two families. The celebration takes place at males' and females' homes. Gifts and sweets are served, with Punjabi songs on dholki (small drums) beaten by the ladies.
MARKAZ	Centre.
MURABABANDI	Square system by virtue of which the rural landscapes in the canal-irrigated area was planned. (One muraba = one square = 25 acres).
OCTROI POST	Checkposts at the entrances of the town/city for levying taxes on commodities.
PACCA	Made up of cement, concrete, burnt brick or superior materials.
PANCH	A selected or nominated member of the Panchayat.
QASBA	Small town with a population between 5,000 and 10,000 but without an administrative unit.
RABI	Winter season crop, grown in the dry cropping season (October to March). Wheat is one of the major Rabi crops in Punjab.

RAHDARI	Tax levied on vehicles with purchaseable commodities passing through a village, town or city. At the village the tax is collected by Union Council officials.
RAHDARI GATE	Farm gate.
REHRA	Two-wheeled horse driven cart, especially for carrying goods.
RUPEE	Pakistani currency (Rs 30 = 1 UK £ in 1987).
SHABRAT	Cultural and religious celebrations a month before Ramadan.
TEHSIL	Subdistrict and subdistrict office for Revenue and Court.
UNION COUNCIL	The small administrative unit in the villages.
VERTAVA or VERTAN BHANJI	Mutual cultural and social relations. It also means exchange of gifts and services, strengthening of family relations based on marriage ceremonies. It also means training and helping each other for economic and social benefits and happiness.
TONGA	Two-wheeled horse driven cart used for carrying passengers.
TRANSACTIONS	Flow of money in exchange for economic goods in the market economies, and payment in kind in barter economies, between two parties.

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CHAPTER ONE

SECTION I

1.1 INTRODUCTION

Chapter One consists of seven sections. Section I deals with the purpose of this type of research thesis, the prevailing market system in Punjab, and general views on two major sectors related to production and marketing. Section II deals with the market and the marketing concept in terms of definitions and explanations by different schools of thought.

Section III identifies the problems related to rural marketing faced in different developing countries in a summarised form. In the light of these aspects, agricultural marketing problems in Punjab are identified at two levels: one at production level where the farmers face the high cost of production in unplanned, wells and tube-well irrigated (Bet) areas, mainly due to the lack of canal irrigation water and other related resources in general (see Fig. 1.1); the other deals with marketing problems mainly due to high marketing costs in different phases and stages faced by the farmers, and explores the defects in the marketing channels from farm to agricultural wholesale grain market (mandi) level.

Section V explains the concept of comparative productive and marketing advantages in the light of neoclassical and natural resource theories which have been applied to the comparison of the British planned and canal-irrigated (Bar) and unplanned wells-irrigated (Bet) areas in Punjab. This section also explains the locational and central place theories in relation to these areas.

Marketing problems faced by the farmers in the light of these theories are identified in two integral and interdependent sections:

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FIGURE 1.1

An Overall View of Bar and Bet Areas in Punjab
by Spate

Source: O.H.K. Spate (1967, p.527)

FIGURE 1.1.1
(STUDY AREA)

CANAL-IRRIGATED   WELL-IRRIGATED
(BAR) AREA in Punjab   (BET) AREA

Source: Survey, 1987

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 0    4    8   12   16   20   24
                in Kms
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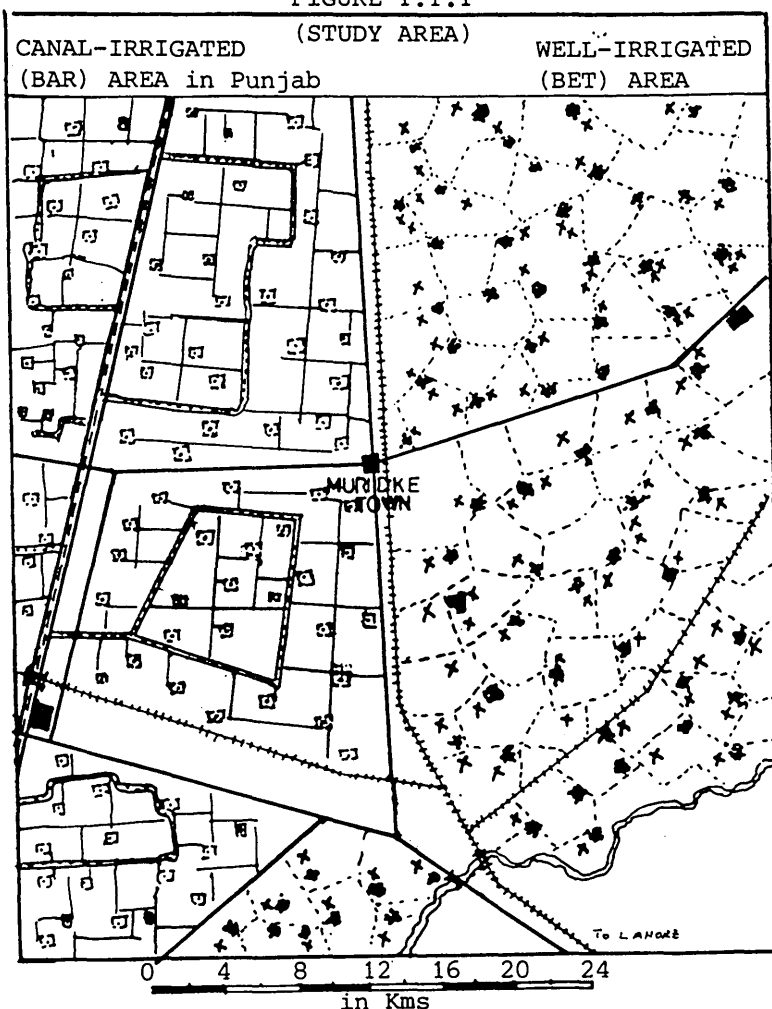
BAR AREA   BET AREA
▭▭▭ Main canal   X   Well
▭▭▭ Muridke tributary   ✦   Village settlement
── Minor tributaries
[∙] Planned village   ------ Dirt (katcha) road
▬▬ Metalled road   ▬▬▬▬ Railway line

FIGURE 1.1.3

Cross Section of Muridke Road

BAR AREA   S   CW   M   CW   S   BET AREA
                  2   7.5   7.5 2

Scale   10 5 0   10   20   30 in metres   Source: Survey 1987

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Section (a)   Comparison of Bar and Bet areas (general characteristics

and production basis).

Section (b)   Comparative pictures of Bar and Bet areas with special

reference to marketing problems related to:

(i)   socio-economic characteristics of farm households

(ii) weak staying-power of farmers

(iii) marketing intelligence and price information

(iv) the role of intermediaries

(v)   problems faced by rice cultivating and marketing by

women.

The   research   investigates   marketing problems (above) as major

parameters in the Ferozewala subdistrict (Tehsil) of Punjab in

Pakistan, and the analysis and results have been combined in the

comparative pictures both for the canal-irrigated (Bar) and the wells-

irrigated (Bet) areas.

The last section of this chapter explains the framework of this

thesis.

1.1.1 The Purpose

The incentives which encouraged the author to undertake this

research work stem from the need for such work. First of all,

comparatively little information is available within or outside

Pakistan concerning the origins and evolution of planning and design

characteristics of rural landscapes, and particularly the prevalent

marketing structure and its related aspects of life in Punjab region.

In Pakistan, sources of materials in the form of Government reports and

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special studies do exist, but they are widely scattered and relatively little attention is paid to them. This research study at Edinburgh University is an attempt to add to that scarce information by carrying out objective and systematic research on 'the comparative study of canal-irrigated (Bar) and wells-irrigated (Bet) areas with special reference to agricultural marketing problems of farmers in Punjab'.

This study explores that the Bar areas, with the help of the British canal irrigation system, were planned in rural landscapes of Punjab and later due to overseas migration due to better education have proved prosperous as compared to the wells-irrigated (Bet) areas. This study mainly focusses on the comparison of agricultural marketing problems of the farmers from these planned and unplanned rural areas in the light of neoclassical, natural resource, locational and central place theories.

1.1.2 Overview of the Problem

Pakistan has a vast rural sector comprising over 45,000 villages. The majority of the rural people are small farmers (source: Government of Pakistan, 1977, p.1). According to M. Afzal Khan (1984, p.1), the importance of the rural sector in the national economy is evident from the fact that it contributes 29 per cent of the country's Gross Domestic Product (GDP). Average rural income is 34 percent less than per capita urban income (source: Sixth Five Year Plan 1983-88, p.141).

Pakistan's main problem of poverty is concentrated in its rural areas. Consequently the economic development of Pakistan is synonymous with the development of its rural sector. However the rural sector has not been taken seriously in the development process, resulting in a

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lop-sided development of the country. Pakistan's Sixth Five-Year Plan (1983-88, p.141) clearly admits that a large proportion of its poor people live in the less developed parts of the country. The author raises the question of which part the majority of the rural poor live in. Is it the canal-irrigated (Bar) or wells-irrigated (Bet) land in rural Pakistan? No doubt there is vast knowledge about rural areas and their development scattered haphazardly in the projects, reports and policies, but the author could not find such a piece of work which would have classified and clarified these two areas. Reports related to Agroville Centres, markaz developments and recent studies conducted by the FAO (1978, 1980, 1983) do explain comprehensive aspects of planning, policies and suggestions but they are silent in classifying and identifying these areas. One part of this study is to classify these areas, and this part explores and identifies the nature of the agricultural marketing problems in the comparative pictures of these rural areas.

As a part of this research the author has already attempted to answer the above question theoretically in his research paper No.1 (3 June 1987, published in the Daily Wafaq, Lahore). Now the author has attempted to classify and compare these areas with empirical data and evidence.

Agriculture consists of two major sectors, the production and marketing sectors. Most of the efforts have been made to increase agricultural production (Green Revolution). The other sector equally important for farmers' economy, marketing, has not been given any proper attention, with the consequence that even today, in spite of an increase in production, the majority of the farmers are still facing marketing problems in terms of high marketing costs and complications

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at each level from production at farms to sale at market places. But the policy makers are still after the production factors and physical development of new markets, and hence disregard the importance of an improving marketing system which is mainly of concern to farmers, traders and consumers.

1.1.3 The Importance of a Marketing System

The development of most primary producing and developing countries is largely dependent upon the expansion of agriculture, and the latter's expansion is to a great extent dependent upon the development of a marketing sub-sector. Whereas a marketing system creates and activates new demand, it can guide the farmers to undertake new production lines, to encourage innovation and to carry out improvements in production in consonance with the spatial, temporal and formal realities of demand. With the extension in market size and potential aggregate demand, the improved marketing structure brings in commercialization of production and the division of labour which forms the very basis of economic growth.

The agricultural marketing system covers the whole of the distributive process through marketing channels between producers and consumers. Through these channels the agricultural marketing system operates to move goods from producers to market places. It is very important to explain here that in providing an efficient channel between producer (farmer) and the markets, the marketing system must function to faithfully reflect back to the producer the demand of the consumer, to provide the facilities, organization and practices

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required, to provide the incentives necessary to get the farmer to produce for the market.

Obviously the success of the marketing system lies in the function and efficiency of these marketing channels from farm to market among the farmers, moneylenders, officials at farm gates (rahdari) and octroi post (chungi) moneylenders, commission agents (arhatiyas), market committees and market intermediaries.

1.1.4 The Market System in Punjab

In Punjab at market centres usually three types of markets exist, namely local retail, agricultural wholesale grain markets and vegetable wholesale markets exist. At district centres they have regional status. They join the provincial centre which is further connected to the national centre at Karachi sea port. At subdistrict level each 'market town' enclaves retail and agricultural markets. The local market is a retail one and it consists of many bazaars where the majority of customers come from the rural hinterland of Bar and Bet areas. The vegetable market is a wholesale one which functions only in the morning session every day without any holidays. The network of markets depicts the dendritic market system (see Fig. 1.2).

The Grain Market has been well planned since the British period in every 'market town' (mandi town), and is located very near to the railway station. Such grain markets are well established at the sub regional level where farmers come with their agricultural cash crops for sale from the surrounding villages, and the shopkeepers, commission agents (arhatiyas) from the same or their own districts come for purchasing and dealing the produce. The commission agents of the

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FIGURE 1.2

Dendritic Market System
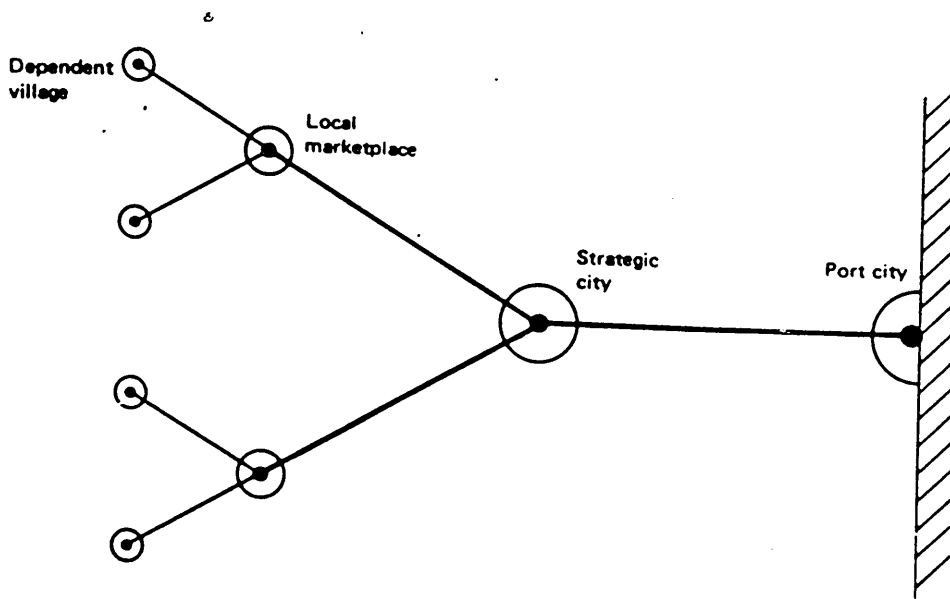
Dependent village · Local marketplace · Strategic city · Port city

market have wholesale establishments with storage and office facilities in every shop. Thus a grain market is horizontally linked with lower order centres called the small town (qasba) markets, located in the villages, and is itself vertically integrated with higher order markets at regional level in other district (zila) centres. Municipal committees are responsible for their physical development and maintenance, whereas the marketing committee performs its duties in the marketing functions in the grain market. A grain market at subdistrict level in every 'mandi town' is one of the most important agricultural economic nodes by virtue of its peculiar planning features and agricultural trade.

1.1.5 Views on Production and Marketing

From the income and welfare point of view, agriculture can be divided into two important sectors, namely 'production' and 'marketing'. Much attention had been and is being paid to the production aspects, but little has been done to improve the marketing aspects.

Farmers' income depends upon production and prices. Due share in the consumers' expenditure paid to the farmer would increase his income enabling him to meet his financial needs, create surplus and promote investment in his agriculture.

An efficient marketing system is one in which a commodity is conveyed from the farmer to the consumer in the wholesale market by the shortest possible route and at the least marketing cost, so that satisfaction may be derived by the consumer, yielding at the same time,

maximum profit to the farmer. Developed countries do care in such a situation, and hence develop an efficient marketing pattern for the benefit of farmers and consumers.

The position is just the reverse in the developing countries like Pakistan, and it is unfortunately true that the existing marketing channel (the system) between farm to wholesale market (mandi) suffers from several handicaps, culminating in wide price spreads and high market margins. Low margins of profit of the farmers result in low level of income, less investment in small scale production and low marketable surplus.

Before exploring and identifying the nature and causes of the marketing problems at different levels in Punjab, let us first clear up here the concept of market and marketing in general and the Punjab agricultural marketing context in particular.

SECTION II

1.2 THE DEFINITIONS AND CONCEPT OF MARKET AND MARKETING

1.2.1 The Concept of Marketing in General Sense

According to Donald F. Mulvhill and Ruth Cope (1970, p.3), 'marketing' is the performance of business activities which directs the flow of goods and services from producer to consumer or user. They added that marketing is concerned with sets of flows not only of physical goods, but also of title and payment and of information to and from the consumer.

Interestingly, the important functions in marketing are often performed as pairs of activities. These are (1) buying and selling; (2) transporting and storing; (3) financing and risk-bearing; and (4) informing (broken into the forward flow of information, advertising, and the backward flow, marketing research).

Our main concern here is the markets which deal agricultural produce on a wholesale basis in the market town (mandi town) of Punjab.

1.2.1.1 Chain or channel

The operational meaning of chain or channel in this study is that it is a linked collection of agents, institutions and physical structures through which the produce passes from farm through the wholesale market, a definition developed with Bowers (1987) through discussions.

Thus a 'marketing channel' is a system which represents a composite of activities aimed at the collection of agricultural goods and their onward sale, and to the provision of related facilities for purchasing agricultural inputs and consumption goods. In this thesis only the collection for onward sale of rice is considered. It has the objectives of adding values over time and space. It naturally follows that if a marketing function is adding value in excess of marketing cost, then it is an efficient function. Conversely, defects and problems related to this channel, may make it an inefficient operation thereby reducing the return to the agricultural producer.

1.2.1.2 Different views of the problem

The author has emphasized above that the problems of the developing countries are partly related to the efficient market system,

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of which production is a prerequisite and integral part.

(i)   No doubt every nation of the world is today looking for
      solutions to the problems of increasing production of available
      limited resources and the marketing of them at local and
      international trade centres for the well-being of the whole
      community. According to Harry W. Richardson (1978, p.266), the
      interest of planners, policy makers and social scientists in
      'development as a form of "equity" rather than efficiency' has
      led them to concentrate on spatial dimensions of economic
      activity.

(ii) Most of the literature related to problems in the developing
      countries shows that the rural sector was stagnating and poverty
      was spreading as a result of existing processes of rural urban
      bias (Lipton, 1977, pp.82-83), the internal structure of rural
      areas themselves (Mike Shepperson, 1979, p.10), and imbalanced
      flows of commodities and capital between market centres and the
      rural hinterland (Alan Hay, 1979, p.2).

(iii) Even at the lower level of the economy, there are middlemen,
      village elites and moneylenders who often interfere with and
      control the flow of commodities and capital between villages and
      market centres; as often said, they act as agents for extracting
      surplus from the rural farmers.

The production and marketing problems faced by the farmers were
observed and investigated from the perspective of the flows of their
commodities and capital from the villages to the market centre.

1.3 MARKETING PROBLEMS IN DEVELOPING COUNTRIES

1.3.1 (a) Poorly Developed Marketing Channels

The main reasons are: (i) poor transport facilities; (ii) few market places with adequate facilities, to facilitate and direct the movement of produce, an absence of legal contracts,an absence oi grades and standards for the produce or standard weights and measures, little or no guidance on market information, and little commercial outlook to co-ordinate segments in the chain in respect to changes in volume, costs and prices.

The FAO (1980, p.13) stated that accessibility was a serious problem in the agricultural district of Andhra Pradesh in India, where a farmer had to travel an average of 10 kms to reach a rural market. In Bangladesh, fast modes of transport are fewer, whereas in Thailand a considerable amount of produce was sold at the farm gate rather than through the existing markets. Johnson (1976, p.83) explains the scarcity of market towns in the developing countries. He states that the ratio between villages and market towns in developed countries is remarkably low, probably about 16 to 1, as contrasted with a ratio ranging from a low of about 50 to 1 to a high of over 300 to 1 in India, and 400 to 1 in Yemen.

1.3.2 (b) The High Cost of Marketing

Costs of marketing are usually high due to poorly developed

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facilities such as:

(i) Poor storage facilities, particularly at farm level.

(ii) High transport costs.

(iii) Packing and processing.

These factors are further aggravated by the lack of competition in the marketing chain, there being many forces conducive to monopolistic tendencies such as lack of marketing price information, licencing rules, legal and administrative regulations by the marketing committees or marketing boards which limit the number of buyers and by reducing competition increase marketing costs, and cause delay and inconvenience to the farmers.

Norman, J.E. (1968, p.8) stated that due to poor storage facilities in Pakistan, paddy rice was stored in the open resulting in major losses from the rains and the invasion of rats and insects.

In the case of Taiwan, Tjiu (1972, p.1) explained that most of the rice stores were found to be out of date, having been constructed before 1941. Farmers had storage costs of NT$ 117.4 per ton, which was comprised of 26.4 per cent as fixed costs and 73.6 per cent as variable costs. He added that the interest and handling costs amounted to 24.35 per cent and waste accounted for 18.51 per cent of total cost.

The FAO (1980, p.18) stated that even in Malaysia, considerable storage facilities in the periodic markets were not available. In Nepal bazaars are clustered in the Terai belt as compared to the hilly belt. Overall transport costs were very high, and in many developing countries proper packing and processing facilities were not developed.

1.3.3 (c) Poor Incentives for Farmers

The farmers' incentives are poor. The lack of clear marketing channels is a serious handicap, the risks and costs of marketing are high and are increased by the absence of market information, prices received are uncertain; the farmers suffer at the hands of monopoly enterprises so that consumer forces are also not faithfully reflected back along the chain, and a lack of credit facilities frequently places the farmer in the hands of the money lenders.

In the developing countries, small farmers face high production costs, a lack of water for irrigation, lack of fertilizers, lack of transport facilities and finance needed to take the agricultural produce to the market places. In many countries even governments' guaranteed prices are not reliable. Farmers feel that taking their produce to the market is very risky, and that is why many of them prefer to sell at the field at very low prices.

The farmer also feels inconveniences, confusions and possible humiliation at key nodes in the system such as union council tax posts, octroi posts (chungi), market committee charges and fees, complications with intermediaries, delays, wastage of time, and uncertainty of prices. Farmers' participation in these price making decisions is negligible. Thus these decision making actors and the other agents in the market act for their own benefit at the expense of farmers' income and prosperity. Barbara Harriss (1974, p.66) explained a long chain of these actors in sequence at the grain market through the marketing channel and sub channels of commission agents (katcha and pacca arhatya) of Punjab in India (see Fig. 1.3).

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FIGURE 1.3

Kacha Arhatiya   Pacca Arhatiya
(Commission agent)   Commission agent
without marketing   with marketing
licence   licence

                    Pallador   Dallal
                  Loaders   Moneylender
                Cleaners   Sweeper
              Stockers   Cook
            Weighers   Servant
          Beggars   Waterman
        Stitchers   Watchman
Hawkers   Cartman
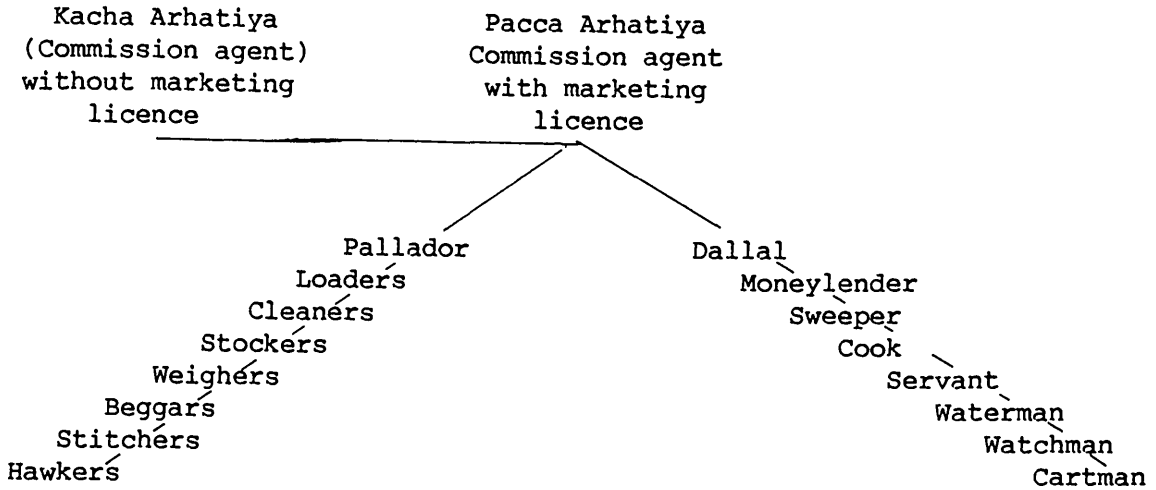
Source: (i)   Since Government of India 1950.
          (ii)   See in Harriss (1974, p.66).
          (iii) Meanings of <u>katcha</u> and <u>pacca arhatiyas</u> were explained
                 by the secretary of the market committee, Mr Asad Ali
                 Hashim, in an interview conducted by the author on 8
                 July 1987 at his office in Muridke grain (<u>ghala</u>) market
                 (<u>mandi</u>).

The FAO (1980, p.31) itself confirms that in addition to these
intermediaries faced by the farmers at the <u>mandi town</u>, the farmers in
India, Bangladesh and Pakistan have to pay a variety of fees and
charges imposed by market committees, local authority and commission
agents. See Table 1.1 on 'market charges'.

Thus these charges, market fees at the market place and the
monopolistic nature of the commission agents (<u>arhatiyas</u>) altogether
make for high marketing costs for the farmers. Government intervention
intended to solve this problem also fails, because its political power
structure and monopolistic position through its agents, suffers from
malpractices.

TABLE 1.1

Marketing Charges in Indian Grain Markets

Charges	Rates
Market fee Grading charge Weighing charge Animal holding fee Storage charge Stall fee	0.5 - 2% 8 paisas per bag 10 - 70 paisas per bag Rs 0.5 to 2.0 per head 2 paisas per bag Rs 0.5 - 3 per stall/day

Source: FAO of the United Nations (1980), Rural
Markets, Bangkok, p.31.

1.3.4 (d) Problems Faced by Women in Rice Marketing

Rural women in the rice producing countries, particularly in Asia and generally in other parts of the world, play a significant role. Though their situations are changing very slowly from subsistence agriculture to a marketing economy, at the same time they are facing cultural and technological constraints on their way to prosperity.

Recent studies by Constantina Safilios-Rothschild (1985, pp.305, 309-310) on rural women in Lesotho and Sierra Leone show that in spite of these efforts by women, equal rights in terms of share of profits and decision powers in marketing have not been achieved. The obstacles are of a structural and normative nature. Rothschild (1985, p.310) describes her experience in a Muslim village of Gofar in the southern district of Mampele: in spite of year-long efforts by the women to

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obtain the necessary training and accreditation, these efforts were in vain, and the women were unable to obtain the credit and technical assistance that would allow them to alleviate the prevailing level of poverty.

In the above discussion we have seen the developing world from the perspective of marketing problems of farmers. Let us explore the case of a developing region - Punjab of Pakistan - in the light of the above discussion, in its historical, economic and spatial perspectives.

SECTION IV

1.4 MARKETING PROBLEMS OF FARMERS IN PUNJAB (THE BAR AND BET AREAS)

There is no doubt that today agriculture is still the largest sector in the economy of Pakistan, accounting for 29 per cent of the country's gross domestic product (GDP). It employs 55 per cent of the labour force, and its share of exports amounts to 70 per cent (source: Khan, 1984, p.1). The defects in the marketing channels are now evident.

In general, as in many other developing countries, the farmer of the Punjab region faces problems in two important and inter-dependent sectors. One is predominant, the problems related to agricultural production. The other sector is marketing of agricultural produce, which depicts marketing problems in terms of defects and effects experienced by the farmers through marketing channels right from the farm level to wholesale markets in Punjab, Pakistan.

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1.4.1 (a) High Cost of Production

At the farm level where irrigation facilities are poor, usually the farmer faces a high cost of production mainly due to small farm sizes, tenure status, land cultivation intensities, low yield per acre, less marketable surplus, lack of storage facilities, and hence earns less income coupled with large family sizes which tend to keep per capita income low. Such areas in Punjab are unplanned, and are being irrigated by wells and now by tube wells. These are also called Bet lands.

In contrast, the areas which were planned and canal irrigated by the British planners and engineers in the mid 19th century are called the Bar areas, which have contrasting landscape features to adjacent Bet areas.

1.4.2 (b) High Marketing Cost

Having faced the problems of production, the farmers from both areas have to face the problems of marketing the agricultural surplus (in this study area mainly paddy rice), particularly in two ways. At the farm level the farmers have to accept very low prices from the money lender (village beopari). If the farmer wishes to have higher prices he has to take the produce to the wholesale grain market (mandi) and thus he has to pass through the marketing channel from farm to rahdari, octroi and market place. He has to pay a variety of taxes, and at the market he also deals with the market intermediaries where he pays other charges and marketing fees.

The Bar and Bet areas have never been studied separately and

compared to provide a clear picture of marketing channels in Punjab. This study was undertaken with the hypothesis that any study related to rural development must be focussed carefully in both these areas separately because of their different socio-economic development, and this is borne out by the results. It was then questioned as to whether povery and related marketing problems were more prevalent in the Bar or Bet lands of the Punjab region.

1.4.3 (c) Problems of Marketing Channels in Punjab

Agricultural marketing in Pakistan, as in other developing countries, has been subject to many shortcomings in the marketing channels. The main defects associated with marketing channels are summed up as follows:

(1) Inadequate facilities for transport and communication.

(2) Multiplicity of intermediaries (also mentioned by Harriss, 1974).

(3) Lack of storage facilities.

(4) Lack of uniformity in weights and measures.

(5) Lack of properly regulated markets.

(6) Lack of proper information on marketing prices.

(7) Lack of grading facilities.

(8) Constraints faced by women in marketing the produce.

1.5 DISCUSSION OF THEORETICAL APPROACHES TO AGRICULTURAL MARKETING.

The principal theoretical approaches used to look at agricultural markets have been those related to central place theory and the agricultural location theory of Von Thunen, and in the context of colonial and ex-colonial countries the dendritic theory of E.A.J. Johnson. What has emerged following the survey work in this study, is that this type of approach is probably less valid than a detailed study of the practises of the agents of the marketing chain. The appropriate theory for this has not been found.

The theories associated with Christaller and other central place theorists (e.g. B. Berry (1967), M. Chisholm (1968)) deal with the appropriate location of service centres for agricultural regions. Although this is recognised as part of the basic marketing system, in that the purchase of agricultural inputs and the satisfaction of consumption needs form part of the basic infrastructure of an area and hence its ability to produce and market agricultural surplus, this has not been the main focus of this study which has concentrated on the marketing of rice. The location of facilities, notably schools, is thought to be very important in the Pakistan context in that it seems, as will be shown in the discussion of the survey results on education and migration, that education may help migration and the consequential remittances from elsewhere, which seem to fulfil a vital role in agricutural development. It is also recognised that the contact with the outside world provided by a good service centre is a vital part of development in that it provides the window for innovations from elsewhere that are vital to technical progress, partly through the

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purchase of new products with the associated information on use.

The central place approach has however influenced both policy and planning in that the Agroville, Markaz, and to a lesser extent Integrated Rural Development policies discussed below concentrate heavily on the appropriate level and location of service centres.

The other aspect of geographical location theories that has been used implicitly in this study but in general found to be less important than expected, is derived from Von Thunen who stresses the impact of transport cost on land values and hence the type of uses to which the land can be put, (e.g. W.C. Found 1971, Lloyd and Dicken (1977), K.R. Cox (1972)). It was expected that parts of the study area would show the effects of excessive distances to market and hence high transport costs (a part of the marketing costs), and that as a result further market places would be recommended, as done by FAO, see below. This was not however found and the problems of location that were discovered appeared to relate more to the vicious circle of low land productivity due to inadequate irrigation leading to the lack of marketable surplus, and hence the lack of customers, so that the range of the market either exceeds its threshold, or is at least uncomfortably long, thus leading to higher marketing costs for those very people who can least afford to pay. The solution may however not lie in providing more market places, but in increasing the productive potential of the area so that the markets would be self sustaining, even if they required to be introduced as a matter of policy.

The study by Miller (Miller, F., 1973, pp.121-124) of road improvements in the Argentine in fact suggests that transport cost reductions in this sort of context, (i.e. where grain is a major crop) are quite likely to have no impact on the amount of production and may

simply become a windfall gain to the buyers of grain from the farm, since they may have monopoly powers over the small farmers at least.

A theory most appropriate for the explanation of the development of the structure of markets in the Punjab, particularly in the Bar areas, is the theory of dendritic markets put forward by E.A.J. Johnson (1976). He suggests that market systems in many colonial or ex-colonial areas are based on the desire to export materials from the colonies for the benefit of the colonial power; hence the markets are structured to collect materials from the hinterland and bring them in ever greater bulk to the port of export; in the Pakistan case the rail system links all the mandi towns with Karachi, indeed part of what is now India used to be linked to this same tree, notably Amritsar.

SECTION VI

1.6 FORMULATION OF THIS RESEARCH PROBLEM (IDENTIFIED AND INVESTIGATED)

The problem taken up for this research focussed on the pattern of rice marketing in planned canal-irrigated (Bar) and unplanned wells-irrigated (Bet) areas of the Ferozewala subdistrict of Punjab in Pakistan.

From the economic standpoint the marketing channels and their arrangements are of interest for several reasons. In their neutral form these perform the function of signalling prices to consumers and producers, thus bringing about the allocation of available supplies and resources among consumers and producers. The popular view, in low income countries like Pakistan, is that markets for agricultural

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commodities do not operate efficiently in price signalling, and that there are great differences between prices paid by the agents and those received by the producers, both over time and space, which are caused by monopolistic elements. It is therefore essential to investigate the available evidence, to ascertain if the markets do in fact show a great deal of inefficiency, and if they do, whether such phenomena can be explained in terms of economic and marketing factors?

Another view is that an efficient market may have certain unacceptable features. For example it may operate in a manner that causes a great deal of year to year instability in the price level which adversely affects the growth of the agricultural sector. In that case, it may be necessary to improve the existing system of marketing channels or to replace the present system with a new one.

However, any such change needs careful consideration because of its possible impact on several important factors such as effecting long run economic development. Among the more important are the mobilization of market supplies, the stability of prices, long run distributional efficiency, and optimum utilization of financial resources. Above all, knowledge of marketing patterns and disposal methods of marketable surplus are very important for tracing out the distributional channels for effective improvement in the marketing system.

This study attempts to contribute to knowledge about marketing problems and their causes experienced by the farmers in the following.

1.6.1 (1) <u>Comparison of Bar and Bet Areas</u> with information on the marketing problems of rice producing farmers with particular emphasis

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on general and prerequisite characteristics of farm land and its productive environment.

1.6.2 (2) <u>Comparative Pictures of Canal-Irrigated (Bar) and Wells-Irrigated (Bet) Areas with Special Reference to Marketing Problems of Farmers</u> identified in this study and investigated during the field work in Punjab. These are the following comparative studies on:

(1) Some socio-economic characteristics of farm households related to agricultural marketing, experience and suggestion by farmers.

(2)   (i) Staying power of farmers.

   (ii) Storage problems and wastage of produce.

   (iii) Marketing intelligence and price information.

(3) <u>The role of various types of intermediaries</u> in the marketing channel, who were money lenders (<u>beoparies</u>), producers, commission agents (<u>pacca</u> and <u>katcha arhatiyas</u>) and a series of workers at grain markets including government servants under the market committee. Their actions and roles were different. Each group of actors in the marketing channels communicates incentives or decentives to farmers through the marketing channel by virtue of their behaviour patterns.

(4) <u>The emerging patterns of rice marketing by women</u>. These aspects related to rice marketing by rural women from Punjab have been analysed precisely due to time constraints of this research.

   These data and causes were analysed and reviewed in the perspective of agricultural marketing channels for the comparison of

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canal-irrigated (<u>Bar</u>) and wells-irrigated (<u>Bet</u>) areas of Punjab. Recommendations for the improvement of agricultural markets and the marketing system have been made.

It is expected that this study will provide information for improving the existing marketing channels, marketing practice and devising a new and better system in Punjab.

SECTION VII

1.7 FRAMEWORK FOR THE THESIS

This thesis has two main parts. The first part contained in Chapters One to Three, considers theoretical aspects and background material on the planning and marketing in the Punjab and on the background to the case study.

Chapter Two mainly deals with the overall position of Pakistan, and particularly the revolutionary changes brought by canal irrigation development and planning in the rural landscapes of Punjab which reduced the problem of poverty in the area. This chapter also discusses the impact of these changes in terms of the prosperity of the region, and brought changes in trade and commerce. The institutional structure and past planning policies for rural markets are also coverred.

Chapter Three mainly discusses the study area, Ferozewala subdistrict, in the regional (Sheikhupura) context. It depicts the location of Muridke Market Town (mandi town) and its two parts, the planned canal-irrigated (<u>Bar</u>) and wells-irrigated (<u>Bet</u>) areas in its

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rural hinterland. It also explains the survey design's methodology and fieldwork. It describes the role of the farmer as a seller and explains how he has to face the different agents such as commission agents and money lenders. The farmer also faces the problems of lack of reliable information on prices, modes of sale, market fees, and deduction in kind and cash by intermediaries.

In Chapter Four the three subsets of the conceptual framework of the study area show a practical and empirical representation of the theoretical aspects discussed in Chapter One. Subset No.1 shows the rice outflows from the farmer. Subset No.2 represents the channels from farm to wholesale market through the octroi post. Subset No.3 represents the major parameters and causes of marketing problems and defects of marketing channels already identified and investigated in the Ferozewala sub district of Punjab, see Fig. 4.1 in Chapter 4.

The empirical evidence and results show that the flow of capital and agricultural produce between (Bar) areas and market town was considerably more than that from (Bet) areas, i.e. low per unit production cost plus lower marketing cost in the Bar areas. It proves that the planned and canal-irrigated (Bar) areas are superior and prosperous from the production and marketing point of views as compared to the unplanned wells-irrigated (Bet) areas.

This chapter also compares the marketing problems related to weak staying power, quantitative and qualitative problems of storage at farm level, marketing intelligence and it explores invisible factors such as marketing by women at domestic (char devari) levels in other subdistricts.

Lastly in the reviews of theoretical basis and empirical evidence and results, the conclusions and suggestions have been written.

CHAPTER TWO

SECTION I   PAKISTAN

2.1 INTRODUCTION

In the first chapter we defined the concept of marketing and
identified the marketing problems of farmers in the developing
countries in general and Pakistan in particular. It was clarified that
the British problem-solving approach was already applied and valid in
Bar areas of Punjab even before the locational and central place
theoretical and practical approaches in the region.

Chapter Two   provides an overall view of Pakistan and
particularly the reflections of the Punjab province during the British
period of irrigation and marketing.   It explains the revolutionary
changes and prosperity which came as the result of irrigation and
agricultural development in the region.

The current structure of farms and farmers, and the levels of
local government in Punjab will also be explained.   Finally a
conclusion will be drawn from these perspectives.

2.1.1 Physical Features

The total area of Pakistan is 307,374 square miles, of which
183,840 square miles lie in the western mountains and tribal land area.
The remaining 126,563 square miles have a flat gradational surface
(source: 'Towards Pakistan 2000, 1985, UDRP, paragraph 2.2.1).

Pakistan is divided into five major physical divisions and each
contains further geographical sub-divisions.   The five major divisions
are the Himalayas, the Hindu Kush and western-bordering mountains, the

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Baluchistan plateau, the Potwan plateau and salt range, and the Indus Plain (covering most of the land of Punjab). Thus Pakistan has a varied relief, consisting of plain, plateau and mountains, with the Indus river and its several tributaries. It has a continental type of climate. See Figures 2.1 and 2.2 for the location of Pakistan in Punjab and study area (Sheikhupura district) in the surrounding areas.

2.1.2 <u>People and Their Land</u>

According to the <u>Statistical Year Book 1984,</u> p.6, the total population in the country is 84.2 million. The density in 1981 was approximately 2.7 persons per square mile. Population densities are unevenly distributed. This uneven distribution of people is caused by topography, irrgation development and the degree of urbanization.

Nearly 70 per cent of the country's total population lives in 43,000 villages. The growth of urban and rural areas in Pakistan is shown in Table 2.1.

Land is a major resource in a village but its ownership is skewed. An image of the inequality may be seen from the data in Table 2.2. It is evident that 69 per cent of the owners own about 25 per cent of the area in sizes up to 6.25 acres; 19.6 per cent of the owners are small in size (up to 12.5 acres) and share 21.3 per cent of the area. Only 6 per cent are large and very large farmers who own more than one third of the total area. The skewness in the distribution of the land resources is reflected in income distribution and inequalities.

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FIGURE 2.1

Pakistan in Asia

Map showing Pakistan in Asia with labels: USSR, AFGHANISTAN, KASHMIR, CHINA, PUNJAB, IRAN, PAKISTAN, TIBET, NEPAL, ARABIAN SEA, BHUTAN, INDIA, BANGLA DESH, BAY OF BENGAL, CEYLON

N

SCALE: 0 200 400 600 miles
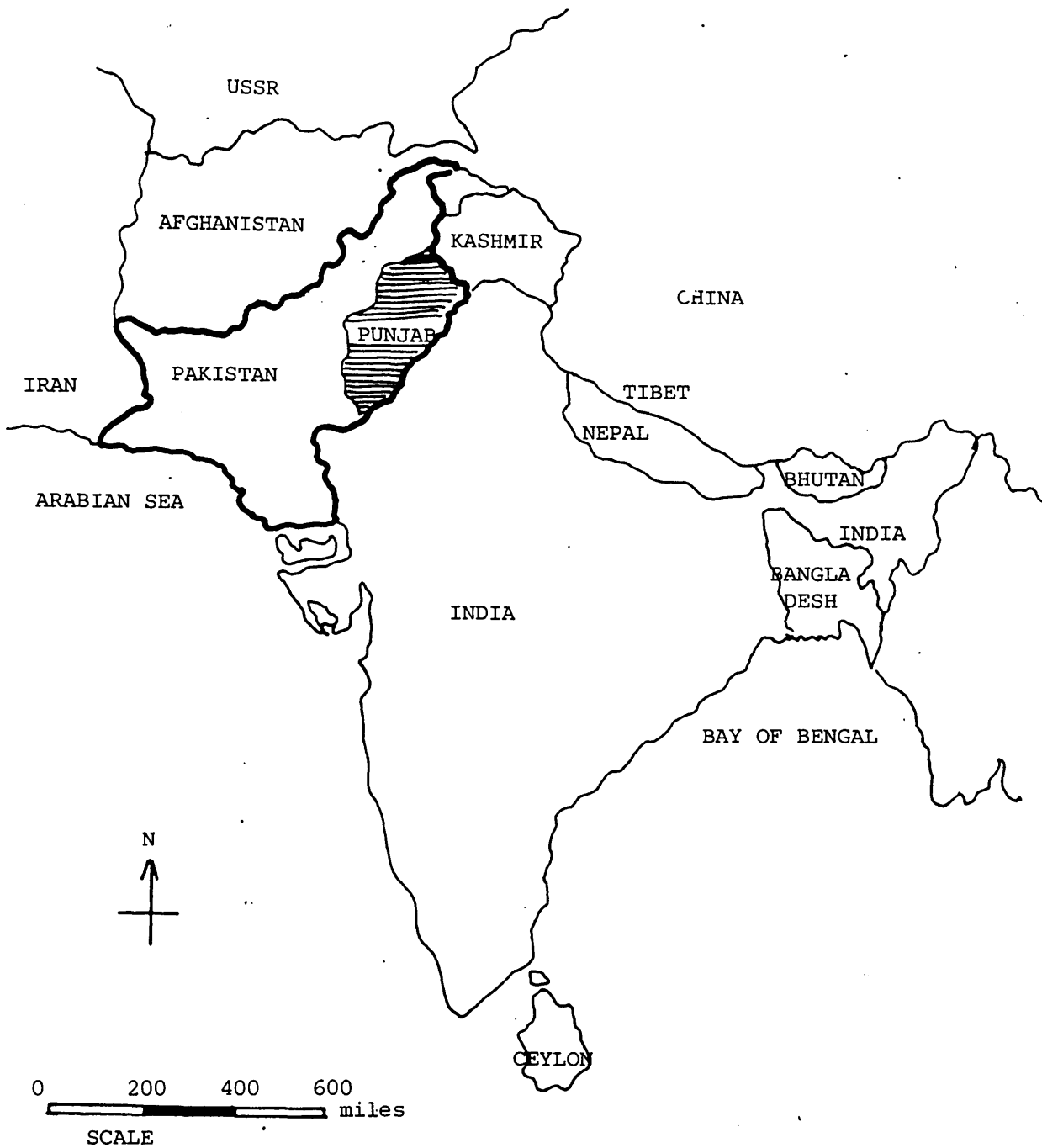
Source: Zekia Eglar (1960), A Punjabi Village in Pakistan
         Columbia University Press, New York (p.5).

FIGURE 2.2

Punjab and Study Area (Sheikhupura District) in Pakistan
and Surrounding Areas

�▨ STUDY AREA
(Sheikhupura District)
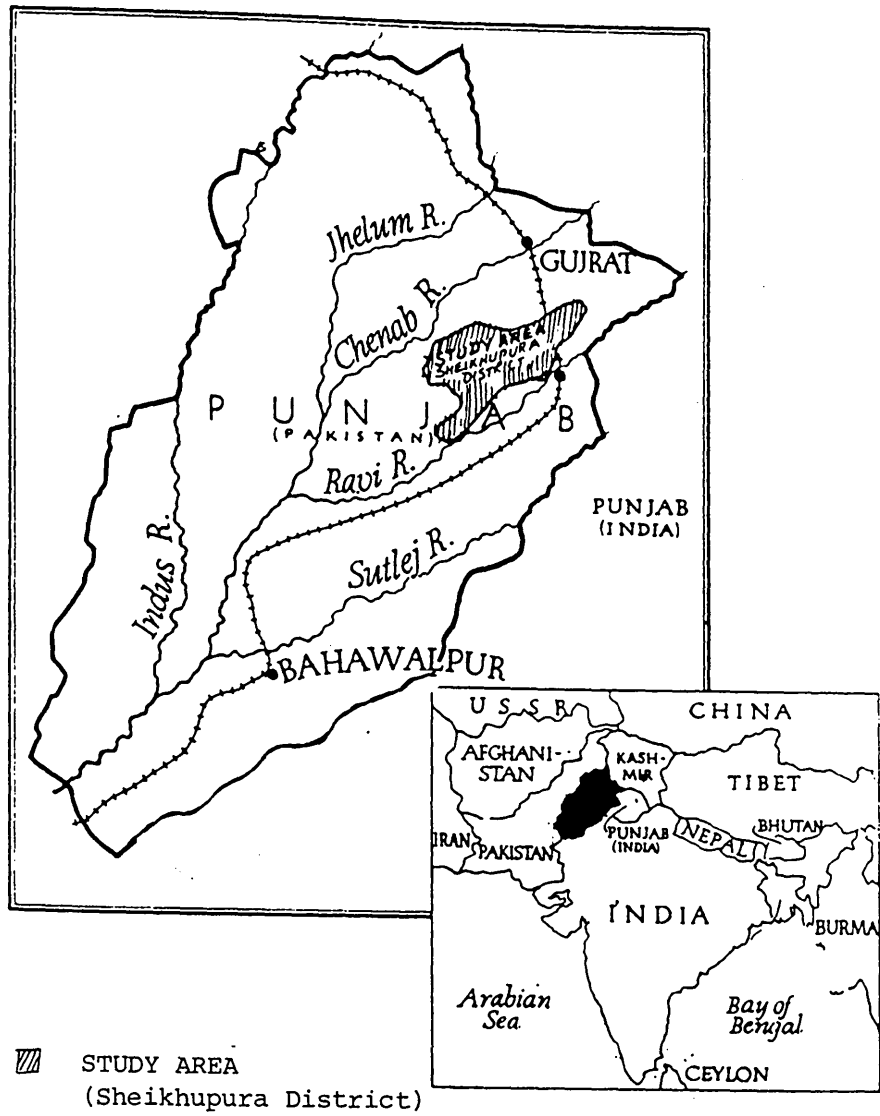
Source: Zekia Eglar (1960, p.5).

TABLE 2.1

Growth of Urban and Rural Areas in Pakistan

Population Year	Population (in millions)			Growth Rate % per annum		
	Total	Urban	Rural	Total	Urban	Rural
1961	42.88	9.85	33.23	2.4	4.8	1.8
1972	65.31	16.59	48.72	3.1	4.75	3.31
1981	84.25	23.84	60.41	3.06	4.36	2.5

Sources: 1. Pakistan Statistical Year Book 1984, p.6
2. Census Report of Pakistan 1961, 1972 and 1981 computed from these sources.

TABLE 2.2

Distribution of Land Ownership in Pakistan

Farm Sizes in Acres	Percentage of Owners	Percentage of Area Owned
Marginal (to 6.25)	69.0	24.9
Small (6.25-12.5)	19.6	21.3
Medium (12.5-25.0)	7.8	18.1
Large (25.0-50.0)	2.3	13.2
Very large (50.0)	1.2	22.8

Source: Khan, M.A. (1981) Underdevelopment and Agrarian Structure in Pakistan, West View edition.

See in Aslam, M.M., Gilani, A.H. and Qazi, A.R. (1983) 'Some Dimensions of Rural Food Poverty, Nutritional Status and its Improvement', University of Agriculture Press, Faisalabad, November 1983, p.2.

2.1.3 Planning Administration

At national level there are two government bodies concerned with planning: the Planning and Development Division, and the Environment and Urban Affairs Divisions. They deal with comprehensive national economic planning, and physical planning, respectively.

The provinces are responsible for implementation of the physical planning and housing policies formulated at national level.

At local level, rural councils and urban councils are responsible for the development of rural and urban areas respectively.

2.1.4 Provinces

There are four provinces in Pakistan. They are Punjab, Sind, North West Frontier Province, and Baluchistan. The respective capitals are Lahore, Karachi, Peshawar and Quetta. Additionally there is the Federal Capital territory of Islamabad, the tribal region of FATA by the Afghanistan border with Pakistan, the controlled area of Jamu, and Kashmir.

Punjab has more than 61 per cent of the country's population, and 32 per cent of the total area. See Table 2.3.

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TABLE 2.3

Population of the Provinces of Pakistan for 1961, 1972 and 1981

Province	Area	1961	1972	1981
Punjab	79,542	25,487,000	37,610,000	47,292,000
Sind	50,741	8,367,000	1,415,000	19,029,000
NWFP	39,283	5,730,000	8,389,000	11,061,000
Baluchistan	132,207	1,353,000	2,428,000	4,332,000
FATA		1,847,000	2,491,000	2,199,000

Source: Pakistan Statistical Year Book 1984.

See in 'Towards Pakistan 2000', p.18, Table 4, paragraph 2.5.3, unpublished report (UDRP, 1985, University of Edinburgh).

SECTION II   PUNJAB

2.2 PHYSICAL CHARACTERISTICS

2.2.1 Location and Importance

The Punjab province is located in the north eastern part of Pakistan. It is approximately 700 kms long and 300 kms wide, traversed by the Indus river and its four eastern tributaries. To the north, it is bordered by the State of Kashmir, to the west by Afghanistan and to

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the east by India.

The four doabs (areas between rivers), i.e. Bari, Rachna, Jech and Sind Sagar, have been settled as a result of rapid irrigation development in the area and the cultural core of Pakistan.

2.2.2 Doab

Basically doab is a Persian word which means 'two waters'. The land between two rivers was named doab by the Moghals. The doabs are given names compounded from those of their confirming streams. For example, the doab between the Ravi and Chenab rivers is called Rechina, and similarly the land between the Jhelum and Chenab rivers is called Jech. See Figure 2.3.

2.2.3 Climatic Conditions

The climatic characteristics of the Punjab region are closely associated with its relative location and the direction of the prevailing winds in the Indo-Pakistan subcontinent. Enclosed to the north by the Himalayas and lying at a distance of 700 miles from the Arabian Sea, Punjab is characterised by strong elements of continental climate with extremes of both precipitation and temperature.

Throughout Punjab, as in the rest of the Indo-Pakistan subcontinent, late summer and early autumn - the period of the summer monsoon - is the season of heavy rainfall.

FIGURE 2.3

CANAL IRRIGATION SYSTEM

IN PUNJAB

Legend:

- Canal
- Canal headwork
- Link canal
- Land above 1,000 feet
- International boundary
- District boundary
- ◉ Capital of province
- ○ District headquarters
- Study area (Sheikhupura District)
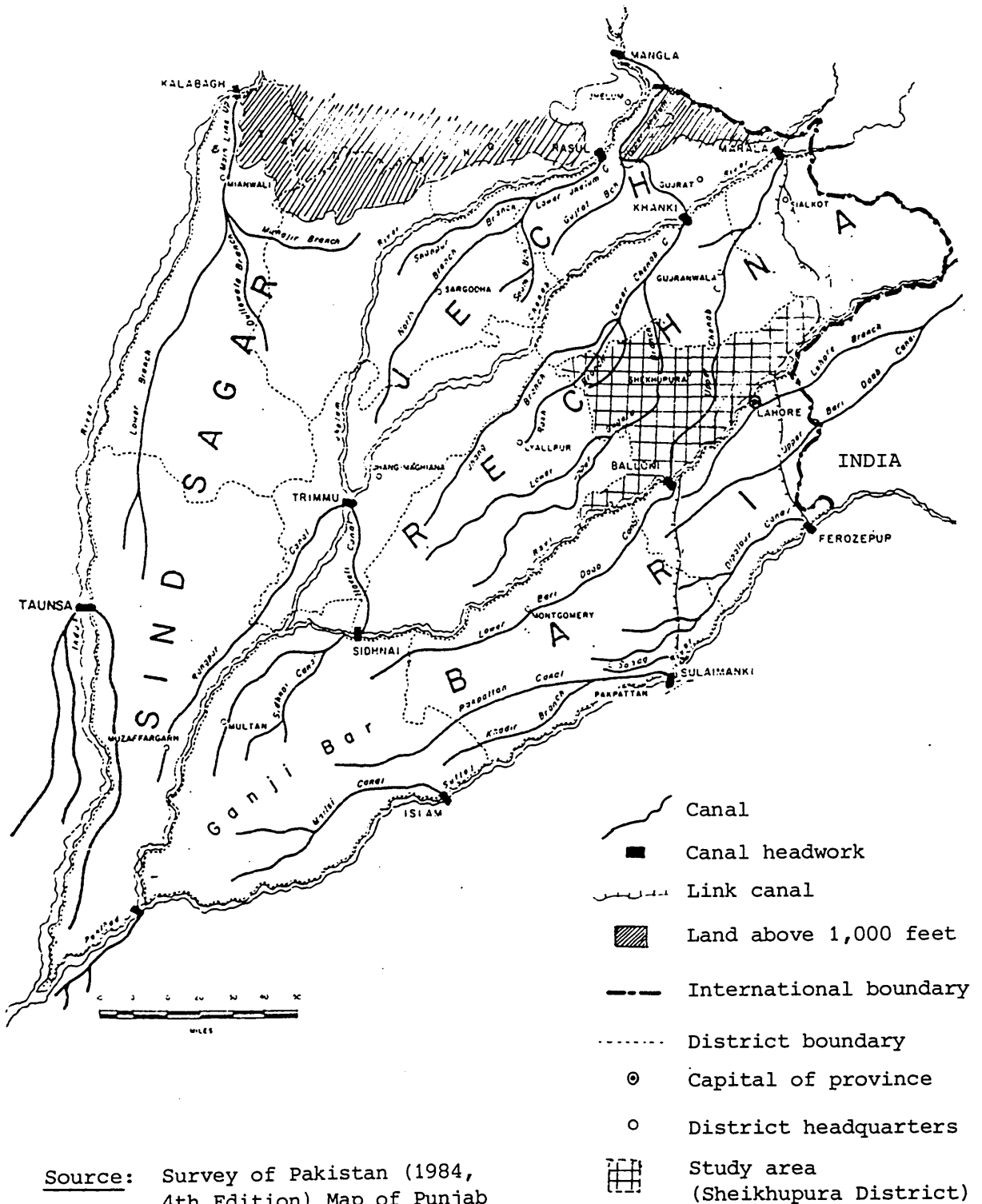
Source: Survey of Pakistan (1984, 4th Edition) Map of Punjab Printed at Survey of Pakistan, Rawalpindi.

2.2.4 Topography

Generally it is believed that the Indo-Gangetic plain was in the past a fore deep which was warped down between the stable Gondwaland (South India) and the advancing Himalayas (source: O.H.K. Spate, 1954, p.35).

Most of the land is flat and lies between 50 and 500 metres above sea level. The land however becomes rugged to the north, leading into the Himalayas in Kashmir and the North West Frontier Province, and to the west towards Baluchistan (source: UDRP, 'Towards Pakistan 2000', 1985, paragraph 7.2.1).

2.2.5 Soils

There are two types of alluvium soils recognized as older alluvium and newer alluvium. The new alluvium is confined to the lower terraces and flood plains of the Indus River. According to Chibber (1945, pp.215-216), it covers large areas of the Upper Indus Basin and contains chiefly sand, silt mud and clay. In the bed of river channels, sand and sandy to claying loams are usually found. Older alluvium on the other hand, covers those lands which are high above the flood plain.

2.2.6 Drainage Pattern

The five rivers of Punjab - the Indus, Jhelum, Chenab, Ravi and Sutlej - are the life blood of the region. An efficient irrigation system (which was brought into existence by the British during the

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British period) consequent upon the drainage pattern has reclaimed millions of acres of land which were formerly unproductive because of inadequate and erratic precipitation. For this reason, the canal-irrigated rural land is a fertile agricultural region.

After the Indus, the Chenab is the largest of the rivers. The economic significance of the Chenab River can be judged from the. fact that it provides irrigation water to both the Lower Chenab Canal and the Upper Chenab Canal. These two canals have helped to turn more than three million acres of unproductive land into the present rich canal colony (source: D.G. Harris, 1923, p.55).

SECTION III   PUNJAB IN THE BRITISH PERIOD

2.3.1 Historical Background

In the later half of the eighteenth century, while the Moghal Empire was collapsing, the industrial revolution was bringing about significant political and economic changes in Europe. National states such as Britain, France, Spain and Holland were emerging in part because of the growth of a strong sense of nationalism.

India was one of the very attractive colonies in Asia. Of the Portuguese, Dutch, English and French who all had schemes for carving kingdoms out of the ruins of the Moghal Empire, only the British succeeded, in 1757. Later, in 1858, the British were well settled in Punjab.

2.3.2 The Problems: Famines, Irrigation and Transport Facilities

The Punjab region suffered severe famines in the years 1802, 1812, 1817, 1824, 1833 and 1837. In the past the government had met famine conditions when and where they occurred; but the British view, as indicated in the Royal Commission Report, was that increased efficiency in the distribution of irrigation water on a perennial basis would increase agricultural production and in turn would be a better check on the recurrence of famine (source: Great Britain, Royal Commission on Agriculture in India, 1928, p.16).

However it was also recognized that improvements in irrigation systems alone would not fully check famine unless adequate consideration were given to the development of transportation in the region. It was realized that inadequacy of transportation prevented the meeting of a deficiency in one area or the absorbing of a surplus in another. Thus the construction of the railways at the same time facilitated transport to and from irrigation areas, and thus a new era in transportation was born.

2.3.3 Revolutionary Changes: Prosperity in Punjab

No region in the entire subcontinent benefitted more from irrigation development programmes than Central Punjab, according to Darling. According to Whyte's estimate (1961, p.113), nearly thirty two million acres more land were put to irrigation in this region. Thus from the beginning the British displayed a keen interest in the utilization and improvement of existing irrigation systems, and in the undertaking of new projects in the areas which were unirrigated and unproductive - the vacant land.

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2.3.3.1 Development of perennial canal systems

The British engineers, as early as 1850, realized that there were two major techniques involved in the utilization of river waters for more effective irrigation than the older canal system. First was utilizing the river by raising the natural level of the river by the construction of a weir or a barrage. In this arrangement, instead of lowering the canal bed, the water level was lowered by a weir and then conducted into a canal or a distributory. Thus the problem of year-round water distribution was solved by conducting water through weirs constructed at points on the rivers sufficiently high above the general level of commanded lands to permit the water to flow onto them by gravity (source: Royal Commission, 1928, p.14).

It was due to this technical breakthrough that the British were able to establish a perennial canal system which brought under cultivation a vast area of land in the region. This perennial canal complex which was built over time was constituted wholly of weir operated canals as explained earlier.

The beauty of the British perennial canal system won the day, in that it completely revolutionized the techniqe and scope of irrigation in the region, thereby bringing about striking changes in agricultural land use and social organization (see Fig. 2.3). *ON PREVIOUS PAGE 34-A*

2.3.3.2 Changes in hot season (kharif) crops

The introduction of perennial irrigation systems converted the Punjab region from a monsoon semi-oasis into a perennial monsoon region. Kharif (hot season) crops were previously grown in the flood plains or around underground wells, while in the areas between rivers (doab) upland where no such possibilities existed, winter crops were

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mainly grown. Thus the extension of perennial irrigation into such areas not only ensured irrigation for winter season (<u>rabi</u>) crops, but also greatly increased the areas that could cultivate during the hot season.

<u>Kharif</u> crops: The <u>kharif</u> crop, with special reference to paddy rice (basmati variety) has been a dominant and prosperous feature since the development of irrigation in Punjab. Table 2.4 shows that at the end of the British period in 1946-47, the <u>kharif</u> crop increased tremendously from 1,781,992 to 5,594,000 acres, which constituted a 40 per cent increase.

2.3.3.3 Demographic changes

According to the Census reports of 1881, the population of the area was 5,389,466, which constituted 24 per cent of the total population of the former British Province of Punjab. By 1891 the population of Punjab had increased to 6,409,039, an addition of over one million people within a decade. This change in the rate of growth can be judged from the fact that during the three decades between 1891 and 1921, the population of the area increased from 6,489,039 to 8,914,808. During the twenty years between 1921 and 1941, the population increased to 13,055,508, an increase of 46 per cent. In other words, the population during the two decades between 1921 and 1941 increased at a rate nearly twice as great as during the thirty years between 1891 and 1921. Population change was a continuous phenomenon in the region. It is important to explain such changes in the settlement pattern and other aspects in some detail. See Fig. 2.4 for population growth during 1881-1941 in the British Period.

TABLE 2.4

Acreage Under Rabi[1] and Kharif[2] Crops (1905-1946)

Year	Rabi Crops	% of Total	Kharif Crops	% of Total	Total Acreage
1905-06	5,596,998	76	1,781,992	24	7,378,990
1915-16	5,890,971	70	2,465,449	30	8,350,420
1920-21	5,377,687	63	3,053,353	37	8,431,040
1946-47	8,619,000	60	5,594,000	40	14,213,000

Source: India, Statistical Department, Agricultural Statistics of British India, 1890-91, 1905-6, 1910-11, 1915-16, 1920-21, 1925-26, 1930-31, Calcutta, Office of Superintendent of Government Printing.

[1] Rabi is a winter season crop.
Main crop is wheat.

[2] Kharif is a hot season crop.
Main crop is paddy rice.

FIGURE 2.4

Population Growth 1881-1941 (British Period)
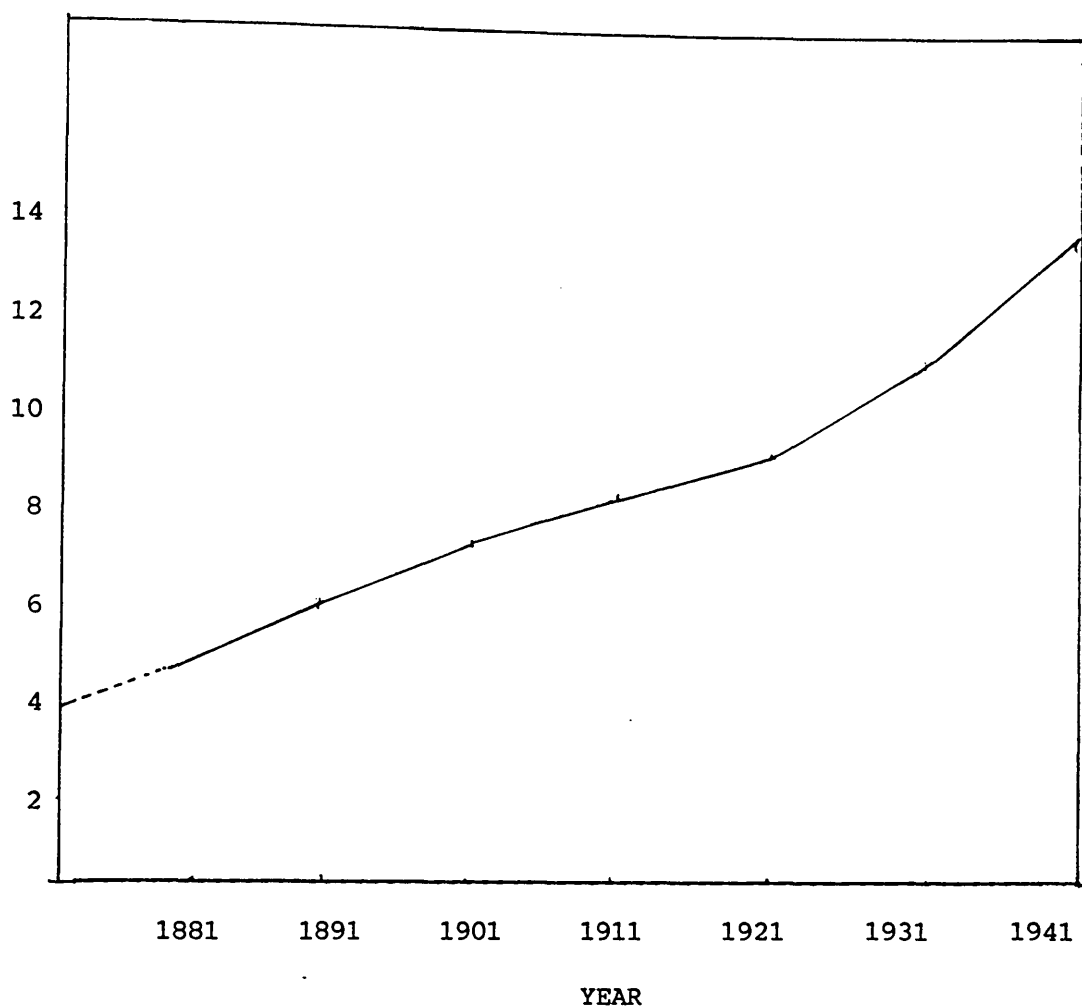
Source: Census of India: The Punjab, 1881, 1891, 1901, 1911, 1921, 1931 and 1941.

SECTION IV

2.4 MOGHAL VS. BRITISH: PLANNING AND TRADE ASPECTS

2.4.1 Moghal Planning in Punjab

Before the British Empire, the roads were developed by the Moghals and the rivers were crossed by bridges of boats. During the monsoon, however, the roads became boggy and bridges of boats unserviceable (source: H.K. Trevaski, 1928, p.83).

The pattern of settlement naturally conformed to the conditions of water availaility. The Moghals built cities on the river sides due to availability of irrigation water and strategic locations to cities. These cities were the large trade centres and were connected with roads crossing the rivers. The cities faced flood problems due to their location on the river sides. Even Lahore faced a flood disaster, and later the river embankment was built to prevent this problem. At the time of the British occupation of the region there were nine such Moghal cities (see Fig. 2.5) (source: Research Paper No.1 by the author, 1987).

2.4.2 The British Transport Network in Punjab (Market Towns)

The expansion of irrigation and the development of surfaced roads and railways meant a sharp decline in water transport and the building of ships and boats (source: N.H. Moreland, 1920, p.167). The extension of the roads and railway transport network by the British into doab lands and their planned market towns meant that a dendritic

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marketing system evolved from the rural districts to Karachi port.

2.4.3 Comparison of Moghal vs British Transport Networks

Figure 2.9 depicts how the cities were developed by the Moghals on the road network crossing the rivers. The British railway and road networks run parallel to each other, which is the opposite pattern as compared to the Moghal road pattern. Market towns were located away from the rivers but on the railway track. This network connected the whole region internally and externally with market towns and major cities. See both Figures 2.5 and 2.6 . Further, this network combined with the canal irrigation network divided many of the districts into planned and unplanned (Bet) areas. This was studied by the author and clarified through his recent (July 1987) railway journey (850 miles) from Karachi to Lahore through Punjab. Based on the studies of 15 market towns of Punjab, the detailed differences between Moghal and British planning aspects with special reference to market towns, a series of research papers has been published by the author in Punjab (source: Daily Wafaq, June-August 1987, p.3).

2.4.4 The British Planning Approach in Punjab

Like many other districts of Punjab, the Sheikhupura district also represents settlement patterns associated with the British canal irrigation development in the Bar areas. Spate (1967, p.527) clearly shows the planned (Bar) and unplanned (Bet) lands of Lyllepure district in Punjab (see Fig.1.1 in Chapter One). He gives an overall view of

MOGHAL VERSUS BRITISH PLANNING
IN PUNJAB

FIGURE 2.5   MOGHAL PERIOD 1880S
LOCATION OF TRADE CENTRES
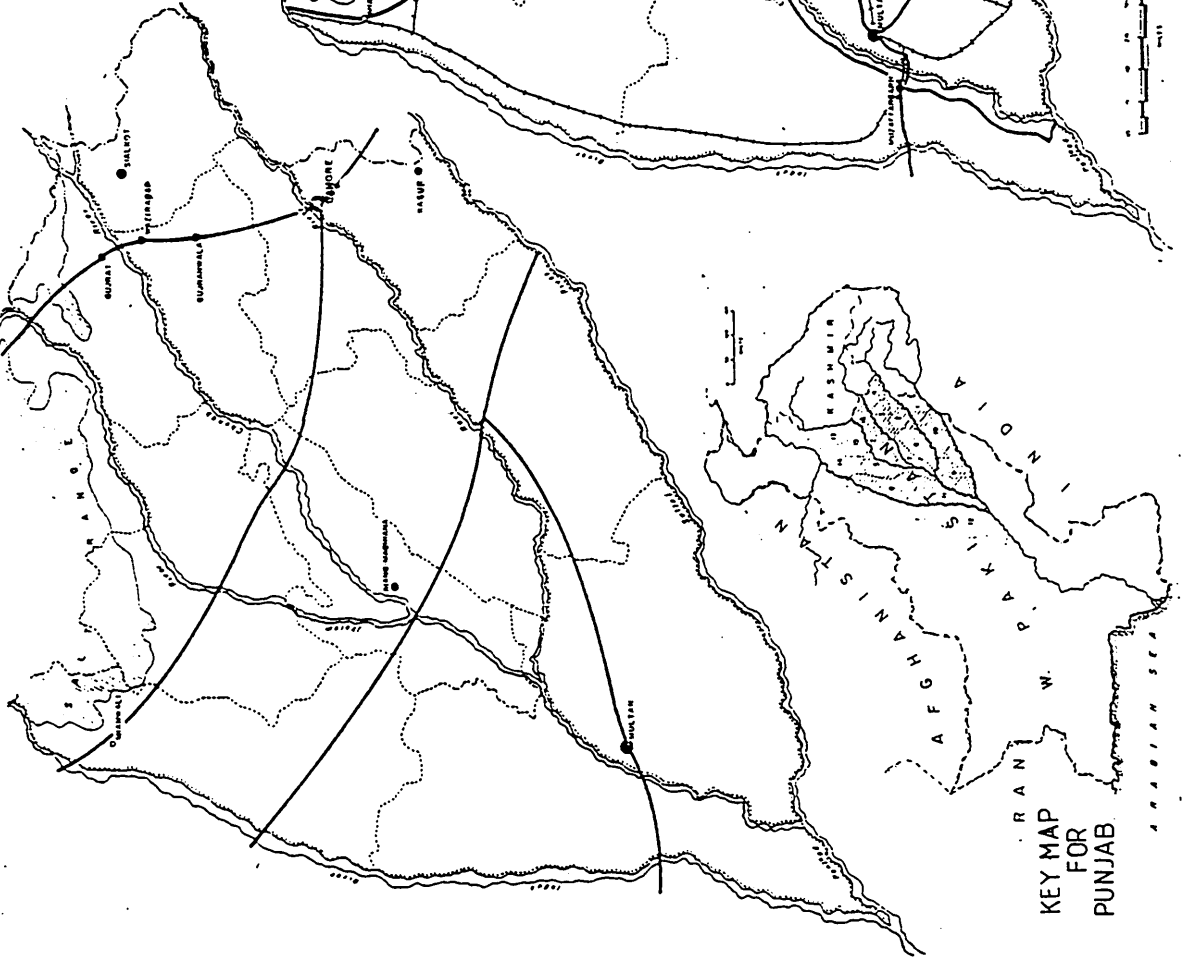
BRITISH PERIOD 1940S   FIGURE 2.6
LOCATION OF MARKET TOWNS
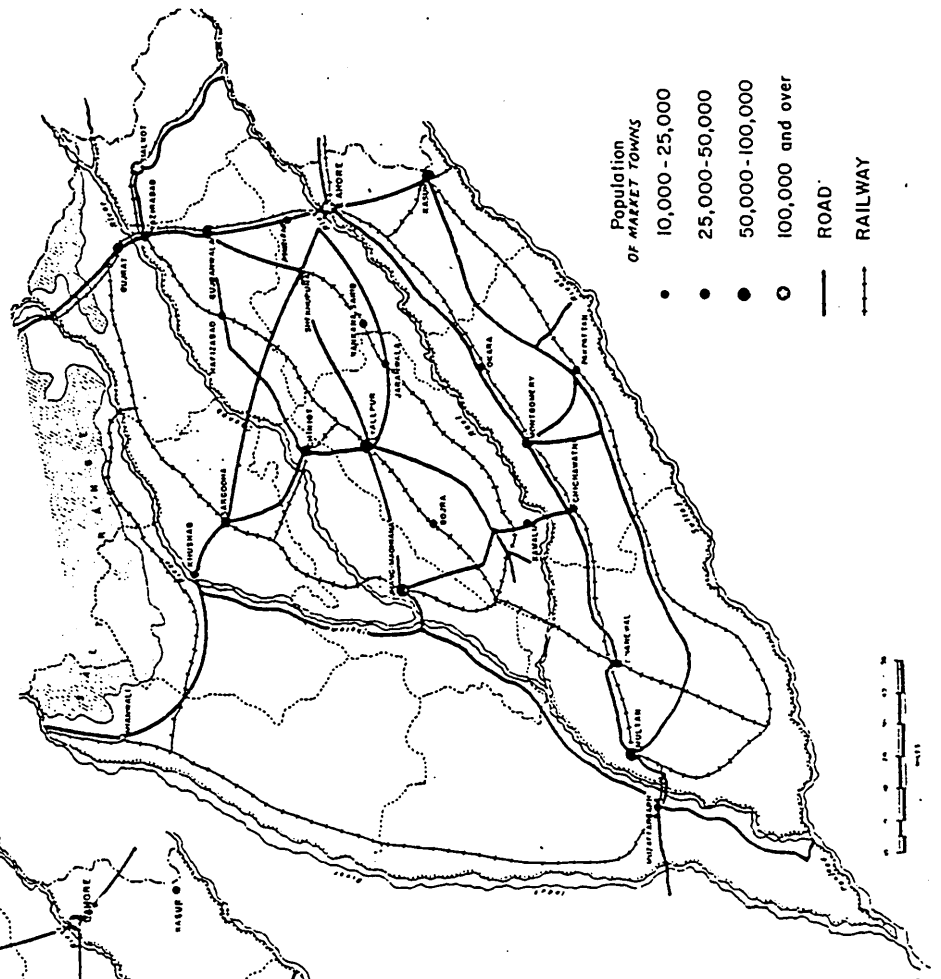
Population
OF MARKET TOWNS

•	10,000-25,000
●	25,000-50,000
●	50,000-100,000
○	100,000 and over
——	ROAD
┼┼┼	RAILWAY

KEY MAP
FOR
PUNJAB

the planned area but did not mention the units and planning aspects of the area.

2.4.4.1 The Square System (Murrababandi system)

Figure 2.7 gives an idea of how the rural landscape in the empty area was divided into equal squares called the murrababandi system (1 square = 25 acres). The village settlement, in the shape of square and rectangle, was intersected generally by two major wide streets at right angles to each other of 30 to 40 feet width. At the centre of the village was a well around which the village shops and public buildings like the Revenue patwar Office and Revenue Officer's (lumberdar) residence.

Later, with revolutionary changes in canal irrigation, production increased considerably and prosperity prevailed in the Bar areas. Due to a large agricultural surplus, market towns were seen to be the crucial need of that time. The market towns were built along the lines of the dendritic market system, and thus the Bar areas were introduced to trade and marketing activities.

2.4.4.2 Mandi towns (market towns)

2.4.4.2.1 Planning and designing. Beazely and Puckle (1922, 1926, p.244) clarified that the 'mandi towns' in India originated and were designed during the British Empire period in Punjab.

One of the distinguishing features of these mandi towns was that none of them was located on the river side. Since they were to function primarily as grain market and administrative centres, it was thought necessary to locate them as far as possible on railway lines. Planned grain markets are still the major function of these market

FIGURE 2.7

Square (Murababandi) and Subsquare (Killabandi) System in the Planned
and Canal-Irrigated Bar Area in Punjab
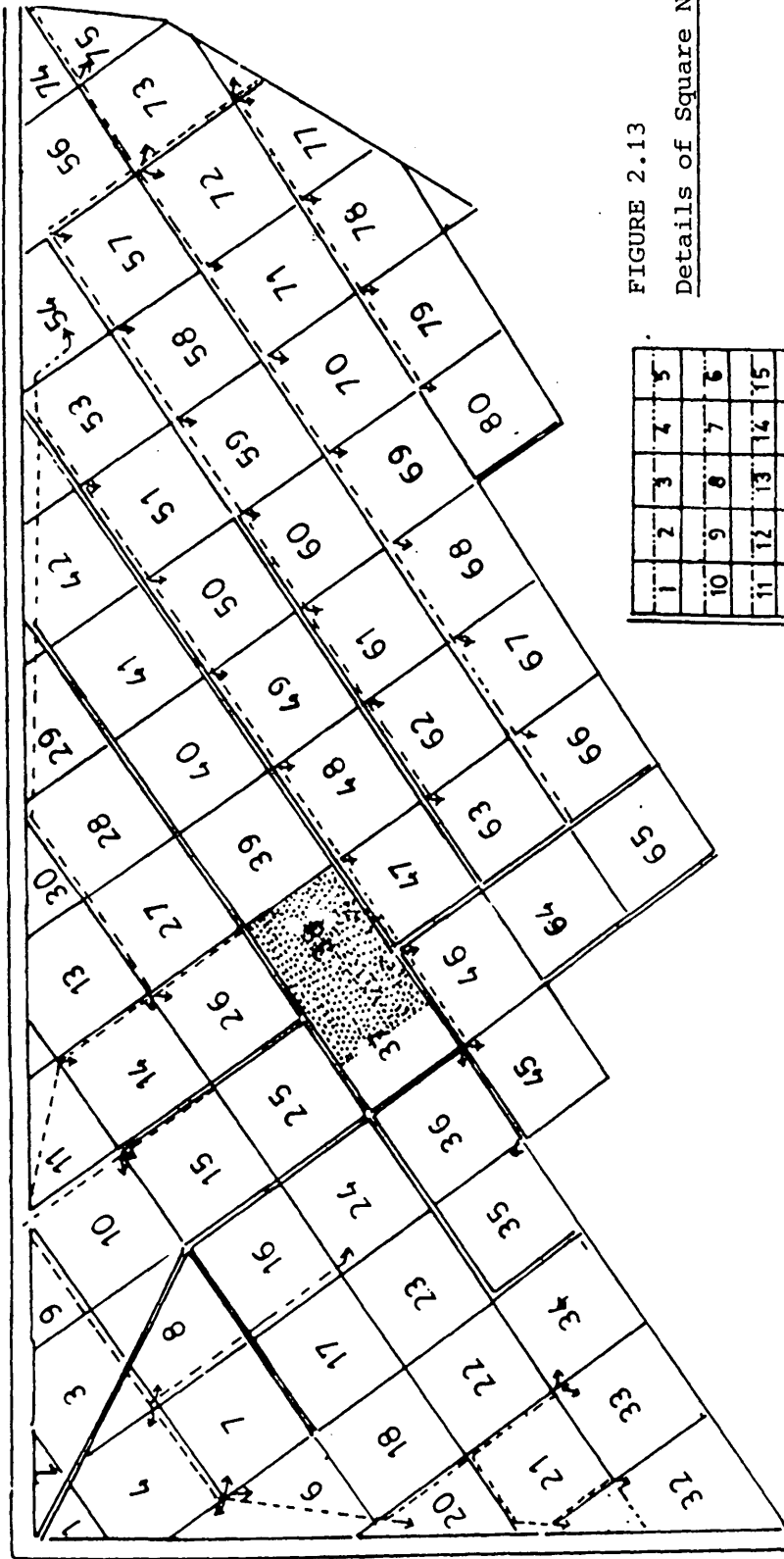
FIGURE 2.13

Details of Square No.66

	Main canal
	Distributory channel
	Subsquare (Killabandi) system in figure
	Village settlement

———— 440 yards

SCALE

Note: 1 square = 25 acres (1 Murabba).

Source: Revenue Officer (Lumberdar) Safdar Ali Shah,
Subdistrict of Ferozewala, provided this
information during field survey in village
(chak) Sheikhupura Bedad (1987).

towns. Such towns are enclaved with defined municipal boundaries including the cordon points - octroi posts - located on all major axes of their areas. See in Fig. 2.8 the salient features of a typical mandi town - Chicha Watni in Sahiwal district.

2.4.4.2.2 Impact on trade and marketing. It has already been explained that prosperity in Bar areas was due to the murrababandi system in agricultural land, canal irrigation and development of mandi towns. Even in the British period mandi towns were the large agricultural trade centres. Trade and commercial relations were well established between England and Punjab when the agricultural markets of mandi towns performed mass scale export and import activities.

The surplus of cash crops made available by large scale irrigation development became important sources of export. The nature of the order that developed in Punjab during the British administration can be judged from Table 2.5 It is evident that the export trade showed a proportionately more rapid increase than the import. Export from the whole Punjab increased in value from Rs 37,300,000 in 1882-83 to Rs 440,500,000 in 1919-20, showing twelve times as much increase. Imports into the basin, on the other hand, increased from Rs 71,000,000 in 1882 to Rs 528,700,000, about eight times as much increase during that period (source: Hubert Calvert, 1922, p.57).

The export of wheat, cotton and rice to markets outside the Punjab region has always been the major item of the trade complex. The grain markets became the busiest and largest trade and marketing centres.

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FIGURE 2. 8

A Typical Layout of Market Town with its Grain Market (Mandi)
(Chicha Watni Market Town in Punjab)

Scale 600

Feet

FAIR GROUND

ELEVATOR

MANDI

FACTORIES

Canal

Mosque

MANDI means Grain Market

■ Shops

▨ Shops and residence

▧ Public buildings
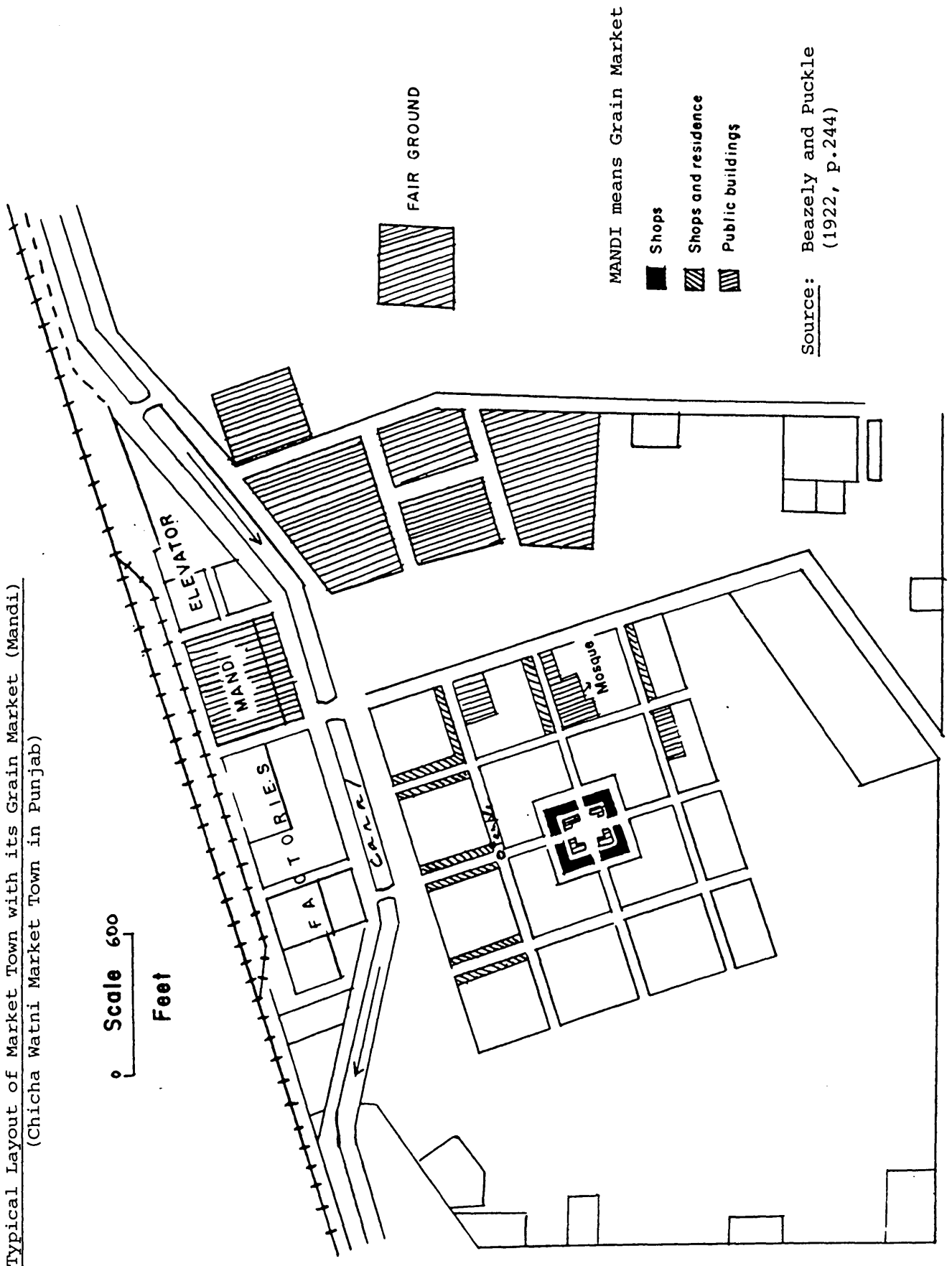
Source: Beazely and Puckle
          (1922, p.244)

42-A

TABLE 2.5

Foreign Trade of the Former Punjab from 1882 to 1920

Year	Imports		Exports	
	Weight (mds)	Value (Rs)	Weight (mds)	Value (Rs)
1882-83	6,300,000	71,000,000	10,300,000	37,300,000
1892-93	12,200,000	92,000,000	16,000,000	69,400,000
1902-03	25,100,000	154,600,000	24,900,000	115,000,000
1911-12	55,100,000	298,400,000	56,600,000	268,800,000
1919-20	65,500,000	528,700,000	41,300,000	440,500,000

Note: The author has converted these figures from Lakhs given in the text to absolute figures (one Lakh = 100,000)

Source: Hubert Calvert, The Wealth and Welfare of the Punjab Lahore: Civil and Military Gazette Press, 1922 (p.57).

2.4.4.3 Rural hinterland

Outside the municipal boundaries of a mandi town, there is a vast rural hinterland consisting of various sizes, shapes and areas of villages.

2.4.4.3.1 The British planned and canal-irrigated (Bar) area in Punjab. The Bar area displays planned (murrababandi) canal-irrigated squares. Every village settlement is designed on a grid pattern. The main streets are 30 to 40 feet wide. In the centre there is a well. British planning practice in terms of squares, land consolidation, murrababandi and subsquare (kiari) is still appreciated by the farmers due to considerable production and marketable surplus, but the village

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settlements have encroached the wider streets. This encroachment and joining of some houses into a common subsector and closed by a cul de sac is prevalent because of the nature and culture of the people living there, but the agricultural plots have not been distorted like the settlements.

2.4.4.3.2 The unplanned, wells-irrigated (Bet) area in Punjab. In such districts on the outside of the major highway and railway route is the wells-irrigated (Bet) area. The agricultural land is found in fragments and land consolidation could not be practised for many social and religious reasons. The village settlements are unplanned and are mostly made of a mud material. The agricultural land is irrigated by wells and tube wells.

Hence although the Bar and Bet areas are very different in form, the marketing processes in both areas are traditional and similar but with different intensities and nature. These aspects will be analysed and evaluated in detail in Chapter Four.

SECTION V   PUNJAB AFTER INDEPENDENCE (1947)

2.5.1 The Land

Punjab has moved with time, and has traversed a long journey since Independence. Now the province of Punjab, sprawling over an area of 20.63 million hectares, occupies the north-eastern part of Pakistan. Its total population is 47.12 million, with a density of over 229 persons per square Km. The majority of the population are rural,

living in more than 25,000 villages. Punjab's contribution to the national economy is 70 per cent, of which 40 per cent is contributed by the agricultural sector. Seventy per cent of its population depends, directly or indirectly, on agriculture for their livelihood (see Table 2.6 on basic data of Punjab).

2.5.2 Agriculture

Agriculture in Punjab is sustained mainly by artificial irrigation. Out of a total of 28.9 million acres cropped land, only 6.2 million acres are rain fed. The chief source of irrigation water is the canal network in the Bar areas, which is considered to be one of the biggest in the world. More than 14 million acres of land are irrigated by canals. This is supplemented by 224,000 tube wells principally in the Bet areas. There are two seasons for the growth of crops: kharif and rabi.

2.5.2.1 Kharif and Rabi crops

Kharif is a hot season crop (April to September). The major kharif crops such as paddy rice are sown before the monsoon and ripen in the autumn. Cotton, rice, sugar cane and maize are mainly grown as kharif crops, whereas wheat, barley, pulses, oil seeds and tobacco are raised as rabi crops (See FIG 2.9). The map compares the kharif and rabi crops in the whole country (source: B.L.C. Johnson, 1979, pp.65, 69, 71-72).

FIG 2.9

Rabi and Kharif(crops)

SEASONAL CROPPING PATTERN
Late 19th Century

PUNJAB (including NWFP),
SIND & BRITISH BALUCHISTAN

KHARIF
R Rice
C Cotton
M Maize
J Jowar/Bajra
I Indigo
V Vegetables

RABI
B Barley
W Wheat
P Pulses
O Oilseeds

Crops occupying 20% or more of kharif
& rabi area respectively

No data

Hectares
500.000
100.000
20.000

0   100   200   300   400 km
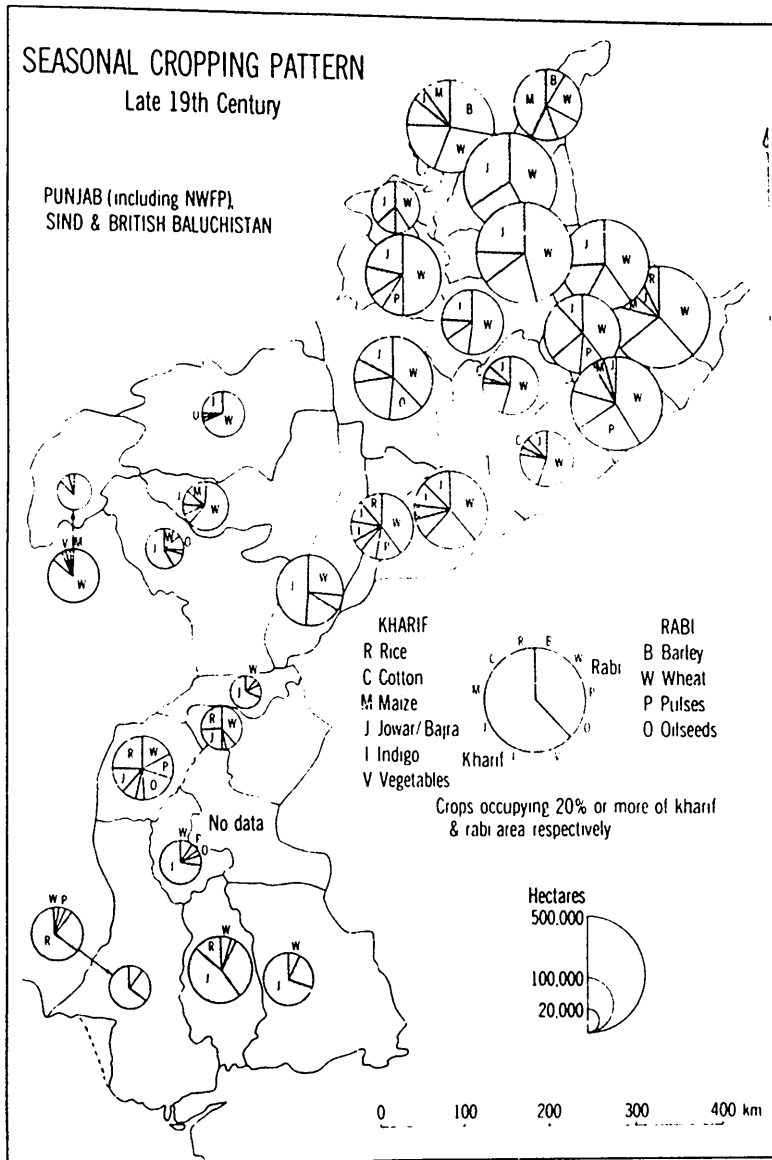
TABLE 2.6

Basic Data on Punjab

1.	Population	47.12 million
	Rural population	72.4 per cent of total population
	Density	229 persons per square km.
2.	Total area	20.63 million hectares
3.	Administrative units	Divisions = 8
		Districts = 28
4.	Cropped area	35.1 million acres
	Irrigated	28.9 million acres
	Rain-fed	6.2 million acres
5.	Sowing seasons	Winter season crop (Rabi)
		Hot season crop (Kharif)
6.	Temperature	Maximum Minimum
		50°C -1°C (in plains)
		-5°C (in hilly area)
7.	Main crops	Wheat, rice, cotton, sugar cane, maize.

Source: Self-prepared from:
        (i)   Government of Punjab, Punjab Agriculture, Lahore, 1987,
              pp.1, 36.
        (ii) PERI (1984), Lahore, p.11.
        (iii) District Census Report (1980-81), Population Census
              Organization, p.2.

2.5.2.2   Wheat

Wheat is the major staple food of people in Pakistan (rice is the second one). The average yield is 1,530 kgm/acre, and the maximum yield is 2,200 kgm/acre.

New varieties, namely Barani, Kohinoor, Faisalabad 83, Punjab 85 and Faisalabad 85 of the bread wheat type, and Wandamak 85, were approved in 1985 for general cultivation. Wandamak 85 brings in good

foreign exchange from the Gulf states due to its high quality for vermicelli making.

2.5.2.3   Rice cultivation

Rice is the second most important staple food crop and a good source of earning foreign exchange in the country. The prosperity of the rice growing farmer is to a large extent assocated with higher returns from rice which occupies larger farm areas in the rice zone during the kharif season.

Available statistical evidence indicates that the area and rice output have increased continuously du ring the last decade. The rice acreage increased by 4 per cent and yield rose by 1.8 per cent in the year 1977-78. The area under rice attained a rise of 2.2 per cent in 1981-82. This area is estimated to have declined by 1.1 per cent in 1985-86 due to shortage of water, a fall in area and yield per hectare. Owing to pest attack, the per acre average yield of paddy in Pakistan is still much lower than in some of the major rice producing countries of the world.

Other factors responsible for low production are the high cost of fertilizers, failure to purchase tractors, modern inputs and above all failure to maintain them by the small farmers; the unattractive price package and other marketing problems, farm sizes, tenurial status and source of irrgation. See Tables 2.6 to 2.7 for farm sizes and tenure status (source: Punjab Agricultural Department, 1987, pp.34-35).

2.5.2.4   Farm size distribution

The total number of farms in Punjab is 2.54 million. 70.76 per cent comprise a majority of small farm sizes up to 12.5 acres. Only

19.40 per cent have farm sizes of 12.6 to 25.6 acres and 9.84 have more than 25 acres. The picture in the country as a whole is similar. See Table 2.6.

TABLE 2.7

Farm Size Distribution (Punjab and Pakistan)

Area	No. of farms up to 12.5 acres	No. of farms 12.6 to 25.0 acres	No. of farms above 25.0 acres	Total Farms
Punjab	1,800,325 (70.76%)	493,594 (19.40%)	250,494 (9.84%)	2,544,413 (100%)
Pakistan	2,990,389 (73.48%)	750,123 (17.33%)	373,876 (9.19%)	4,069,429 (100%)

Source: Pakistan Census of Agriculture 1980.
See in Punjab Economic Research Institute, A Socio-Economic Study of Rural Areas in Gujranwala District in Pakistan, Publication No.210, Lahore, May 1984, p.13.

2.5.2.5 Tenurial status

The majority of farmers (54.4 per cent) in Punjab are owners of their land. Owners cum tenants comprise 24.3 per cent, and the rest (21.3 per cent) are tenants (source: Agricultural Census 1980). See Table 2.7.

TABLE 2.8

Tenurial Status of Farms (Punjab and Pakistan) 1980

Area	Owner	Owner cum Tenants	Tenants
	No. of Farms	No. of Farms	No. of Farms
Punjab	1,384,801 (54.4%)	618,089 (24.3%)	541,543 (21.3%)
Pakistan	2,226,787 (54.7%)	789,162 (19.4%)	1,053,506 (25.9%)

NOTE: Figures in parenthesis indicate percentages of farms in each category.

Source: Pakistan Census of Agriculture, 1980.

SECTION VI   ADMINISTRATIVE SET-UP AND LEVELS OF LOCAL GOVERNMENT IN PUNJAB

2.6.1 Administrative Set up (Executive, Judiciary and Revenue System)

The whole country is divided into four provinces, and each province is further split into divisions, districts and subdistricts.

Under the supervision of the Commissioner in any division, for instance, Lahore Division (including Sheikhupura district), each district is in the general charge of a Deputy Commissioner, who combines the functions of District Magistrate as well as collector. He is also responsible for coordination of the functions of all national

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building departments in the district. On the judicial side he is assisted by an additional District Magistrate and magistrates; while on the revenue side he is assisted by a Revenue Assistant with a <u>Tehsildar</u> and a <u>Naib Tehsildar</u> in each subdistrict. For revenue administration the district is divided into three <u>tehsils</u>, namely Sheikhupura, Nankana and Ferozewala.

2.6.2 The Effect of Partition in India in 1947

One of the most serious effects of Partition was that the new boundary between India and Pakistan cut across the previously integrated system of irrigation. Thus during the decade 1941-51, the population in the upper area of Punjab faced important social and political changes which had a bearing on both agricultural efficiency and irrigation organization. The new political and social order demanded a new structure and levels of local government in both urban and rural areas of Punjab in Pakistan.

2.6.3 Structure and Levels of Local Government

The structures and levels of local government in Punjab for both rural and urban set-ups has been shown diagrammatically (see Fig. 2.10). The following details were drawn from the census and the interview with the Director General and his staff at Punjab Local Government and Rural Development Office, Liton Road, Lahore, May 1986.

FIGURE 2.10

LOCAL GOVERNMENT STRUCTURE — PUNJAB
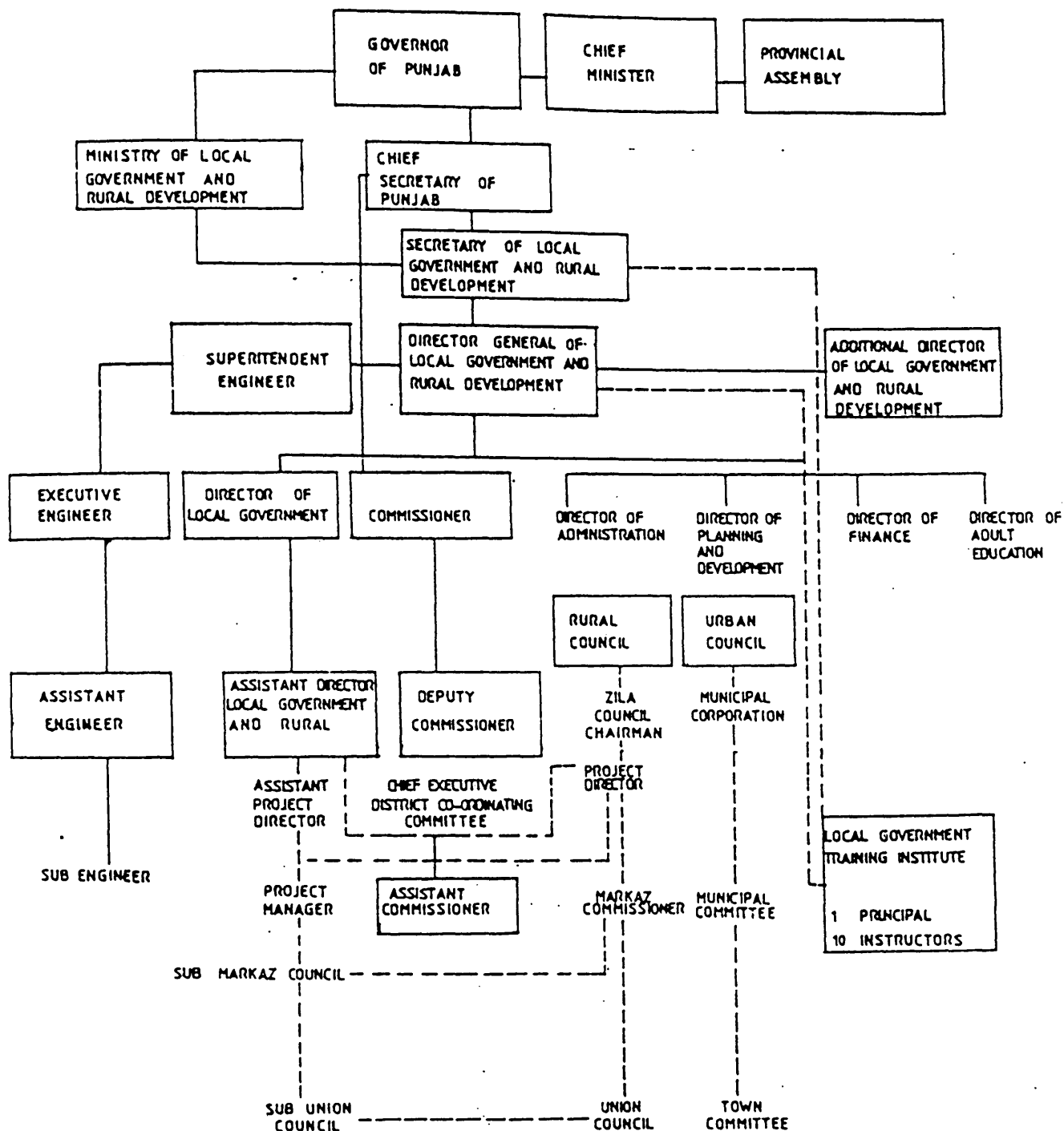
Sources: (1) From Local Government Ordinance, 1979.
(2) Interview with Director General of Local Government and Rural Development, at Lyton Road, Lahore (May 1986)
(3) Interview with Project Manager (Markaz), Muridke Town (July 1987).

2.6.3.1 Rural set-up and levels

2.6.3.1.1 <u>Union Council</u>. A union council comprises a number of villages, excluding urban areas and the cantonment areas. The composition of a union council is as follows.

The number of members must not exceed fifteen, and these are determined on the basis of population ranging between 1,000 to 1,500 of the electoral units and with a marginal adjustment of 400 at the upper limit. There is also at least one non-Muslim member and one peasant representation on each union council.

The women members are equal to 5 per cent of the number of members fixed under Section 9 of the 1979 Local Government Ordinance. The union council makes its budget by raising and collecting local taxes, and grants are given by local government through the subdistrict (<u>markaz</u>) council as well as the district (<u>zila</u>) council.

Small town (<u>Qasba</u>) level markets exist with union council jurisdictions. These markets do not have market committees.

2.6.3.1.2 <u>Subdistrict (Tehsil) Council</u>. All the chairmen of the union councils and of its jurisdiction, are members of the subdistrict (<u>markaz</u>) council. The project manager, sub engineer and secretary are appointed by local government.

All the heads of the departments, which are responsible for rural development, are invited meetings of <u>markaz</u> councils, The sub engineer is responsible for providing technical guidance to the municipal corporation at <u>markaz</u> level. The assistant commissioner supervises all the projects as well.

2.6.3.1.3 <u>District (Zila) Council</u>. A district (<u>zila</u>) council is comprised of the area of the district, excluding its urban areas and

contonment areas. Women members are equal to 5 per cent (each) of the numbers of members elected on the basis of population. All the members of the district (<u>zila</u>) council elect one chairman and one vice-chairman. The project director, assistant director and other officials are appointed from local government and rural development.

The district council makes its budget by raising taxes at district level and from the grant allocated by local government. At this level the assistant engineer is responsible for making drawings for various projects and for providing technical guidance to these projects at different levels in different areas. The deputy commissioner at district level is in charge of the whole district.

2.6.3.2   Urban set-up and levels

There are three levels of urban councils: (i) the town committee, (ii) the municipal committee, and (iii) the municipal corporation.

2.6.3.2.1 <u>Town Committee</u>. It comprises of an urban area having a population exceeding 5,000 but not exceeding 20,000. It has functions in urban areas. The minimum number of members is 9, but with no peasant member.

2.6.3.2.2 <u>Municipal Committee</u>. It consists of an urban area with a population exceeding 20,000. The minimum number of members is 15 and no peasant member. It functions at '<u>mandi</u> town' levels in different sectors and markets, i.e. retail local market, agricultural grain and vegetable markets, by virtue of the physical development of area and buildings. Market towns at municipal committee level, have market committees to function in the marketing process in agricultural and local markets.

2.6.3.2.3 <u>Municipal Corporation</u>. It comprises an urban area with a population exceeding 500,000. The minimum number of members is 35 and no peasant member.

2.6.4 <u>Other Institutions for Development</u>

In addition to these administration and local government set-ups discussed above, there are government institutions which are directly responsible for rural development, irrigation and local government on the basis of rural development, education, communication, public health, and industrial development. These are: the agricultural department, WAPDA, the highways department, the irrigation department, local government and rural development, education, communication, public health, the industrial development corporation and country local organization.

The agricultural department plays an important role in improving the life of the rural poor. Under this department agricultural and cooperative banks and societies have been established which give loans for tractors, fertilizers, improved quality of seeds and money etc.

Under this department market committees work. They establish grain and vegetable markets in the rural areas, are large in size and have a responsibility for connecting that market with main roads. Local government provides facilities at markets and agricultural inputs at union council offices.

2.7 OTHER APPROACHES APPLIED IN PUNJAB

Three main approaches, namely (i) agroville centre, (ii) integrated rural development programme, and (iii) the FAO's rural markets, will be discussed here and briefly compared to discover which approach was better in general, and particularly in the context of agricultural production and marketing perspectives.

2.7.1 Agroville Centre Approach

Based on the basic principles of the 'mandi town' developed by the British in Punjab, the agroville centre approach in an hierarchical order was developed.

2.7.1.1 The concept of agroville

In general sense 'agro' means agriculture and 'ville' means village. Literally it means agricultural village (source: S. Mahmood (No date , p.6)).

The comprehensive meaning of agroville in the Pakistani context was explained by Shahjahan S. Karim, first time in his research paper which he read at the Conference of Habitat (June 1975, pp.8-9). He broadly defined agroville thus:

> It means the development of an existing Mandi Town, a
> tehsil town or the establishment of a relatively self
> contained new urban settlement with a balanced range of
> essential public services and socio-economic and
> cultural facilities. It will function as a market
> place, offer employment to the surrounding rural areas,
> including artisans, and contain establishments for the
> storage and processing of agricultural produce,

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together with other small manufacturing industries and repair workshops for agricultural machinery. Industries like cotton ginning factories, husking mills, flour mills and workshops for the servicing of tractors would be an important feature of the agroville set-up. The well planned and systematic development of these centres would help remove some of the present inadequacies and the exploitations of the poor farmers, and at the same time increase the coordination and integration of rural urban activities.

2.7.1.2   Federal level

However the programme of providing these agroville centres in the rural areas of the country began in 1972 (Akhter, 1975, p.447). The Punjab Government allocated these projects to the housing and physical planning department for comprehensive views and studies.

2.7.1.3   Provincial level

Once the agroville approach was approved, eleven agroville sites in the five divisions of the provinces were proposed. The housing and physical planning department of the Punjab Government proposed a four tier programme.

The approach adopted by the Punjab Government level was a comprehensive one in terms of getting more detailed information on the catchment area for the agroville centres. The housing and physical planning department proposed the following four levels with necessary relevant services and facilities (source: Government of Punjab (1980), Agroville Development Programme 1980-1995, pp.32-34).

2.7.1.3.1   (1) Dependent Village (5 functions). It must have (i) a minor retail shop, (ii) a primary school for boys, (iii) a madrasa for girls, (iv) a mobile dispensary, and (v) electricity.

2.7.1.3.2   (2)   Central Village (15 functions). In addition to the

above five facilities, there must be marketing facilities, retail
shopping, a secondary school, central administration functions, a post
office, a small health dispensary, a veterinary cum artificial
insemination supply store for pesticides, seed and fertilizers, a milk
collection centre and a bank.

2.7.1.3.3 (3) <u>Sub Agroville Centre</u> (23 functions). In addition to the
above 15 functions, it must have rural markets, a secondary road link,
municipal functions, and inter college for males and females, technical
education (inter level), a small hospital, a specialized veterinary
hospital, and a General Post Office.

2.7.1.3.4 (4) <u>Agroville Centre</u> (29 functions). In addition to the
above 23 facilities, there must be wholesale and retail markets, a rail
link, a road link to major roads, medium and light industries, a degree
college, a polytechnic, and a specialized hospital.
(Source: Government of Punjab, 1980, <u>Agroville Development Programme</u>,
p.32.)

It should be remembered that agroville programmes were not evolved
on the basis of Christaller's theory or the central place theory. This
was a modified approach in an hierarchical order in the pattern of
already existing planned <u>mandi</u> towns in Punjab. Unlike central places,
there was no attempt to construct an efficient transport network, i.e.
roads to every central village or dependent village. It will be
further discussed in the next section.

2.7.2 <u>Integrated Rural Development Programme</u> (<u>Markaz</u> in Punjab) (Von

Dusseldorp of The Netherlands' approach, 1971, pp.19, 22)

D.B.W.M. Von Dusseldorp prepared a guide for the planning of small service centres in the developing countries such as Malaysia. According to this approach, it was possible to establish thresholds:

> For certain functions, there is proposed a lower population level at which conversely, there is an upper population level at which all settlements of the same size have this kind of functions.

Following the service centre concept of Dusseldorp in Pakistan, the strategy of the programme was based on criteria of the maximum facilities for people at village level. It has short term and long term objectives. It has a five tier oriented approach: village, <u>markaz</u>, district, provincial and national (source: Local Government and Rural Development, Punjab, 1979, pp.10, 14-15).

According to M.A. Qadeer's evaluation of the IRD programme, an average <u>markaz</u> in Punjab enclaves a 134,592 population, 53 villages and an area of 129,055 acres or 200 square miles (source: M.A. Qadeer, 1976, p.16).

The new government in 1981 deviated from the agroville centre approach and diverted to the IRD programme. As an experiment, procurement centres for convenience and secured price were implemented in the <u>Bar</u> areas of the Fasalabud and Sheikhupura districts of Punjab (source: FAO/DSE Report 1980, pp.6-8).

The idea behind this was to save farmers from the octroi charges and complications of market intermediaries and various types of marketing charges and fees. What happened to this experiment and why did it fail? This will be explained in the ongoing evaluation section below.

2.7.3 The FAO's Rural Market Approach

The FAO initiated, in 1978, a Rural Market Centre Development Programme in Asia, with financial support from the German Foundation for International Development (DSE), in which ten Asian developing countries participated by officially nominating national coordinators (Pakistan, Bangladesh, India, Indonesia, Republic of Korea, Malaysia, Nepal, Philippines, Sri Lanka and Thailand). In the view of the experts, rural markets were given much importance, as highlighted in the report by the FAO (1980, p.1):

> Improvement of the efficiency of rural marketing systems, for which the rural market is a key subsystem, induces acceleration and increased flow of small farmers' produce and thereby contributes to the increase in their income. The rural market is the small farmers' first contact point with the marketing channel and therefore, the efficiency of the rural market is a critical link for the small farmer development programme. Yet, so far, not enough attention has been given to the rural markets due to lack of clear and long-term government policies and specific medium-term plans for rural market development.

Regarding rural markets in Pakistan, a seminar was held in Karachi in April 1980. The major findings of this seminar (source: FAO/DSE, Karachi, 1-3 April 1980, pp.4-5) were:

(1) About 50 per cent of the small farmers in Pakistan do not use the markets for the sale of their produce. The majority of them sell their produce to money lenders and village shopkeepers. The reasons for the farmers not using the markets are numerous, being mainly their small marketable surplus, fear of exploitation by the commission agents, ignorance about market information, and the convenience of having money lenders and village shopkeepers on their doorsteps.

(2) The rest of the farmers sell their produce in the wholesale
     markets and face malpractices such as under-weighment, excessive
     deductions for impurities, and disproportionate service charges.

(3) Certain commission agents in the wholesale markets also provide
     credit to the farmers, but they do not use their own finances for
     this purpose. They only channel the money withheld from the sale
     proceeds of the farmers to their needy clients, and also partly to
     finance their own wholesale businesses.

(4) Many markets lack a proper layout, causing congestion in the
     inflow and outflow of traffic. Other physical facilities in the
     markets are also conspicuous by their absence.

     The FAO/DSE report (1980, p.6) states:

        A need was identified to improve the existing marketing
        facilities, expansion of physical handling arrangements
        creation of new rural markets and establishment of some
        wholesale markets.

     Rural markets have been established by the FAO in different parts
of the country.   One of them is located in Sheikhupura district at
Sharaqpur in the canal-irrigated (Bar) area.

2.7.4 Evaluation of the Approaches

THE AGROVILLE APPROACH

2.7.4.1 (a) The IRDP (Markaz Development) Approach

     From the marketing perspective we have already explained that
through this approach procurement centres were located in Bar areas of

the Sheikhupura and Faisalabad districts.

Mr Asad Ali, the secretary of the market committee in Muridke market (mandi) town, was asked why at present, in spite of such facilities offered by the government, a considerable number of farmers do not bring their wheat and paddy rice to these procurement centres, but prefer to sell it through the commission agents in the wholesale market. He pointed out that it was only in the initial year (1980-81) that the flow of agricultural produce declined to the wholesale market, while in subsequent years it continued to increase. He stated

> The Government Depots are the showpieces to the public.
> In fact they are centres of exploitation to the poor farmers.

Through a discussion with two agricultural field assistants, the project manager of markaz development, the chief officer of the municipal committee and the secretary of the market committee of Muridke mandi town, it was found that:

(1) The Government Depot workers at procurement (depot) centres do not behave properly with the farmers and are at times discourteous.

(2) The workers at procurement centres often make the farmers wait for hours for the completion of various formalities.

(3) The officials at these depots demand some illegal charges for accepting the produce without normal checking of quality, and they often favour their relatives, neighbours and friends.

(4) The secretary of the market committee stated:

> Under such circumstances the poor farmers won't like to visit such places again'.

On the other hand, during a scheduled interview with a depot

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officer (Mr Azhar-ud-Din), it was found that during the early two years, i.e. 1980 to 1982, the majority of the paddy rice farmers sold paddy to Government Depots at harvest time. In his realistic view the reasons stated were secured prices, quick payment of sale proceeds, no kind of deductions, etc. He admitted that in the following years farmers did complain and faced difficulties in the disposal of produce due to a delay in the acceptance of produce, misbehaviour of staff workers, and malpractices such as priority being given to friends and well-to-do farmers with small farmers usually ignored. He explained that such defects are common even in other government departments, but then at present the government is in loss due to the defects and failure of these centres. He added that it was very difficult to change the set-up and find honest workers for these depots.

At present the views of most of the experts about IRD programmes agree that this approach is losing its importance due to a lack of coordination among different development departments, and further, the malpractices at government depots have ruined the faith and image of the programmes.

2.7.4.2 (b) The FAO's rural market approach

Under this approach, the marketing problems of the farmers were realized at two levels:

(1) Physical development and improvement of market structures.

(2) Improvement of marketing channels to solve the marketing problems of the farmers.

No doubt the problem was identified at national level, but practically the physical development of new markets in Punjab was advocated and developed.

The market and marketing problems vary from province to province according to their existing socio-cultural and physical patterns. Even within each district in Punjab two main areas exist, called Bar and Bet areas, which are very different from each other on a planning, socio-cultural and irrigation pattern basis, as already explained in the previous section.

The FAO located a rural market at Sharaqpur in the planned canal-irrigated Bar area, whereas it was demanded in unplanned wells-irrigated Bet areas in the surrounding villages of Chak 33, but the Punjab Government provided a metalled link road. The priority demand of the farmers in the unplanned wells-irrigated Bet areas was the establishment of a rural market along with a tractor workshop (source: told by the farmers and local leaders during surveys in Bet land, July-August survey, 1987).

This reflects that the FAO's rural market was needed by the farmers, but in another location, in the Bet land. Thus from the farmers' point of view the FAO's market was wrongly located by this approach. From the farmers' point of view it is also justified that in spite of the provision of tractors, their maintenance and repair is more important. These might be the two major reasons why the Bar area faces a low per acre yield and comparatively less marketing cost from farm to wholesale market. If the results and evidence in this study lead to these conclusions then the FAO and government approaches to improving road development are not solving the farmers' productive and marketing problems but rather exacerbating the problems, particularly in the Bet areas.

2.7.4.3 (c) The agroville centre approach

Before a critical discussion on the agroville centre approach, it is important to mention here that this approach was included in the 1971 Election Manifesto of Mr Bhutto (the Chairman of the People's Party, later the President of Pakistan). The villagers thought of it as market places with multipurpose functions, and were attracted to his Party.

Pattoke agroville centre was developed along the major railway line, thirty miles to the south of Lahore City. In Punjab their other agroville development plans followed under the supervision of Punjab Housing and Physical Planning Department.

Having seen the success of its practical implementation, the need for agroville centres and subcentres was crucially realized in the Bet areas. In 1976 when the Bhutto Government changed, the new government deviated from these projects and focussed on new programmes under Integrated Rural Development programmes. The agroville development concept remained popular among the rural people for a long time, even after 1980. Thus the idea gained high popularity among the villagers, but its practical importance in the classified Bar and Bet areas was reduced by a total financial cut to such programmes.

(i) Dr Qadeer (1976, p.66) pointed out the high level of general awareness and popularity of IRD programmes in Punjab and the North West Frontier provinces. (ii) Secondly Dr A. Rahim Khan (1973) predicted the failure of agroville centre development due to the weak economic base of the selected towns at municipal and town committee levels in Punjab.

The author (i) contradicts Dr Qadeer's statement that the agroville centre planning approach remained more popular and

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practicable as compared to IRD programmes. It was not a political slogan, but rather the idea was developed by J.A. Rahim, the federal minister who lived in France during Bhutto's time and was impressed by Perroux's works, as it was later announced by Mr Aslam Moghal (1980), Director of Housing and Physical Planning, to foster this concept of the mandi town pattern.

(ii) The author also explains to Dr Rahim that the towns selected for agroville centres might have weak economic bases but their rural hinterlands, particularly the Bar areas, have strong agricultural bases. Today the well established British mandi towns in Punjab have also undergone similar phases.

Richard Harrison (1975, pp.712, 725) also supports the argument that such growth centres do develop and do bring development in to surrounding areas in the longer term. That is why he suggests reviewing such towns in their historical and longer term perspectives. This study also viewed from this perspective.

The provision of procurement centres to solve the marketing problems of the farmers was also basically an integral part of the agroville centre approach. Thus the agroville approach was most suitable and appropriate particularly in Punjab due to:

(1) The agroville centre approach was the most popular and had coordination among the farmers, politicians and technocrats, whereas even today the IRD programme lacks this quality (source: Q. Islam, 1982, p.9).

(2) Market and marketing problems were comprehensively realized and clear-cut objectives were laid down in the agroville approach.

(3) The agroville approach was based on the fundamental needs felt by

the farmers in relation to:

(i) production factors (to increase production and minimize the cost of production); and

(ii) marketing facilities (to minimize marketing costs).

(4) All the four tiers of the approach clearly mention the functions and services.

(5) All the levels have been pre-qualified with background and catchment area studies.

(6) Like the FAO approach it is not specific but balanced and impartial, particularly with regard to farmers' problems at all levels.

(7) It had the drawback that the two areas, Bar and Bet, were not classified into respective districts for the investigation of comparative advantage with their own locations. At present the author is carrying out this task from the perspective of marketing problems of farmers.

SECTION VIII

2.8 CONCLUSION

The British irrigation development in Punjab eradicated the problems of famine and brought revolutionary changes, including the kharif crop (particularly rice) to the region, and thus converted the

canal-irrigated (Bar) region from subsistence agriculture to marketing and a commercial economy.

Though the agricultural markets were planned and established, the marketing problems of small farmers are still a challenge to be resolved.

Since Independence (1947), the structure and levels of local government have been changed. It was necessary to explore the current position. It has been explained diagrammatically.

In the next chapter, Chapter Three the major aspects of marketing, details of the study area with respect to its salient features and marketing functions, survey designs, procedures and its difficulties will be discussed.

CHAPTER THREE

3.0 INTRODUCTION

In Chapter Two we concluded that generally in Punjab the British planned perennial canal irrigation system eradicated famine and poverty problems by means of a marked increase in hot season (kharif) crops, mainly paddy rice. This might have solved the production problems in the canal-irrigated (Bar) areas, but even with a long passage of time, the marketing problems which have become a challenge today were not given attention.

This chapter introduces the study area, Ferozewala subdistrict in the Sheikhupura district of Punjab, from the perspective of prevailing market and marketing activities. The first section focusses on the theoretical concept of comparative advantage of the areas in the practical shape. Section II emphasises the selection criteria of the subdistrict Ferozewala. Section III mainly explains the role of marketing functionaries.

Keeping in view the background to all these aspects explained in the previous chapters and sections, the survey was designed with Sheikhupura district as the universe. Four villages, two from each of the planned canal-irrigated(Bar) areas and unplanned wells-irrigated (Bet) areas, were selected in the Ferozewala subdistrict in order to compare the socio-economic characteristics in general and the production and marketing problems faced by the farmers in particular.

In the last section, three sets of diagrams represent the theoretical concepts of marketing in empirical form from the evidence of the field survey in terms of flow of commodities and comparative advantage, nature of the marketing system, major marketing

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functionaries in the marketing channels from farm level to farm gate (rahdari), octroi post (chungi) and wholesale grain market. Subset 3 represents the real causes of the marketing problems experienced by the farmers and empirically investigated by the author in both the Bar and Bet areas of Ferozewala subdistrict.

THE REGIONAL CONTEXT OF THE STUDY AREA

3.1 DISTRICT: SHEIKHUPURA (Name, Location, Boundary and Area)

The district of Sheikhupura takes its name from its headquarters, which was named after the Emperor Jahangir, who founded it, and was called by the nickname of Sheikhu by his father, Emperor Akbar. This district covers (i) Ferozewala (the study area), (ii) Nankana Sahib, and (iii) Sheikhurura subdistricts (Tehsils).

It is bounded to the north by Gujranwala district, to the west by Faisalabad district, to the south by Sahiwal, Lahore and Amritsar (India) districts, and to the east by Sialkot district. Its southern boundary is formed by the River Ravi. The total area of the district is 5,960 square kms. See Fic. 3.1 of the Sheikhupura district (source: Government of Pakistan, 1984, p.1).

3.1.1 The Comparative Advantage of Soil and Canal Irrigation

(Discussions and conclusions at the Study area)

The 1981 District Census report of Sheikhupura district clearly

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FIGURE 3.1

SHEIKHUPURA DISTRICT

Location of Four Selected Villages in the
Bar and Bet Areas of Ferozewala Subdistrict
Study Area

▬•▬•▬	District boundary
▬•••▬	Subdistrict boundary
▬▬▬	Main canal
▬▬▬	Railway line
▬▬▬	Major road
■	Major towns
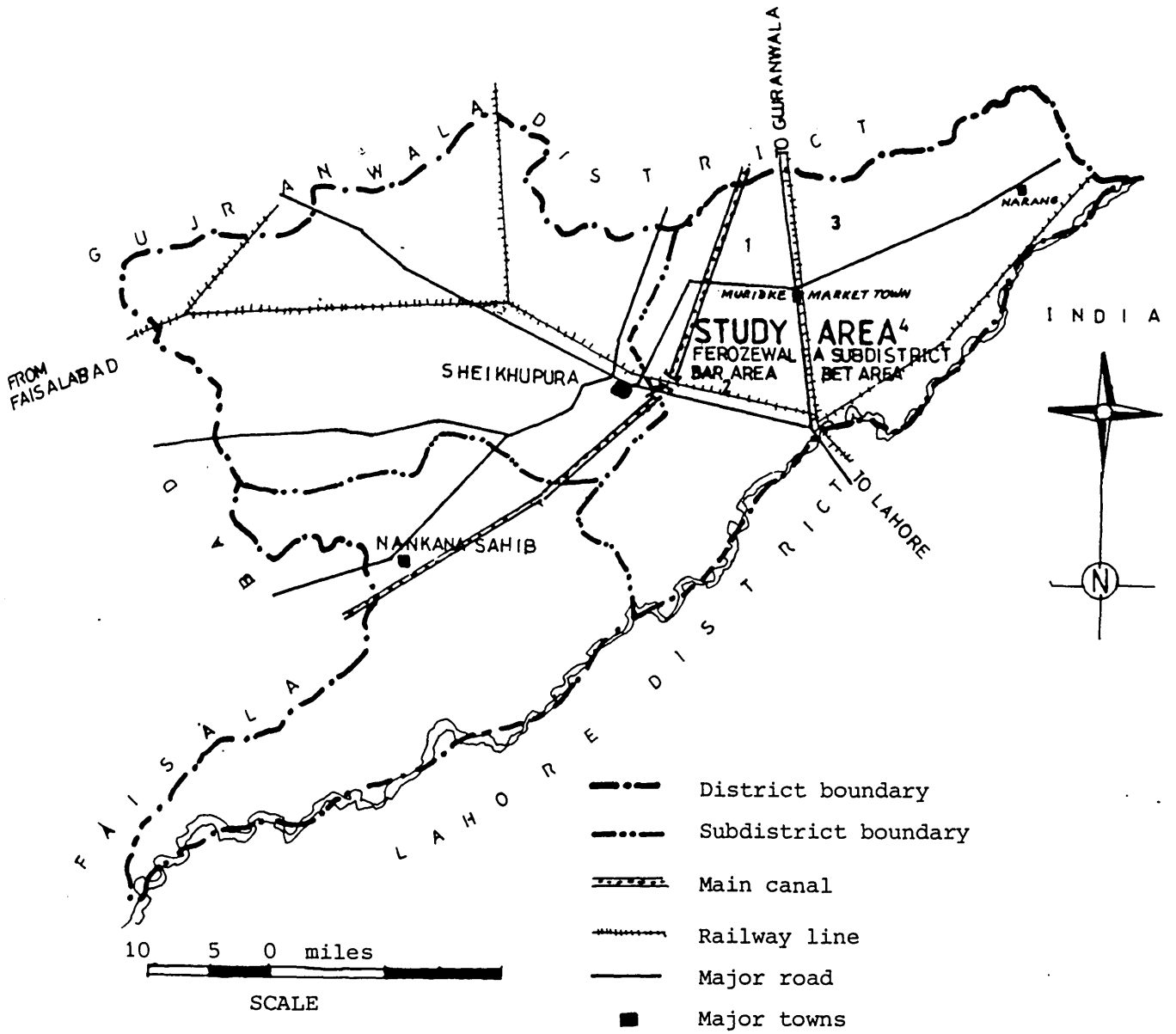
S E L E C T E D   V I L L A G E S

IN BAR AREA   IN BET AREA
(PLANNED AND CANAL-IRRIGATED)   (UNPLANNED AND WELL-IRRIGATED)

1 Village Sheikhupura Bedad   3 Village Ladhewala

2 Village Ali Pur   4 Village Ratanpur

Source: (i) Government of Pakistan (1984, last page)
         (ii) Location of villages by Marketing Survey by the
              author (1987).

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explains that the canal irrigation area has proved its worth by virtue of its soil. It states, 'The Bar soil proved extremely adoptable to canal irrigation' (source: Government of Pakistan, 1981, p.1). The report is silent about the origin of these canal irrigation systems, and it does not explain anything about the adjacent (Bet) areas.

3.1.2 Agriculture

According to the District Census Report of Sheikhupura, the farm and cultivated areas in the district in the year 1980 were 595,746 and 463,800 hectares respectively. There is a network of canals in the Bar area of the district for irrigation. The Upper Chenab and Lower Chenab are the two major perennial canals, which supply water for irrigation. Sheikhupura district is one of the major rice growing districts of Pakistan. Its Ferozewala subdistrict is well known for paddy cultivation. Quality Basmati rice cultivated in this district is also exported. See Table 3.1 where the the area and production figures of major crops grown during 1980-81 are given.

3.1.3 Population (Urban and Rural)

The total population of Sheikhupura district was 2,110,428 according to the 1981 population census. It increased by 27.4 per cent during the 1972-81 intercensal period at an average annual growth rate of 2.9 per cent. The density is calculated as 354 persons per square km.

TABLE 3.1

Major Production of Crops in Sheikhupura District, Punjab 1980-81

Crop	Area (Hectares)	Production (Tonnes)
Wheat	224,000	429,800
Rice	183,300	239,300
Sugar Cane	18,900	856,600
Maize	15,400	18,600
Cotton	6,100	4,700
Pulses	5,625	3,508
Bajra	5,500	3,500

Source: Punjab Development Statistics, 1981, Bureau of Statistics, Government of Punjab, Lahore.

See in Government of Pakistan (1984), 1981 District Census Report of Sheikhupura, Islamabad, p.2.

The rural population constitutes 81 per cent and the remaining 19 per cent is urban. See Tables 3.2 and 3.3. The sex ratio (males per 100 females) is 112 in rural areas and 114 in urban areas. The literacy ratio is 22.4 per cent. It is 39.4 per cent in urban and 18.7 per cent in rural areas (source: Government of Pakistan, 1984, p.6).

3.1.3.1 Migration from the Sheikhupura district.

According to the 1981 Census of Sheikhupura district, 46,090 persons had gone abroad, 31,155 from rural areas and the remaining 14,935 from urban areas (source: Government of Pakistan, 1984, p.7).

This study by the author has shown that the majority of those (migrants from among the rural villagers) who went to foreign countries belonged to the canal-irrigated (Bar) areas as compared to those from the Bet areas. This will be further analyzed and discussed in Chapter Four.

TABLE 3.2

Intercensal Increase in Population Size Since 1951

(Sheikhupura District, Punjab)

Description	Census Years			
	1951	1961	1972	1981
Population	923,360	1,080,619	1,657,149	2,110,428
Intercensal Increase (%)	-	17.0	53.4	27.4
Average Annual Growth Rate (%)	-	1.6	3.7	2.9

Source: Government of Pakistan (1984), 1981 District Census Report, Islamabad, pp.5-6.

TABLE 3.3

Urban and Rural Population in Sheikhupura District, Punjab (1981)

Population	%	Total	Males	Females
Rural Population	81%	1,722,000	907,000	815,000
Urban Population	19%	379,000	907,000	815,000
Total Population	100%	2,101,000	1,108,000	993,000

Source: Government of Pakistan (1981), Housing and Population Census of Pakistan 1980-81, Islamabad, p.7.

3.1.4 Overall Development

The overall development of the District of Sheikhupura can be judged by a comparison with other districts in Punjab and Pakistan.

B.L.C. Johnson (1979, p.33) assessed the overall development of the 45 districts of Pakistan on the basis of nine development indicators, and placed the Sheikhupura district 11th out of 45 districts in the whole of Pakistan. The author has further calculated these figures for the comparative position of Sheikhupura district within Punjab and placed it 8th on its combined development index among 18 districts in Punjab. See Fig.3.2 and Table 3.4 for comparisons of levels of development and rank ordering of districts.

FIGURE 3.2

Level of Development of Districts

LEVEL of DEVELOPMENT

Based on 9 factors

No data

Rank of Districts
1 - 9
10 - 18
19 - 27
28 - 36
37 - 45

0   200   400 km
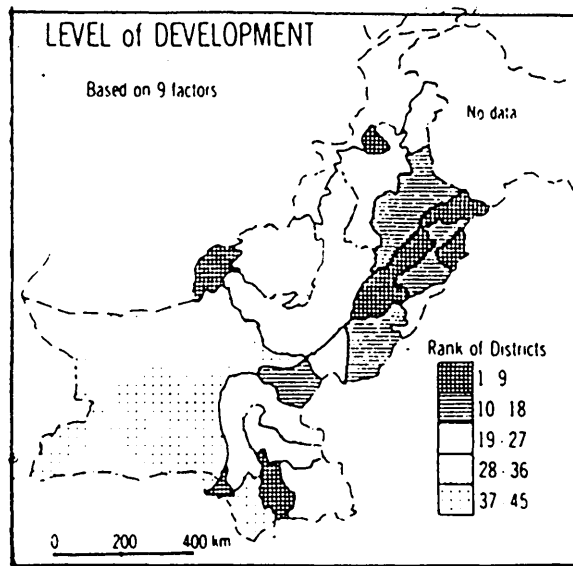
TABLE 3.4

Levels of Development - Rank Ordering Districts

DISTRICT	Combined index	Production per head	Urbanisation	Tractors	Fertilisers	Literacy	Schooling	Medical welfare	Females at school	Industrialisation
Gujranwala	1	3	7	3	15	6	6	12	3	4
Faisalabad	2	8	10	3	2	6	8	11	12	2
Lahore	3	15	2	9	13	3	4	3	2	15
Karachi	4	4	1	27	12	1	3	2	1	25
Sialkot	5	21	18	8	18	6	6	8	6	4
Peshawar	6	9	6	6	6	12	16	4	15	34
Multan	7	14	10	10	5	22	27	9	12	6
Hyderabad	8	10	4	27	9	3	19	6	21	19
Quetta	9	18	3	1	31	5	14	1	7	41
Rawalpindi	10	27	5	17	33	2	1	5	4	32
Sheikhupura	11	6	25	11	13	21	17	22	11	13
Gujrat	12	22	25	15	24	6	5	27	7	9
Sargodha	13	12	7	20	26	12	10	18	12	15
Bahawalpur	14	27	12	18	16	22	23	7	9	15
Jhang	15	12	18	27	19	16	14	31	17	1
Sahiwal	16	13	33	5	10	27	31	23	20	3
Jhelum	17	38	23	27	37	3	2	14	9	15
Sukkur	18	17	9	36	24	10	13	15	24	20
Mianwali	19	8	12	23	30	16	10	37	28	9
Sangar	20	18	18	27	1	22	17	13	36	21
Mardan	21	1	25	2	7	32	25	21	37	27
Bahawalnagar	22	23	25	18	23	27	19	30	15	8
Nawabshah	23	20	25	20	2	16	19	24	41	25
Kohat	24	43	12	6	32	16	10	10	32	36
Sibi	25	3	25	20	21	40	39	20	5	27
Attock	26	35	39	11	34	12	8	32	21	11
Rahimya Khan	27	27	33	13	11	27	27	34	18	13
Tharparkar	28	34	25	13	4	32	34	21	26	27
Larkana	29	25	18	40	20	16	17	33	30	24
Khairpur	30	32	39	23	8	22	23	29	37	11
D.I. Khan	31	26	12	23	34	27	31	28	23	22
Muzaffargarh	32	16	42	15	21	32	27	43	28	6
Dadu	33	24	33	40	17	12	25	26	37	27
Hazara	34	44	7	34	26	22	19	40	30	27
D.G. Khan	35	31	25	34	29	37	31	38	26	20
Bannu	36	32	33	33	34	27	34	17	40	36
Jacobabad	37	12	33	36	37	32	36	35	35	34
Zhob	38	37	28	23	40	38	41	25	24	43
Chagai	39	35	23	39	39	38	38	20	32	43
Thatta	40	27	44	27	28	32	36	36	41	38
Loralai	41	42	42	38	40	41	40	39	15	39
Makran	42	41	17	41	42	42	42	44	43	32
Kalat	43	39	41	41	42	42	42	42	32	39
Kharan	44	45	22	41	42	42	42	45	44	43
Lasbela	45	40	45	41	42	42	45	41	44	42

Source: B.L.C. Johnson (1979, pp.32-33).

3.2 STUDY AREA: FEROZEWALA SUBDISTRICT

The study area, as already mentioned in the larger context, is Ferozewala subdistrict (<u>Tehsil</u>) in Sheikhupura district of Punjab in Pakistan. The selection criterion for the study area were as follows.

3.2.1 <u>Criteria</u>

(a) Ferozewala Tehsil is representative of planned canal-irrigated (<u>Bar</u>) and unplanned wells-irrigated (<u>Bet</u>) areas with reference to market towns (<u>mandi</u> towns) of Punjab. The majority of the market towns in the canal-irrigated districts present a similar pattern in terms of design, size, location and their market and marketing functions in their greater rural hinterlands.

(b) The agricultural wholesale grain market in Muridke town of Ferozewala subdistrict is the major regular market node, and attracts in general buyers, sellers and traders from surrounding <u>Bar</u> and <u>Bet</u> lands. This subdistrict is well known for its agricultural and non-agricultural activities and necessary services at the market town.

(c) The Ferozewala subdistrict comprises mainly of Muridke market town and its integral rural hinterlands (the <u>Bar</u> and <u>Bet</u> areas) which are located on either side of the major Grand Trunk Road and the railway transport main line. The location of the market town and its links to higher order and lower order markets in Ferozewala subdistrict represent the dendritic market system.

(d)   Commodities in terms of agricultural produce, and capital in terms

of gate (<u>rahdari</u>), octroi tax, marketing charges and sale prices,

flow from the villages to the wholesale grain marketplace in the

market town and vice versa.   Thus it was possible to compare the

planned canal-irrigated (<u>Bar</u>) and unplanned wells-irrigated (<u>Bet</u>)

areas with their commodities and cash flows, and hence from their

combined effect the comparative advantage on the basis of per unit

production cost and cost of marketing per unit from the

perspectives of the neoclassical and natural resource-based

theories explained in Chapter One ·

(e)   Ferozewala subdistrict also represents a comprehensive picture of

marketing channels from farm to <u>octroi</u> and finally to grain

marketplaces.   Thus it represents all the components necessary to

study from an agricultural marketing perspective.   It also depicts

the roles of all those actors involved in the agricultural

marketing business in terms of marketing agents, institutions and

organizations.   Farmers from both <u>Bar</u> and <u>Bet</u> areas face all these

stages, phases and agents, at different institutions, and have

good or bad marketing experiences.

(f)   Due to his recent experience in the project 'Lahore Twin City'

related to this area, the author became more interested in gaining

a real insight into this area, at least with respect to one

aspect: the marketing problems experienced by the farmers in the

real world through his empirical study.

On the basis of such a need and these criteria, the subdistrict of

Ferozewala was selected as the study area.

3.2.2 Ferozewala Subdistrict (Tehsil)

The Ferozewala subdistrict, occupying an area of 1,902 square miles, has a density of 289 persons per square mile, whereas the densities of other subdistricts such as Nankana and Sheikhupura are 306 and 438 persons per square mile respectively (source: calculated from 1981 Census of Sheikhupura, p.17).

3.2.2.1 Muridke town

Muridke town came into existence as a mandi town during the British period in the late nineteenth century, and was planned on a gridiron pattern. It is located at a distance of about 18 miles to the north of Lahore. Now the National Highway and the main railway line pass through this market town.

The railway came to Muridke in the 1890s, when the Lahore-Rawal-Pindi line was being constructed. The grain market was also established in the town in the early twentieth century (source: Islam, Qamar (1987), Research Paper No.4, p.3).

It has grown from a population of 35,000 in 1981 to 49,000 in 1986 (source: Lahore Twin City, UDRP, 1986, p.11).

3.2.2.2 Markets in the town

Above all, this muridke town represents a commercial centre with an inn. There are two types of markets, namely the local and agricultural (wholesale) markets. The local market is of a retail type, and the agricultural markets are for grain and vegetables.

3.2.2.2.1 Local markets. A local market consists of many bazars in the central planned areas of the market town. They provide facilities

such as daily uses and services on a retail basis. The municipal committee and market committee are responsible for their marketing business, operations, physical maintenance and cleanliness.

3.2.2.2.2 Agricultural markets

3.2.2.2.2.1 The Vegetable Market

The vegetable market is not established, nor has it a proper planned place. However it is located on the north eastern side of the town near the railway line. It is a wholesale market, but has not yet been recognized by the market committee.

3.2.2.2.2.1 The Grain Market

It is well planned and located in the south eastern corner of the town near the railway station and railway yard. It conducts wholesale business. Farmers, village shopkeepers, moneylenders or traders bring their cash crops to this market for sale. The grain market is established and recognized in the 'B' class under the supervision of the market committee of Muridke town.

The record of 1979 shows that on 24 May 1979 this grain market was at 'C' level, but the secretary of the market committee in this town told that the status of the market committee was raised to 'B' class since the level of the local authority was also raised from 'town committee' to 'municipal committee' in the recent year; and it was mainly due to an increased flow of agricultural produce and an increase in income generation by the market committee. But he did not say which areas the increased amount of agricultural commodities and income were from.

However he permitted the author to collect such data and
information from all the <u>octroi</u> post offices. (Source:
<u>Manual of Agricultural Produce Market Laws</u>, 1980, p.366).

3.2.2.3 <u>Rural hinterland</u>

Outside the municipal boundary of Muridke <u>mandi</u> town there is a
vast rural hinterland consisting mainly of Ferozewala subdistrict.

The area to the west of the Grand Trunk Road is planned and canal-
irrigated (<u>Bar</u>), and the area to the east at low level is unplanned and
irrigated by wells and tube wells. This area - the <u>Bet</u> land of the
rural hinterland - has already suffered from floods on some occasions
in the past. Such areas also face problems during the heavy monsoon
seasons. On the other hand, many of the village settlements on the
canal-irrigated land are located on higher levels or citadels. Thus
they remain safe from the monsoon rains.

3.2.2.4 <u>Transport and communication</u>

The following major trunk roads are found in the study area, and
connect the major areas to the grain market in the market town:

> (a) National Highway
>
> (b) Muridke-Sheikhupura Road
>
> (c) Muridke-Narowal Road

(a) National Highway

At present the National Highway is effectively taking the
existing load of vehicular traffic. The road has been much
improved and widened from Shahdara to Gujranwala through Muridke
town. Thus the Lahore-Muridke corridor clearly bifurcates the
rural hinterland into planned canal-irrigated (<u>Bar</u>) land on its

west side and unplanned wells-irrigated (Bet) land on its east side.

(b) Muridke-Sheikhupura Road

This important road link, connecting Muridke town with Sheikhupura, the district headquarters, plays an important role in the economic development of the area.

(c) Muridke-Narowal Road

Maridke-Narowal is also a metalled road. This road connects the market town and rural settlements in the north eastern sector of the hinterland. This leads to Narang town in Ferozewala subdistrict.

The Bet area displays the extensive work of dirt (katcha) paths in a zig-zag way. Only some major villages at union level are connected by brick and cememt (soling) roads. On the other hand the Bar areas represent a transport network dominated by brick and cement (pacca) and metalled roads. All the big villages (qasbas) are connected either by soling or metalled road.

3.3 MARKETS AND MARKETING IN FEROZEWALA SUBDISTRICT

3.3.1 Marketing Activity in the Subdistrict

The commercial and marketing activities of an area always express and indicate the strength of its economy and reflect the tastes and standard of living of its inhabitants. The commercial areas and their activities also expand with the growth of population. This chapter also gives a brief description of these activities prevailing in the grain market of Muridke town and its hinterland. The rural markets and their activities prevail in a different pattern in the subdistricts as compared to marketing activities in the city centres (mostly retail and in an urban fashion). Agricultural marketing activities are directly related to agricultural fields – the first part or origin of the marketing channel and the farmers' seasonal calendar.

3.3.2 The Farmers' Seasonal Calendar in Ferozewala Subdistrict

In Punjab, farmers' land cultivation followed by marketing activities for selling and buying the output and inputs is a year-round occupation. The farmer has times of intense work, followed by relatively relaxing seasons. His two busiest periods are the seasons of summer and autumn (harvesting and planting).

For the Punjabi farmers, the heat and sufficient rain in the Bet areas are the two main factors in connection to agriculture. The farmer in the Bar areas depends upon the availability of canal water,

whereas the farmer in the Bet areas is full of hope for enough rain to start the planting of the paddy. However, during the first rainy shower, the author was in the paddy fields of Ferozewala subdistrict. Farmers from both areas, including some rice planting women, were extremely busy planting the paddy. It was the start of the kharif period for rice planting. The autumn harvest, kharif as told by the farmers, starts at the beginning of September, and the farmer and members of his family remain busy until the last week of November. No doubt this is the busiest season, for the farmers have both to harvest the crops in the various fields as they ripen, and make preparation for sowing the fields. See Fig.3.3 showing the farmers' calendar.

The flow of marketing surplus thus depends much upon intensive work throughout the busiest seasons of the year. The farmers work very hard in the fields, and when the crop is brought home the rural women look after the crop and perform storage duties for long periods.

This way the farmer collects the agricultural produce with the intention of selling the produce either at the village to money lenders or to village shopkeepers. The planned wholesale grain market serves as a marketing centre for all surrounding villages located within a radius of 10 to 15 miles. Here all the daily needs are also available at hand to the local (town) population, but for major and specialized shopping they have to depend also on the next higher urban centres such as Lahore and Gujranwala.

3.3.3 General Information of Markets

According to the general information collected from the municipal and market committees, the built-up areas of the town at present

FIGURE 3.3

Farmers' Seasonal Calendar in Punjab
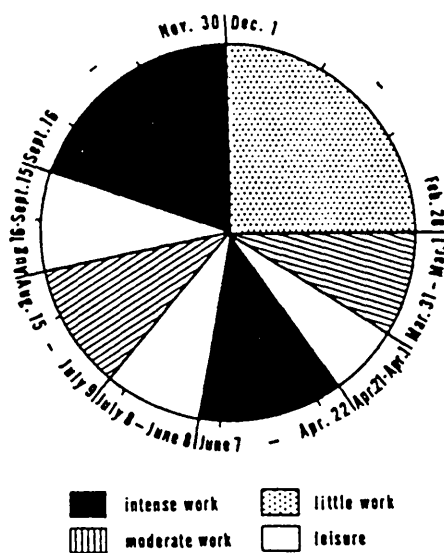
Source: Zakia Eglar (1960, p.51).

constitute about 320 acres, of which only 5 acres are under local market use. The market committee indicated that at that time there were 730 commercial establishments. This means that with the present estimated population of 97,300 for the whole of Ferozewala subdistrict, one shop serves every 133 persons (source: market committee, Muridke town, July 1987).

In addition to these, the market town also has a regular wholesale planned grain market, which has 36 wholesale shops under the custody of five commission agents with licence from the market committee, and the other eleven commission agents are without licenses and are called katcha arhatiyas. The grain market is a very busy place during the major crop seasons, particularly as it serves as a rice market during the rice harvesting season. It is located very close (2 furlongs) to Muridke railway station, and a godown occupies 2 acres of land. (Source: field survey by the author in the Ferozewala subdistrict, and interview with the secretary of the market committee, Muridke town, July 1987).

3.3.4 The Importance and General Conditions of Planned Markets

It is a general impression in the canal-irrigated area that periodic markets of the type described by E.A.J. Johnson in China (1976) at small town level do exist, but they are not so important for the farmers in agricultural marketing. They are mostly under the influence of money lenders and village shopkeepers. They do not fulfil the many purposes of the farmers, and in the presence of the market town, the farmers prefer to sell the rice or other crops either at the

village to money lenders or take it to the market town. But the trends of demand of such small town level markets are different and greater in the wells-irrigated (Bet) areas, as evidenced by discussion with the local people of Village (Chak) No.31. This does not mean that the importance of a planned grain market is less in the eyes of the farmers in the Bet land. Then what were the reasons for less flow of agricultural produce from Bet areas to the market town? The main reasons were associated with less production per unit and the stronger grip of the money lenders over sale of the produce at the farm in the Bet areas compared to the Bar areas. This will be discussed with facts and evidence in Chapter 4.

Almost all of the grain markets planned by the British in the market towns are square or rectangular in shape and have sufficient space for trading. Paved platforms for cleaning, inspection and conducting auctions and packing are available in all these markets. The market premises have facilities of metal roads, street lighting, drinking water arrangements for market users and their animals, animal sheds and parking space. Telephone facilities also exist in some of the market shops in the grain market at Muridke town. The commission agents (arhatiyas) have sufficient space for temporary storage in their shops. But the author did not observe any standard and scientific storage or godown in the grain market.

3.3.5 Classification of Regular Markets

The government of Punjab (1972, p.277) categorized these regular grain markets on the basis of the 'market fee' collected by the market committee in the respective agricultural market.

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According to these rules, those market committees which have an annual income under the heading of 'market fee' amounting to Rs 125,000 or above on the basis of the average of the last three years, come under 'A' class. Those which earn within the ranges Rs 50,000 to Rs 125,000 and below Rs 50,000 are classified as 'B' and 'C' class respectively.

3.3.5.1 Agents (the actors) of the marketing channel (Marketing Functionaries)

The main functionaries in the markets are sellers (farmers, village shopkeepers and money lenders), commission agents (arhatiyas), buyers and government servants in the market committee.

The sellers. The sellers in the market are generally farmers, village shopkeepers and money lenders. According to the Punjab Government (1980, p.26), the number of sellers on an average day varies from 300 to 350 during the peak season, and 60 to 100 per day during the rest of the season. The ratio of village shopkeepers to farmers is generally 1:10. Though the shopkeepers are obvious, only one tenth of the farmers sell in the grain market, but generally they have good market information and also have good relations with the commission agents. They therefore get a better deal at the hands of the commission agents while disposing of their produce in the market.

The commission agents. There are 11 commission agents (arhatiyas). The pacca arhatiyas maintain their own staff (on average 6 to 8) for maintaining accounts, handling, weighing, cleaning, drying, auctioning and packing of the commodities (as already discussed in Chapter One in the context of the marketing channel with reference to Barbara Harriss

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(1974) on the Indian marketing system).

The commission agents are supposed to charge 2.5 per cent of the sale proceeds 1.5 per cent commission charges, 0.84 per cent for handling, weighing, and cleaning charges, and 0.16 per cent as brokerage, but they accrue undue profit by making purchases on their own account at lower prices and afterwards selling the same produce at higher rates (i.e. they act as wholesalers). They also resort to a number of fraudulent practices such as mis-quotation of rates, under weighment, delay in payments, etc. Commission agents also lend money as advances to regular clients, whether village shopkeepers or farmers, in order to ensure business through them.

The commission agents also act as wholesalers to the money lenders who come to this wholesale market from other subdistricts.

Money lenders (beopari). The money lender is the major element who buys the agricultural produce at village level from the farmers. He keeps in touch with the farmers for the purpose of obtaining their produce at much lower rates than the prices at regular markets. In spite of the fact that they know market prices are higher than village level prices, many farmers prefer to sell the crops in the field in advance because they do not want to face the inconvenience of marketing at the market places.

Mode of sale. As a normal practice, the farmers bring their produce to the wholesale markets and contact the commission agents of their choice for the disposal of their produce. The commission agents assist the farmers in produce presentation to attract better bids from would-be buyers. For better produce presentation, the employees of the commission agents clean, dry, sort or grade the produce. Commission

agents also charge for these services. After cleaning, drying or grading of the produce, the commission agents are supposed to open auction the produce in suitable lots.

Market information. The market committees of some of the mandi towns publish the market rates of various agricultural commodities in the local newspapers. The Provincial Agricultural Marketing Department also gets the market rates on the radio for the information of the farmers. In some market towns like Jaranwala, Muridke and Chakjumra, the secretary of the market committee also sends the market rates periodically to the revenue heads (lambardars) of the villages and an affluent class (chowdharies) of important villages falling in the notified area of the market, with the request to circulate the rates among the farmers of their villages. But the farmers rely more on information collected by their friends, neighbours and money lenders and on announcements by drum beating known as hawkas.

Current market rates are also displayed on the blackboard affixed to the entrance of the market or in front of the office of the market committee, to provide price information for the farmers.

Market charges. In order to sell his agricultural produce in the markets, the farmer has to face a variety of marketing fees, charges and taxes. When he leaves his village with agricultural produce and sets out towards the market he first pays a rahdari tax on the solling road leading to the market. This money goes to the union council which constructed this link road. At the octroi he has to face a delay and octroi tax according to the type and weight of his produce. Some farmers complain that correct receipts are not given. They are also charged more than is legal, and even then the policemen there do not

interfere.

Payment procedure. After the open auctioning of the produce, the commission agents are supposed to make full and final payment of the sale proceeds after legal deductions to the seller (source: Manual of Agricultural Produce Market Laws, 1980, p.30).

These deductions are a market fee, commission charges, handling and weighing charges, brokerage and sometimes storage charges. In addition to these money charges the farmer has to endure the marketing process in terms of auction, weighing, cleaning and sorting processes. Even after all these deductions he hardly ever gets the rest of the payment from the commission agents. It is usually paid in instalments, and thus another complicated and painful phase starts for the collection of his money. The farmers are discouraged and many of them do not like to waste their time in the markets but prefer to stay and deal with the money lenders in the villages. It is interesting to note here that the commission agents also make advance payments or loans to the poor farmers to grip them in future business too. This will be discussed in the analytical part of Chapter 4

Trading practice. The above discussion shows that the procedures for marketing of agricultural produce in the Punjab are still very old. No marked structural or procedural changes have taken place in the field of agricultural marketing.

Some serious attempts at improvement were made by the government through the promulgation of the Agricultural Produce (Market) Act in 1939, but the structure and pattern of marketing remained the same.

3.3.6 Linkages with Other Markets

Regular markets in the market towns are the typical rural wholesale markets and they are the oldest (and planned) grain wholesale markets serving the Bar and Bet areas of the Punjab canal-irrigated districts. These markets are linked vertically to other higher order markets in the region, and are themselves inter-connected through horizontal linkages to the periodic small town (qasba) and village shops in their rural hinterlands. For instance, Jaranwala wholesale grain market in Faisalabad district is an old and planned one. Farmers from 293 villages and small towns (qasbas) visit this market which is also connected to other markets such as Samundari, Kamalia, Faisalabad, Lahore, Muridke and Sharaqpur.

TABLE 3.5

Marketing Charges in Ferozewala Subdistrict, Punjab

Fees	Who Pays	How it is Decided	How Much	How it is Collected	Who Collects	Other Remarks
Market Fee	Commission Agents	Fixed by the Government through the Agricultural Produce (Markets) Acts	@ Rs 0.25 per quintal	At the shop of Commission Agent	Inspector of Market Committee	
Commission Charges	Sellers (Farmers)	According to the value of the cash crop	@ 1.50% of the sale proceeds	At the time of settling the accounts	Commission Agent	
Handling and Weighting Charges	"	"	@ 0.84%	"	"	
Brokery	"	"	@ 0.16%	"	"	
Storage Fee	"	"	–	–	–	Settled with the Commission agent or beoparies at different rates of type and quantity, produce and time
Rahdari Tax	Producer (Farmers)	Union Council	@ Rs 0.50 per Tonga or Rehra	At the gate	Member/ worker, Union Council	It is the tax for a metalled or solling road from village to market
Octroi Tax	Farmers	Municipal Committee	@ 1.00 car according to crop	At the Octroi Post	Government/ private worker	

Source: Marketing Surveys (1987): self-prepared from:
    (i)   Information from market committee (Muridke Town and Tehsil)
    (ii) Municipal committee - Muridke
    (iii) Octroi Post Nos.1 to 4
    (iv) Rahdari gate at Alipu

Note: Zakat and Ushar are charged at village level by the punchayat committee (5% of 1/3 produce).

SECTION IV

3.4   SURVEY DESIGN AND PROCEDURE

3.4.1   Methodology

The present piece of research is based on the data collected during July and August 1987 in Ferozewala subdistrict of Sheikhupura district, Punjab, Pakistan, by the author as a student researcher from the Department of Urban Design and Regional Planning, Edinburgh University, UK.

Inasmuch as there exists a paucity of data on the marketing aspects of farming, particularly in the Bar and Bet areas, the present study was based on primary data with some interviews at the offices and statistical support from secondary sources. The basis for selection of the area has been discussed above.

It was decided to concentrate on rice as it is the second most important food grain of the province. It carries considerable national importance as a foreign exchange earner, and becaue of its contribution to the Gross National Product. Of the various varieties of rice, basmati rice was chosen for the purpose of this investigation after a preliminary survey. It accounts for a major proportion of the total acreage under rice in the district. Basmati is, however, a variety of rice known for its extra flavour and fineness which is in great demand in the world market. Pakistan earns a considerable proportion of foreign exchange by its export.

3.4.1.1   Drawing of the sample

For the purpose of this enquiry, the marketing problems

experienced by the farmers related to (i) their staying power, (ii) storage problems, (iii) marketing intelligence and price information, and (iv) other problems related to transport, octroi and marketing intermediaries through the marketing channels from farm to rice market at Muridke market town were hypothesized.

The nature and extent of storage facilities at farm level, however, tend to vary with the type of local technology available, economic conditions of farming, the quantity of marketable surplus and the nature of the commodity to be stored in the areas. Similarly the other parameters (major problems) also varied and could be compared clearly in the Bar and Bet areas. Since farm size was assumed to be an important variable influencing the economic status of the farmer and the volume of his marketable surplus, the population of the sample was stratified on the basis of farm size, viz: small (with less than 12.5 acres), medium (with 12.5 to less than 25 acres of land), and large farmers (with 25 or more acres of land).

Keeping in view the limitations of time and resources of this research, sample sizes of farm villages (two from each area: the Bar and Bet areas) were selected by simple randomization. From each village, 25 respondents were chosen by stratified randomization on the basis of farm size. In all, 100 cases were studied which were distributed on the basis of farm sizes mentioned above.

3.4.2 Method of Analysis

Data pertaining to the problems faced by the growers through the existing marketing channels was collected using a comprehensive interview schedule. Besides conducting interviews through

questionnaires, discussions, structured interviews and talks with the local leaders and officials were held in order to gain more insight into the marketing problems. Staying with the farmers and common people at the different locations, both in Bar and Bet areas, helped to develop a good understanding of the nature of the marketing channel from farm to market place.

3.4.2.1 Pre-testing of questionnaires

This was done before interviewing sampled respondents in order to check the reliability of the questionnaire items. This also helped in knowing the time per interview. A few farmers were not found. Thus 1 20 per cent quota was reserved for such replacements and interviews.

3.4.2.1.1 Field work. In each village, regardless of whether in Bar or Bet areas, only the head of the household was taken as respondent. Almost all the respondents in the villages were male except for a few households where there were female household heads. The field work was carried out from 8 July to 7 August 1987. A reasonable time was also spent in collecting secondary data, through interviews with officials and local leaders.

3.4.2.1.2 Analytical approaches. Having done the editing, in the analysis of data, descriptive statistics were used throughout. In order to see the effects of variables on each other, various tabulations were designed and evaluated. *Questionnaire and Table in Appendex.*

3.4.3 Problems Encountered in the Collection of Data

(1) In the first place, a major difficulty was encountered in the hesitation of the respondents to answer some questions. It took a lot of time and effort to take the sceptical respondents into the author's confidence and to extract correct information from them.

(2) Secondly, it was found that most of the farmers did not maintain written records, and those who did were hesitant to show the details of their records to this investigator.

(3) The conservativeness of the female population led to a search for female interviewers.

(4) Poor accessibility to many areas of the wells-irrigated (Bet) land in the hinterland.

The major research parameters and their components at different stages and phases in the marketing channels have been conceptualized in a combined diagram called a 'conceptual framework of the study area'. Thus the three major parts of these aspects are explained in the next section. Overall the combined conceptual diagram for the whole study is shown in the first section of Chapter Four.

SECTION V

3.5 MAJOR ASPECTS OF MARKETING

The above discussion on the wholesale grain markets in the market towns, agricultural marketing channels and the marketing problems faced by the farmers at the village, octroi post and grain market, has

evolved three sets of major aspects of marketing problems faced by the farmers in the Ferozewala subdistrict.

In Chapter One we have already shown that the marketing problems faced by the farmers were primarily related to (i) cost of production, (ii) cost of marketing, and (iii) defects lying in the agricultural marketing channels from farm to wholesale grain market.

3.5.1 <u>Marketing Aspects - 1</u> (Commodity and Cash Flows)

Figure 3.4 represents the practical evidence from the surveyed area with respect to the major paddy rice commodity (see Figure on rice outflow) between the rural hinterland and grain market in the market town. It also represents the flow of the commodity from farm to market town through the different marketing principal agents such as farmers, shopkeepers, money lenders, institutions like farm gates (<u>rahdari</u>), <u>octroi</u> posts, the market committee, municipal committee and wholesale grain market. In Chapter Four two sets of these commodity flow diagrams have been included in order to explore the comparative position of the canal-irrigated (<u>Bar</u>) and wells-irrigated (<u>Bet</u>) areas on the basis of per unit cost of production and cost of marketing. This comparative analysis of commodity flows gives an idea of which areas are prosperous and what is the comparative position of the depressed or poor areas. There also exists an emerging (invisible) pattern of marketing by women. These findings will be explained with reference to a comparison of the canal-irrigated (<u>Bar</u>) and wells-irrigated (<u>Bet</u>) areas.

FIGURE 3.4

MARKETING ASPECT.1

RICE OUTFLOW CHART

FARMER WITH MARKETABLE SURPLUS

Marketing Principal Agencies, Subdistrict Ferozewala (1987)

MONEY LENDER (BEOPARI)

VILLAGE SHOPKEEPER

SMALL TOWN (QASBA) MARKET

FAO'S NEW RURAL MARKET

GOVERNMENT DEPOT

GOVERN-MENT STORAGE

OCTROI POST NO.1

PLANNED WHOLESALE GRAIN MARKET MURIDKE TOWN

OCTROI POST NO.2

OCTROI POST NO.3

RICE MILL

OCTROI POST NO.4

MARKET IN OTHER DISTRICT

MARKET

MARKETS IN OTHER DISTRICTS

MARKET

LAHORE

RICE MARKETING BY WOMEN UNDER CHAR DEWARI
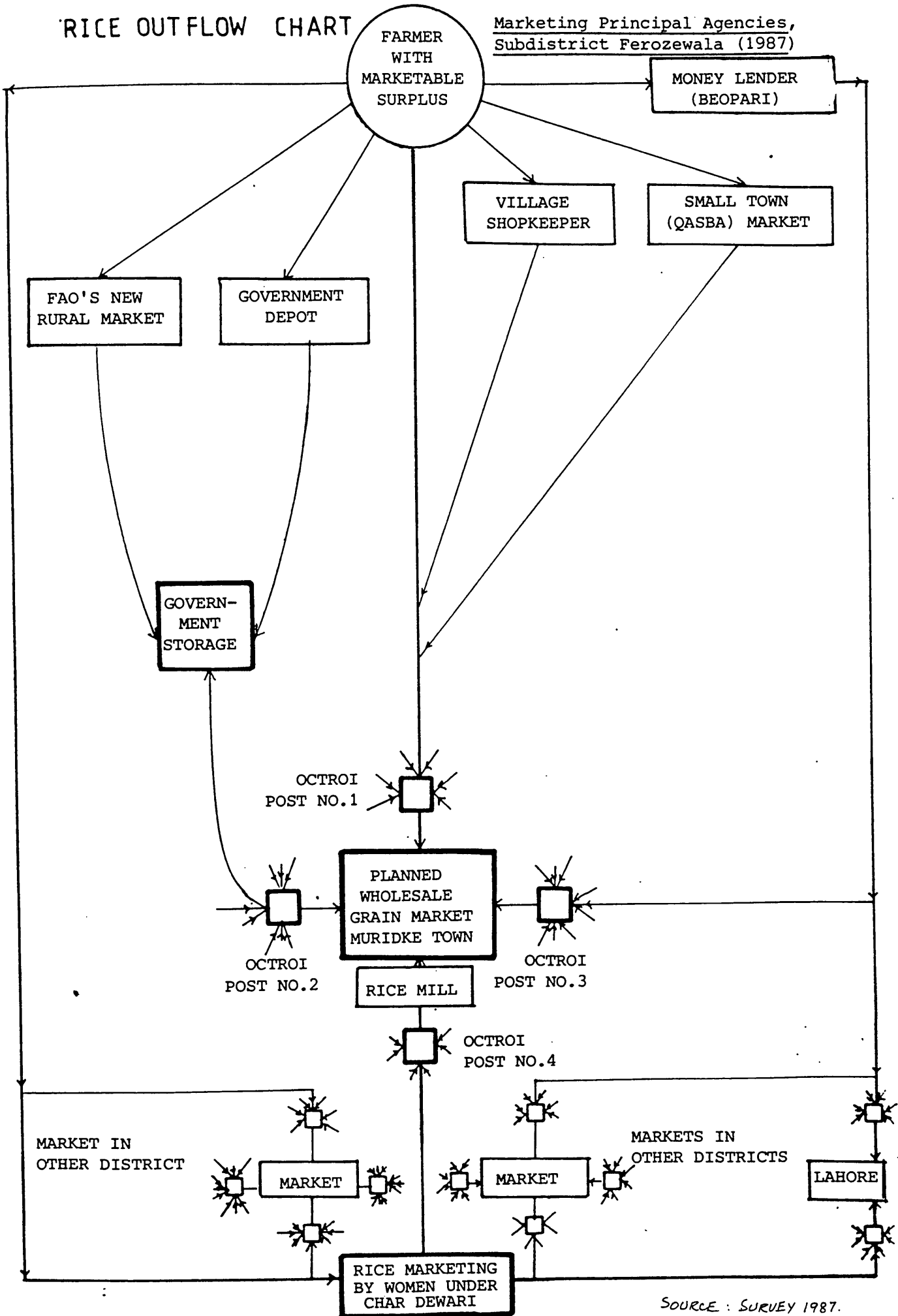
SOURCE : SURVEY 1987.

3.5.2 Marketing Aspects - 2 (Marketing Channel from Farm to Grain Market)

Figure 3.5 represents the marketing channels developed between the wholesale market place and farm through the farm gate (rahdari) and octroi posts. When the farmers, money lenders or village shopkeepers visit the wholesale market in the market town, they have to pay rahdari and octroi taxes. Here our concern is with channel No.2 which portrays the economic linkages of the farmer from farm to grain market. In addition to rahdari and octroi taxes when the farmer arrives at the wholesale market, he also pays a marketing fee and other charges to market intermediaries. A comparative analysis of these cumulative marketing costs borne by farmers belonging to Bar and Bet areas is given in the next chapter.

3.5.3 Marketing Aspects - 3 (Root Causes of Marketing Problems)

The author investigated empirically the marketing problems faced by the farmers in Ferozewala subdistrict from farm to market levels, i.e. in phases and stages at village, farm gate, octroi posts and at the market place. These were primarily related to farmers' weak staying power, lack of storage facilities and lack of marketing information and intelligence. What were the reasons for these problems? Figure 3.6 shows the causes, the relationship between these identified problems and their root cause, as it was also one of the main objectives in this thesis to explore and investigate in the Punjab region.

FIGURE 3.5

MARKETING ASPECT - 2

MARKETING CHANNELS

SOURCE: MARKETING SURVEY BY AUTHOR (1987)

FIGURE 2.6

MARKETING ASPECT - 3

MARKETING PROBLEMS
FACED BY FARMERS

STAYING POWER

MARKETING INTELLIGENCE

STORAGE PROBLEMS

OTHER PROBLEMS

REASONS FOR SELLING EARLY

PRODUCTIVE REASONS

1. Need money for fertilizers
2. To buy seeds
3. To buy implements
4. To buy bullock carts/ tractors
5. Had to pay loan
6. Others

UNPRODUCTIVE REASONS

1. Need money for households and 'vertava'
2. Had to pay back loan
3. Money needed for marriages
4. Aqiqas and social occasions
5. Others

PRICE FLUCTUATIONS

1. Produce (rice) was sold early because price seemed reasonable
2. Fall in prices was expected
3. Government Depot did not deal properly
4. Others

STORAGE PROBLEMS

1. Lack of storage facilities
2. Waste/theft
3. Condition of storage bad
4. Less surplus
5. Others

STORAGE PROBLEMS

TYPES AND CONDITIONS OF STORAGE

MUD (KATCHA) BHAROLA

CEMENTED (PACCA) BHAROLA

KOTHIES

LIVING ROOMS

BAGS OR BULK

GODOWN

SHEDS

STORAGE CAPACITY

CAPACITY OF BHAROLA IS SMALL

DIFFERENT CAPACITIES OF STORAGES

SOURCES OF WASTAGE

INSECT PESTS

SHRINKAGE

MOISTURATION

DISEASES (SUSRI)

RAINY SEASON

LOSS IN TRANSPORTA- TION

DECOLOUR- IZATION

RENT OR COST

INITIAL COST (CONSTRUCTION) COST IS HIGH.

HIGH RENT

MAINTENANCE COST

ELECTRICITY CHARGES

FUMIGANT COSTS

MARKETING INTELLIGENCE

SOURCES OF PRICE INFORMATION

(RELIABLE OR UNRELIABLE) SOURCES:

PERSONAL VISITS

NEIGHBOURS AND RELATIVES

'VERTAN BHANJI' OR 'VERTAVA' SYSTEM

HAWKA

LUMBERDAR

CHOWDARIES

RADIO

NEWSPAPER

OTHER PROBLEMS

(RICE MARKETING BY WOMEN) EMERGING PATTERN

CONCEPT OF 'VERTAVA' OR 'VERTAN BANJI' PROBLEMS RELATED TO ATTITUDES AND DECISIONS

(OCTROI POST) WRONG RECEIPTS MORE MONEY IS CHARGED, WEIGHT, DEDUCTIONS IN KIND, DELAY

FAO'S NEW MARKET NOT NEEDED BY PEOPLE IN BAR AREA, FAILURE, NEEDED IN BET AREA

(TRANSPORT PROBLEM) MUD (KATCHA) ROADS ACCESSIBILITY IN MONSOON LACK OF FAST MODES

Source: Marketing Survey by the Author (July-August 1987) Subdistrict Ferozewala, Punjab, Pakistan.

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SECTION VI

3.6 CONCLUSION

The regional (Sheikhupura district) context of the study area
(Ferozewala subdistrict) shows that in Punjab every canal-irrigated
(Bar) and wells-irrigated (Bet) area represents the commodity and
capital flow between their origins (villages) and the agricultural
market place in the market town.

It is concluded that it was justified to explore the dominant
pattern of these flows from such a market. Theoretically (from
Chapter One) it was concluded that more flow from such areas was due to
productive and marketing advantages. In other words the combined
impact of lower per unit cost of production and lower cost of marketing
represents prosperous areas compared to other areas called depressed.
General observation reflects that in spite of the overall increase in
production, the small farmers are poor. Are the marketing costs higher
in one area, or is the cost of production also high and proves to be a
major problem? To what extent are which types of productive and
marketing problems being faced by the small or large farmers? To
answer these questions it was thought preferable to compare the two
major areas in the light of empirical evidence from both productive and
marketing aspects.

Ferozewala subdistrict, with its grain market located in between
canal-irrigated (Bar) and wells-irrigated (Bet) areas, was primarily
selected and studied towards these ends.

Thus three major aspects in the perspectives represent all these
theoretical themes of the marketing and production sectors in terms of
practical evidence from the field work. The diagrammatic presentation

of subset No.3 explored the real causes of the marketing problems faced by the farmers in the real world of Ferozewala subdistrict. The combined form and impact of these major aspects of marketing represents the conceptual framework for the study area. The answers to many questions can be found in Chapter Four.

CHAPTER FOUR

SECTION I

4.1 INTRODUCTION

In the previous chapter we discussed the salient features,
marketing survey design and procedures in Sheikhupura district and its
subdistrict Ferozewala with particular emphasis on Muridke market town
and its surrounding canal-irrigated (Bar) and Bet areas. We also
described the major components in the marketing channels vital for the
conceptual framework of this research. The main emphasis of this
chapter is on these sets of components in the marketing channels. It
compares the general characteristics of Bar and Bet areas. It shows
that the Bar and Bet areas are two different segments in the study
area. Based on the evidence on the contrasting features in the types
of irrigation method, planning and design features, family sizes,
income distribution, and flow of marketing surplus in terms of weight
and values the Bar - the canal-irrigated - areas were found to be more
prosperous in comparison to the Bet - the wells and tube wells-
irrigated - areas. It has also been explained that the locational and
central place theories in the Bar areas are not needed to be applied as
they are already self-sufficient with efficient transport networks and
market facilities by virtue of the square system and market towns. It
has been concluded that the agroville market centre approach is still
popular and demanded in the Bet areas due to its relevance to the need
for markets and marketing facilities at subdistrict level.

Marketing problems have been found to be strongly related to the
defects in the prevailing marketing channels. On the basis of analysis
and network results, the facts will be explained. The conclusions,
suggestions and recommendations will be drawn from the perspective of

these facts and results.

Both the canal-irrigated (Bar) and wells-irrigated (Bet) areas have been compared with evidence and figures, keeping in view the theoretical concept of productive, marketing, location and other advantages, disadvantages or opportunities in the study area.

4.1.2 Conceptual Framework for the Study Area

On the basis of major components in the marketing perspectives of the channels vital for this research, the whole set of the conceptual framework has been shown in Fig.4.1 The whole process of this framework is a set of three subsets, i.e.:

(i) Marketing principal agents (Rice Flow Chart)

(ii) Marketing channels from farm to wholesale grain market

(iii) The third subset represents the major parameters of the marketing problems faced by the farmers in these channels.

4.1.2.1 (1) Marketing principal agents (rice outflow)

The first subset explains that the farmer sells the paddy rice either in the village to shopkeepers or money lenders (beopari) or he takes the produce himself to the commission agents in the wholesale grain market in Muridke mandi town or to other agencies for sale.

4.1.2.2 (2) Marketing channels (agents, institutions, physical
             structures, organizations)

The second subset of marketing channels represents the flow diagram from farm to grain market with reference to major agents such

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as farmers, money lenders, shopkeepers and various institutions such as farm gate (<u>rahdari</u>) and octroi (<u>chungi</u>) taxes through the whole marketing process.

FIGURE 4.1
CONCEPTUAL FRAMEWORK FOR STUDY AREA
SUBDISTRIC FEROZEWALA DISTRICT SHEIKHUPURA
PUNJAB PAKISTAN

MARKETING ASPECT_2
MARKETING CHANNELS

MARKET FEES AND CHARGES

(PRINCIPAL AGENTS) FARM — RAHDARI

MONEY LENDER — VILLAGE — RAHDARI

DERA — RAHDARI

POST R — RAHDARI (TAX) — OCTROI POST O — OCTROI (TAX)

MARKETS IN OTHER DISTRICTS

WHOLESALE GRAIN MARKET

MARKETS IN OTHER SUBDISTRICTS

FIELD — FARMER — FARM — RAHDARI

VILLAGE — CHANNEL - 2

DERA — RAHDARI

POST R — RAHDARI (TAX)

FAO'S MARKET — OCTROI POST O — OCTROI TAX

GOVERNMENT DEPOT

RICE MARKETING BY WOMEN IN LAHORE CITY

PLANNED WHOLESALE GRAIN MARKET (MURIDKE TOWN)

RICE MILL

SHOPKEEPER — FARM — RAHDARI

VILLAGE — RAHDARI

DERA — RAHDARI

POST R — RAHDARI (TAX) — OCTROI POST O — OCTROI TAX

WHOLESALE GRAIN MARKET

MARKETING ASPECT_3
MARKETING PROBLEMS FACED BY FARMERS

FIGURE 4.4
MARKETING ASPECT_1
RICE OUTFLOW CHART

Marketing Principal Agencies, Subdistrict Ferozewala (1987)

FARMER WITH MARKETABLE SURPLUS

MONEY LENDER (BEOPARI)

VILLAGE SHOPKEEPER

SMALL TOWN (QASBA) MARKET

FAO'S NEW RURAL MARKET

GOVERNMENT DEPOT

GOVERN-MENT STORAGE

OCTROI POST NO.1

PLANNED WHOLESALE GRAIN MARKET MURIDKE TOWN

OCTROI POST NO.2

RICE MILL

OCTROI POST NO.3

OCTROI POST NO.4

MARKET IN OTHER DISTRICT

MARKET

MARKETS IN OTHER DISTRICTS

LAHORE C

RICE MARKETING BY WOMEN UNDER CHAR DEWARI

STAYING POWER

PRODUCTIVE REASONS

1. Need money for fertilizers
2. To buy seeds
3. To buy implements
4. To buy bullock carts/tractors
5. Had to pay loan
6. Others

UNPRODUCTIVE REASONS

1. Need money for house-holds and 'vertava'
2. Had to pay back loan
3. Money needed for marriages
4. Aqiqas and social occasions
5. Others

REASONS FOR SELLING EARLY

PRICE FLUCTUATIONS

1. Produce (rice) was sold early because price seemed reasonable
2. Fall in prices was expected
3. Government Depot did not deal properly
4. Others

STORAGE PROBLEMS

1. Lack of storage facilities
2. Waste/theft
3. Condition of storage bad
4. Less surplus
5. Others

STORAGE PROBLEMS

TYPES AND CONDITIONS OF STORAGE

MUD (KATCHA) BHAROLA

CEMENTED (PACCA) BHAROLA

KOTHIES

LIVING ROOMS

BAGS OR BULK

GODOWN

SHEDS

STORAGE CAPACITY

CAPACITY OF BHAROLA IS SMALL

DIFFERENT CAPACITIES OF STORAGES

SOURCES OF WASTAGE

INSECT PESTS

SHRINKAGE

MOISTURATION

DISEASES (SUSRI)

RAINY SEASON

LOSS IN TRANSPORTA-TION

DECOLOUR-IZATION

RENT OR COST

INITIAL COST (CONSTRUCTION) COST IS HIGH.

HIGH RENT

MAINTENANCE COST

ELECTRICITY CHARGES

FUMIGANT COSTS

MARKETING INTELLIGENCE

SOURCES OF PRICE INFORMATION

(RELIABLE OR UNRELIABLE) SOURCES:

PERSONAL VISITS

NEIGHBOURS AND RELATIVES

'VERTAN BHANJI' OR 'VERTAVA' SYSTEM

HAWKA

LUMBERDAR

CHOWDARIES

RADIO

NEWSPAPER

OTHER PROBLEMS

(RICE MARKETING BY WOMEN) EMERGING PATTERN CONCEPT OF 'VERTAVA' OR 'VERTAN BANJI' PROBLEMS RELATED TO ATTITUDES AND DECISIONS

FAO'S NEW MARKET NOT NEEDED BY PEOPLE IN BAR AREA, FAILURE, NEEDED IN BET AREA

(OCTROI POST) WRONG RECEIPTS MORE MONEY IS CHARGED, WEIGHT, DEDUCTIONS IN KIND, DELAY

(TRANSPORT PROBLEM) MUD (KATCHA) ROADS ACCESSIBILITY IN MONSOON LACK OF FAST MODES

<u>Source:</u> Marketing Survey by the Author (July-August 1987) Subdistrict Ferozewala, Punjab, Pakistan.

4.1.2.3 (3) Aspects of marketing problems faced by the farmers in Bar and Bet areas

At every phase and stage of these physical and economic elements shown in subset no.3, the producer (particularly the rice farmer) experiences a variety of marketing problems. The major parameters of these problems faced by a Punjabi farmer have already been identified in Chapter One and have also been shown in detail in subset no.3. These are the following:

(i) Weak staying powers of the farmers.

(ii) Storage problems.

(iii) Problems related to marketing intelligence and price information.

(iv) Other problems are related to transport, octroi taxes, marketing charges, monopolistic characteristics of the traders, cultural and technological problems related to marketing by women, and problems related to the FAO's new market in the subdistrict.

SECTION II

4.2.1 Evidence of Contrast Between Bar and Bet Areas

4.2.1.1 Comparison of family sizes and income distribution

Table 4.1 depicts the family compositions of farm households and shows marked differences in family sizes. The family sizes of 10, 13.1 and 14.3 in wells-irrigated (Bet) areas are larger than the family sizes of 8.8, 10.1 and 12.4 for small, medium and large farmers in the canal-irrigated (Bar) areas. And according to calculations of average

per capita income, this is greater in the canal-irrigated (Bar) areas than in the wells-irrigated (Bet) areas (see Table 4.2). This reflects more imbalance in demographic and income levels in the canal-irrigated (Bar) and wells-irrigated (Bet) areas. What are the reasons for the fact that the Bar areas have progressed to prosperity as compared to the Bet areas? What are the comparative positions of other agricultural land development indicators?

4.2.2 The Reasons for and Evidence of Prosperity (in Bar Areas)

4.2.2.1 (A) Canal irrigation

The results of this study have shown that the cost of production in Bar areas (Rs 772.5 per acre) is less than in Bet areas (Rs 947.5 per acre), mainly due to lower water charges and less need for fertilizers (see Tables 4.3 and 4.4). The farmers in the rice fields said that sufficient canal water for the Basmati rice was like gold due to the fertile deposits which the water brings with it to their fields. For these reasons the land values in these areas were found to be higher than in the Bet land. Moreover, the average rice cultivated land and average yield per acre in all categories of farm sizes in the Bar area were found to be more than in the Bet areas (see Tables 4.7 and 4.8).

4.2.2.2 (B) More evidence from the study area (comparison)

There are four octroi posts, two each side of the study area. Agricultural produce mainly comes to the wholesale grain market of Muridke town through these posts.

TABLE 4.!

Comparison of Family Composition of Farm Households (Sizes)

FARM HOUSEHOLDS	BAR AREAS				BET AREAS			
	16 and above	10-15 yrs	Below 10 yrs	Total	16 and above	10-15 yrs	Below 10 yrs	Total
Small Farmers (12.5 acres)								
Males	2.3	0.7	1.6	4.6	2.8	1.3	1.7	5.8
Females	2.0	0.7	1.5	4.2	2.2	0.8	1.2	4.2
Total	4.3	1.4	3.1	8.8	5.0	2.1	2.9	10.0
Medium Farmers (12.5 and 25 acres)								
Males	3.2	0.8	1.3	5.3	4.1	0.8	1.8	1.7
Females	2.8	0.7	1.3	4.8	3.7	0.9	1.8	6.4
Total	6.0	1.5	2.6	10.1	7.8	1.5	3.6	13.1
Large Farmers (25 and more acres of land)								
Males	4.0	0.9	1.9	6.8	3.2	1.6	2.8	7.6
Females	3.1	0.9	1.6	5.6	3.0	1.8	1.9	6.7
Total	7.1	1.8	3.5	12.4	6.2	3.4	4.7	14.3

Source: Marketing Survey by the author (1987).

TABLE 4.2

Comparison of Bar and Bet Areas with Average Household Incomes From all
Sources Including Agricultural, Non-Agricultural and Remittances from Abroad

Farm Households with Sources of Income		BAR AREA PLANNED AND CANAL-IRRIGATED LAND (Income in Rupees) FARM HOUSEHOLDS			BET AREA UNPLANNED WELL-IRRIGATED AREAS (Income in Rupees) FARM HOUSEHOLDS		
		Small	Medium	Large	Small	Medium	Large
Agricultural Sources							
1. Rice sale by men	(%)	5,361 (34.3)	6,747 (31.6)	9,954 (29.6)	2,966 (20.7)	4,744 (19.6)	8,640 (27.2)
2. Rice sale by women	(%)	805 (5.1)	–	–	307 (2.1)	–	–
3. Other crops (major wheat)	(%)	4,060 (25.8)	7,014 (32.8)	10,720 (31.9)	4,760 (33.2)	7,884.8 (41.3)	11,125 (35)
4. Livestock	(%)	1,268 (8.0)	714 (3.3)	345 (1.52)	1,086 (7.5)	809.3 (4.2)	–
	(%)	11,489 (64.4)	14,468 (67.7)	23,019 (67.5)	9,119 (63.5)	13,438.1 (70.3)	19,765 (62.2)
(a) Remittance from Abroad (% of Subtotal Income)		4,349.8 (70.0)	4,405.7 (64.0)	9,652.7 (77.0)	2,029.17 (39.0)	2,782.2 (49.0)	7,560.6 (63.0)
(b) Other than Agricultural Jobs In and Outside Village (% of Subtotal Income)		1,864.2 (30.0)	2,478.3 (36.0)	2,883.3 (33.0)	3,173.8 (61.0)	2,895.8 (51.0)	4,440.4 (37.0)
Subtotal Income from Remittance from Abroad and Non-Farm Jobs (a)+(b)	(%)	6,214 (35.6)	6,884 (32.3)	12,536 (37.3)	5,203 (36.5)	5,678 (29.7)	12,001 (37.8)
GRAND TOTAL INCOME	(%)	17,703 (100)	21,352 (100)	33,555 (100)	14,322 (100)	19,116.1 (100)	31,766 (100)
Per Capita Net Household Income by Average Family Size		2,011.7	2,114.0	2,706.0	1,432.2	1,459.2	2,252.8

Source: Marketing Survey by the author (1987).

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TABLE 4.3

Cost of Production in the British Planned Canal-Irrigated (Bar) areas

in Ferozewala Subdistrict (in Rs per acre)

Costs	VILLAGE SHEIKHUPURA (in Rs)	VILLAGE ALIPUR (in Rs)
Canal irrigation water	90.00	100.00
Seeds	100.00	100.00
Flattening	50.00	50.00
Tractor charges	305.00	305.00
Fertilizers	75.00	75.00
Land Revenue	50.00	50.00
Village Patwari	15.00	15.00
Irrigation Officer	25.00	30.00
Pesticides	50.00	60.00
Total cost per acre	760.00	785.00

Average cost of production per acre = Rs 772.50 per acre.

Source: Marketing survey by the author, 1987.

TABLE 4.4

Cost of Production in the Unplanned Wells-Irrigated (Bet) Areas of

Ferozewala Subdistrict (in Rupees per Acre)

Costs	VILLAGE LADHEKE (in Rs)	VILLAGE RATANPURA (in Rs)
Tube wells, electricity and repair charges	175.00	190.00
Seeds	110.00	105.00
Flattening	45.00	55.00
Tractor charges	320.00	320.00
Fertilizers	160.00	165.00
Land Revenue	50.00	50.00
Village Patwari	15.00	20.00
Pesticides	55.00	60.00
Total cost per acre	930.00	965.00

Average cost of production per acre = Rs 947.50 per acre.

Source: Marketing survey by the author, 1987.

4.2.2.2.1 (1) Flow of marketing surplus. Table 4.9 for the fiscal year 1 July 1986 to 30 June 1987 clearly shows that a total of 46,944 tonnes of agricultural (cash crop) produce was received in the grain market. More produce in terms of bulk (25,522 tonnes) and value (Rs 80.1 millions) was received from Bar areas as compared to 21,422 tonnes and Rs 61.8 millions value from Bet areas. Percentage-wise 53.4% of agricultural produce flows from Bar areas as compared to 45.6% from Bet areas. Nearly three fifths (56.4%) in terms of money values flows from Bar areas compared to 43.6% from Bet areas. This proves the superiority and prosperity of Bar areas farms as compared to Bet areas farms.

4.2.2.2.2 (2) Flow of octroi and rahdari taxes. Thus the octroi charges paid at octroi (chungi) posts were more from Bar areas. Figures for octroi charges for the same year (1986-87) were scattered in four octroi posts, and it was not possible to locate and calculate them in a short period of time. However figures for octroi taxes and rahdari taxes from octroi posts and union councils for one current week (i.e. from Friday 17 July 1987 to Thursday 23 July 1987) were collected to discover which area was providing more taxes (see Table 4.10).

Farmers from Bar areas paid Rs 38,787.66 as octroi taxes, and Rs 833.69 as rahdari taxes, as compared to 2,851.91 and 185.71 from Bet areas.

This indicates that while paying more taxes, the farmers from Bar areas must have received a higher amount of the total sale price. Percentage was nearly two thirds (64.99%) taxes received from Bar areas compared to slightly more than one third (35.01%) of total taxes from the subdistrict.

TABLE 4.7

Comparison of Agricultural Land Values in Planned Canal-Irrigated (Bar)

and Unplanned Well-Irrigated (Bet) Areas (in Rupees per Acre)

BAR AREA		BET AREA	
VILLAGE SHEIKHUPURA BEDAD	VILLAGE ALIPUR	VILLAGE LADHEKE	VILLAGE RATANPURA
27,000	25,000	21,000	17,000

Source: 1. Marketing survey by the author (1987).
2. Interview with Hafiz Moeen Ud Din, Assistant Director LDA Housing Wing, Lahore.
3. Interview with Mr Khushal Khan, Director, Urban Planning Wing, LDA, Lahore.

Notes:

1. In canal-irrigated land, irrigation water charges are Rs 90 to Rs 100, compared to tube wells plus electricity and its maintenance changes in the Bet areas, Rs 175 to Rs 190. Electricity failure occurred on many occasions. At the moment the whole of Punjab has an electricity crisis. During the field surveys and stay in the village of Ladheke, the author experienced these problems of the farmers.

2. Canal water is cheap, fertile and Bar areas need less fertilizer than Bet areas. This adds to its comparative advantage in production cost. Canal water is like gold in the area for Basmati rice, the best variety in the world, according to an old (92 years) farmer named Ismail.

3. Bar areas are away from the flood zone, so their agricultural surplus is safe in the villages which are also located on citadels.

4. Since some of the farmers heard that a structure plan had been prepared at Edinburgh University and that it might be implemented along the Muridke Minor tributory, by the World Bank or LDA, they have raised land values. The majority of them are against the land acquisition acts. According to them the land is the most fertile in the whole district. They will not like to give their land to be converted from agriculture to urban development. This was stated by Hafiz Moeen Ud Din (Assistant Director, LDA) and confirmed in

three villages including Alipur Tiba during the field survey.

5. Hafiz Moeen said in the interview that the new land acquisition act has been passed. According to this act, LDA cannot acquire land at the previous rate but according to the prevailing market rate. The market values are very high, LDA cannot acquire land and hence Muridke Township Scheme cannot be implemented. Some farmers have also approached the High Court against the LDA scheme.

TABLE 4.8

Comparison of Bar and Bet Areas:

Farm Households vs Average Yield Per Acre, Average Farm Size,

Rice Cultivated and Frequency of Farm Households

FARM HOUSEHOLDS OF	Average yield per acre in mds.	Average farm size	Rice cultivated land	Total no. of farm households	Average yield per acre in mds.	Average farm size	Rice cultivated land	Total no. of farm households
Small farmers	22.02	9.00	6.23	37	20.00	5.1	7.00	40
Medium farmers	30.33	13.25	8.2	7	18.80	13.0	6.24	8
Large farmers	32.70	27.65	16.59	6	19.00	32.0	14.4	2

1 Maund = 40 Kgs.

Source: Marketing survey conducted by the author, 1987.

Comparison of Agricultural Produce Flows in Muridke Wholesale Grain Market During 1 July 1986 - 30 June 1987

Agricultural Produce	FROM BAR AREA			FROM BET AREA			Total Flow from both areas in tons (values in Rs)	Price per Md. (Price per ton)
	From Octrol No.1	From Octrol No.2	From Octrol Nos.1-2 (Bar areas) in tons (value in Rs)	From Octrol No.3	From Octrol No.4	From Octrol Nos.3-4 (Bet areas) in tons (value in Rs)		
Wheat	3,214 (7,472,550)	5,882 (13,675,650)	9,096 (21,148,200)	5,466 (12,708,450)	6,037 (14,036,025)	11,543 (26,744,475)	20,599 (47,892,675)	93 (2,325)
Paddy Rice	6,586 (22,721,700)	5,017 (17,308,650)	11,603 (40,030,350)	3,705 (12,782,250)	2,601 (8,973,450)	6,306 (21,755,700)	17,909 (61,786,050)	138 (3,450)
Sugar Cane	1,127	1,780	2,907 (12,500,100)	509	1,037	1,546 (6,647,800)	4,453 (19,147,900)	172 (4,300)
Cotton	556	370	926 (3,750,300)	354	359	713 (2,887,650)	1,639 (6,637,950)	162 (4,050)
Maize	302	136	438 (876,000)	587	242	829 (1,658,000)	1,267 (2,534,000)	80 (2,000)
Pulses	69	197	266 (1,030,750)	173	47	220 (852,500)	486 (1,883,250)	155 (3,875)
Rape and Seeds	41	43	84 (588,000)	65	79	144 (1,008,000)	228 (1,596,000)	280 (7,000)
Barley	29	85	114 (216,600)	68	28	96 (182,400)	210 (399,000)	76 (1,900)
Ground Nuts	-	12	12 (52,500)	23	5	28 (122,500)	40 (175,000)	175 (4,375)
Lobia Beans	48	28	76	28	9	37	113	
Quantity in Tons	11,972	13,550	25,522	10,978	10,444	21,422	46,944	
Value in Rupees			80,192,800			61,859,025	142,051,825	

Source: From octrol records during marketing survey (1987) by the author, with permission from the chief officer of the municipal committee, Muridke.

TABLE 4.10

Comparison of Current Details of Octroi and Rahdari Taxes Flowing From

Bar and Bet Areas to Market Town

(for one week from Friday 17 July 1987 to Thursday 23 July 1987)

OCTROI RAHDARI TAXES	FROM BAR AREA in Rs			FROM BET AREA in Rs			Total Taxes in Rs
	From Octroi No.1	From Octroi No.2	Total from Bar areas	From Octroi No.3	From Octroi No.4	Total from Bet areas	
Octroi Taxes	20,984.66	17,803,00	38,787.66	17,924.00	2,851.90	20,785.90	59,573.56
Rahdari Tax	195.0	638.69	833.69	372.18	185.71	557.89	1,391.58
Total (%)	21,179.66	18,442.69	39,621.35 (64.99)	18,296.78	3,047.61	21,343.79 (35.01)	60,965.14 (100)

Sources: (1) Current octroi records obtained from octroi post offices with prior permission from
    (i) Municipal Committee, Muridke Town
    (ii) Market Committee, Muridke

(2) Current rahdari taxes were noted from union offices with the permission of
    (i) Manzoor Hussain Shah (Secretary, Union Councils)
    (ii) Chowdhary Mohammad Arshad (Project Manager)

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Thus this proves that more money (capital) flows through the marketing channel between Bar area farms and the wholesale grain market. It is all due to productive advantages, according to the theory explained in Chapter ᴼᴺᴱ, presented now with empirical evidence.

4.2.2.2.3 (3) <u>Current paddy rice flow charts from Bar and Bet areas.</u> Figures 4.2 and 4.3 show the rice flow channels from the <u>Bar</u> and <u>Bet</u> areas to major agencies. These figures clearly show that the rice marketing surplus (49.88%) from farmers from <u>Bar</u> areas is predominant in the grain market, whereas the surplus from <u>Bet</u> areas (40.3%) is mostly sold to money lenders. This reflects that money lenders have a firm grip on the farmers in the <u>Bet</u> areas by virtue of advance loans with interest, and with lower purchasing prices offered. The interesting features are that women from <u>Bar</u> areas are more commercialized in selling the rice at the domestic level (<u>char dewari</u>), though the total amount which they sold from both areas was 3.5% and 2.2% respectively. But bulkwise, the women from <u>Bar</u> areas sold 77.5% of the total rice sold by women from both areas.

4.2.2.3 (C) <u>Educational development in Bar areas</u>

4.2.2.3.1 (1) <u>Education.</u> While the villages in the <u>Bar</u> areas were planned by the British planners with schools as an integral component, with the passage of time these educational nodes educated more people in the <u>Bar</u> areas as compared to the <u>Bet</u> areas. Their knowledge became greater, and the family structure with respect to family sizes also balanced. Further, more migration from <u>Bar</u> areas prevented the population in the <u>Bar</u> areas from becoming dense or congested. On the other hand, the reverse is seen in the <u>Bet</u> areas.

FIGURE 4.2

MARKETING ASPECT_1

RICE OUTFLOW CHART FROM BAR AREA

Marketing Principal Agencies, Subdistrict Ferozewala (1987)

SOURCE: MARKETING SURVEY BY AUTHOR 1987.

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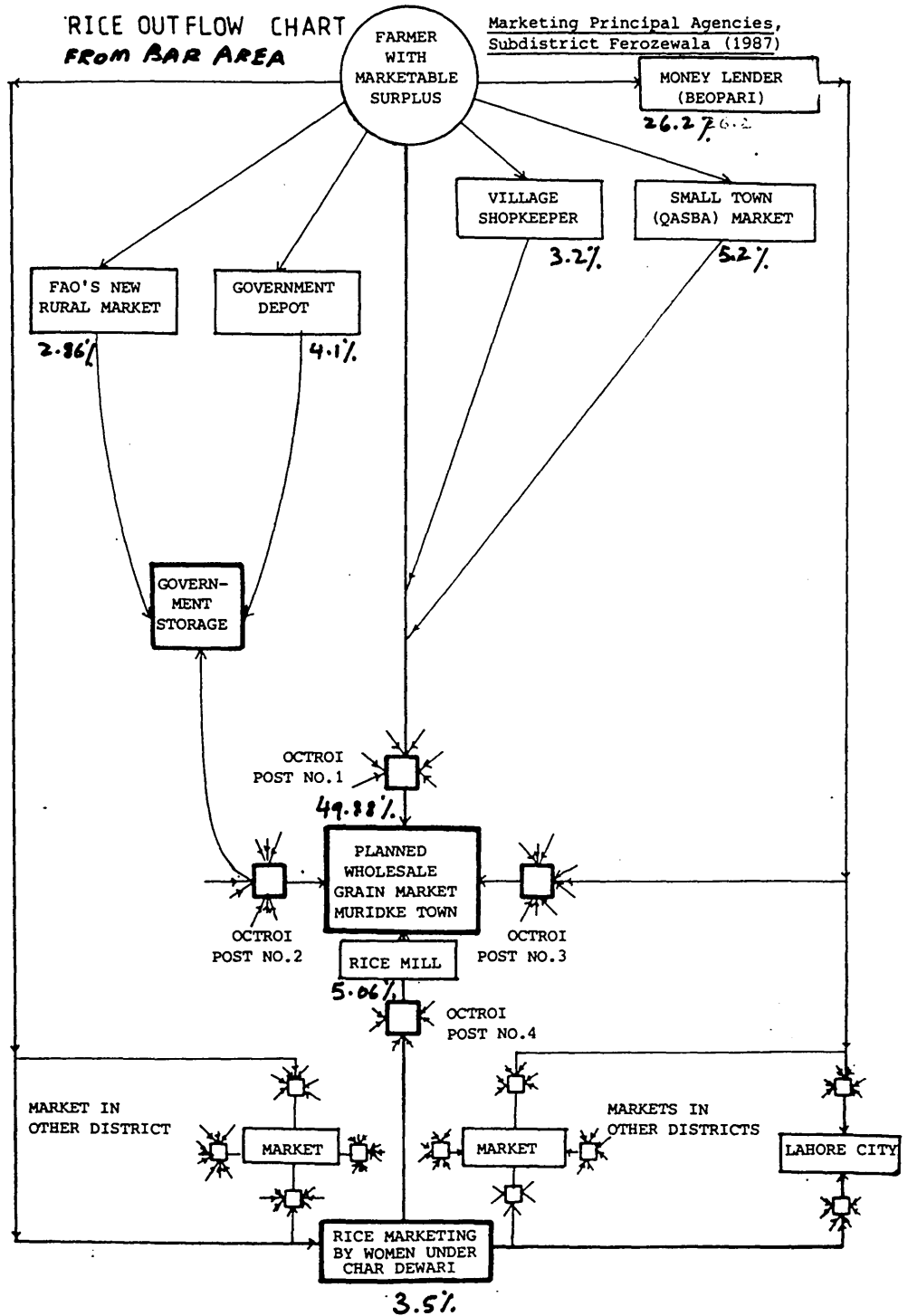
FIGURE 4.3
MARKETING ASPECT_1

'RICE OUTFLOW CHART   Marketing Principal Agencies,
   FROM BET AREA   Subdistrict Ferozewala (1987)
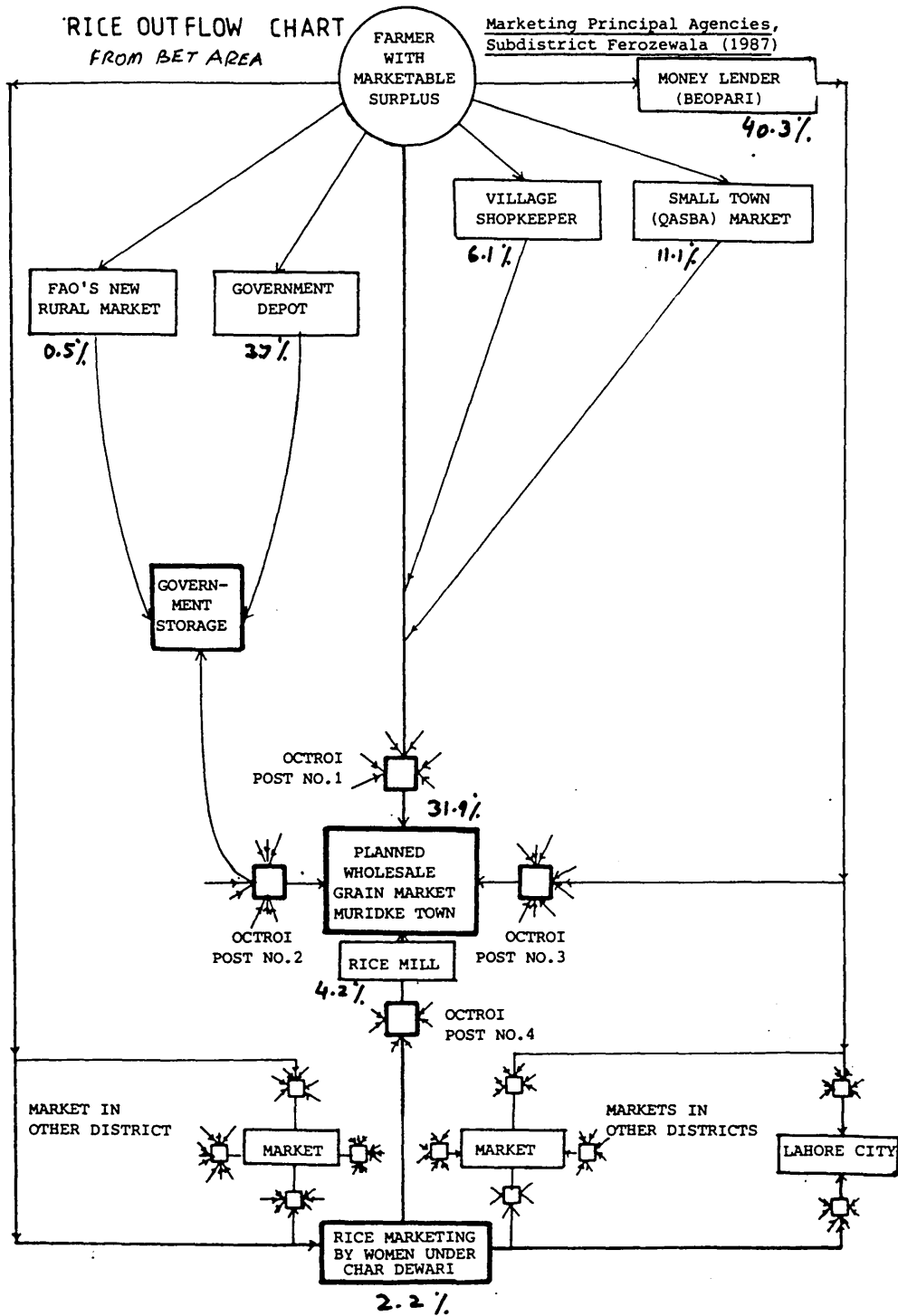
SOURCE MARKETING SURVEY BY AUTHOR 1987.

Table 4.10.1 shows that (1) the majority of overseas migrants belonged to Bar areas, (2) their educational attainment is higher as compared to the migrants from Bet areas. Two of them were educated at secondary high school level, and one of them further qualified for graduation from Punjab University, Lahore. The relatives said that two were educated at Rasool Polytechnic College, and gained civil engineering diplomas.

On the other hand, the majority (63%) of migrants from Bet areas were illiterate. The remaining quarter could study up to primary class level. One (12%) gained a certificate from the Polytechnic Institute, Lahore. It is clearly evident that except in one case, none of the migrants from Bet areas could attain more than primary school level. Farmers from Ladheke village in the Bet area said that five years ago there was no school in Ladheke village, and some of their children used to go to school by crossing over the highway to a school on the other side in the Bar area. Even electric power was supplied much later than the provision to the villages in the Bar areas. They also said that good school teachers often belonged to Bar areas but they also migrate to Lahore or overseas, which results in education loss especially to the children of the affluent class in the Bar areas. The Revenue Officer added that eight years ago one of his nephews was sent to Lahore for higher studies. The nephew never came back to his village because he married there and settled. He pointed out that such cases from Bar areas also happened, but since the standard of living and diet in those areas are comparatively better and people have more money, the migrants remain in touch with their relatives.

The farmers from Bet areas admitted that in fact the majority of migrants are from Bar areas, and they earn more than migrants from Bet

TABLE 4.10.1

Comparisons of Frequencies and Educational Attainment of Migrants to

Overseas from Bar and Bet Areas

Educational Attainment of Migrants Before Departure to Overseas Countries		Migrants from Bar Areas	Migrants from Bet Areas
Nil	F	6	5
	%	(50)	(63)
Primary School level	F	2	2
	%	(17)	(25)
Higher Secondary School	F	1	
	%	(8)	
B.A.	F	1	
	%	(8)	
Technical	F	2	1
	%	(17)	(12)
Total		12 (100)	8 (100)

Source: Marketing survey by author (1987).

areas, because they also have relatives on both sides and exchange views on their _vertan banji_ occasions, especially engagements and marriages.

All this discussion leads to the conclusion that not only are agricultural produce and capital flows more from _Bar_ areas to market centres, but the educational flow has also proved more intensive from _Bar_ areas and proved its worth in the development context in many ways.

4.2.2.3.2 (2) _Migration impact._ The educational facilities in the _Bar_ areas in the long run produced more migration abroad, kept family sizes balanced and increased the total household income levels. This is also the reason why people from the _Bar_ areas purchased more land, and due to their better links with kin in the developed countries are more open to technological change and modernization. Five out of seven such relatives interviewed in the UK came from the _Bar_ areas of Mian Chanun, Faisalabad and Lahore districts. Four of them (all from _Bar_ areas) have been sending remittances for their families. This money has been spent partially for domestic, educational and agricultural purposes. One of the respondents maintaining strong links with his origins (the village) said:

> We cannot think of disposing of land and house in village. Firstly, we inherited it and secondly many of our relatives are earning their livelihood out of it. Lastly whenever we have vacations, engagements (_mangani_), marriages, religious duties (_aqiqas_) and Eid (_shabrats_) the place is properly used.

This also proves that migrants (from _Bar_ areas) in foreign countries are a source of income, and are useful for the development of their families and agricultural land development in the _Bar_ areas. See Tables 4.2 and 4.10.1 in the previous section for a comparison of remittances.

In the light of the above discussion, it is now evident why the Bar areas have proved their superiority and prosperity in many aspects in comparison to the Bet areas. Both areas represent different characteristics and intensities of marketing surplus quantitatively and qualitatively, and hence it is not necessarily possible to represent both the areas in the same manner with an average of their total areas. However, many of the Punjab Government projects and studies have been conducted regardless of the classifications of the areas, and hence the problems were misunderstood and the same solution did not work in both areas. Thus any studies and research related to rural development in subdistricts must be reviewed from both these areas, due to social, demographic, physical, spatial and cultural differences.

Brinkman, in the light of neoclassical theory (1976, pp.61-63) does explain the cause of prosperity of an area based on productive advantage mainly due to the lower cost of production, in the case of canal-irrigated areas of Punjab due to the introduction of the canal irrigation system and the comparative and locational advantage of cheaper, sufficient and fertile water.

We have already discussed in Chapter One that Todaro's migratory model laid much importance on economic factors, whereas our study has also explored the social (educational) factors which are equally important for migration decisions and movements.

Todaro's (1977, p.220) theory assumes that members of the labour force compare their expected incomes for a given time horizon in the urban sector (i.e. the difference between returns and costs of migration) with prevailing average rural incomes, and migrate if the former exceeds the latter. The author would hypothesise that educational attainment increases migration from the Bar areas, by

increasing the potential incomes at the destination, particularly if the increased education allows migration abroad. The factor of rural-urban wage differential is common and obvious for both areas. In his unpublished paper 'Migrants in the Karachi Metropolitan City' (1986, p.8), the author admitted the significance of the urban-rural wage factor according to Todaro's sole idea with his empirical study and data related to migrants from Hazara district (from North West Frontier Province). That was true for the people from the rain-fed areas. It is hypothesised that in the case of canal-irrigated areas of Punjab, the intensity is less to Karachi and Lahore as compared to villagers from <u>Bet</u> areas; while in the case of overseas migration, the reverse applies, and depending mainly on better educational attainment. Hence the level of international remittance is also due to educational attainment as one important factor.

4.2.2.3.3 (3) <u>Discussion and arguments in the context of Punjab.</u> Six months ago, the migration aspect in the context of this research study was also discussed in Edinburgh between the Pakistani students and Pakistani shopkeepers who come from all provinces of Pakistan. The discussion started from the issue of why the Punjabis have migrated more than people from other provinces of Pakistan. Many discussed it from the political perspective. Interestingly, some also expressed their feeling that it was a pity to leave the family behind in a male-dominated society in Pakistan, where they suffer more without the husband; and particularly that it was unfair to leave a wife and children. This argument was further strengthened by honourable *student* friends, who felt that such sacrifices are not justified for the sake of money, and that it is one of the main reasons why *many couples from other provinces* very much integrated and do not like migration at the expense of such a

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big sacrifice just for cash.

Time passed and the author broadened the spectrum of his vision with personal experiences, observations and empirical evidence through this study. In this context he summed up his views, which are the following.

(i) First of all analyse the migration process among Pakistani migrants regardless of provincial bias. All of my Pakistani friends very well understand that in Pakistan the surplus labour force is always a burden on the economy. The larger scale migrants have served as a safety valve in an otherwise explosive unemployment situation. Remittances do find some way of investment, and create additional work in the country. Further, these have been responsible for reducing hardship for those who were formerly either unemployed or underemployed.

(ii) One of our friends argued that in life, remittance is not everything, and it should not become a supreme value in village life. The author does consider the significance of this remittance which is earned by day and night work because it has significance to the migrants.

It gives to Pakistani migrants of any province or of any class or caste the satisfaction of living up to the obligation of their relatives (qoum) and accelerates good vertan banji relations, thus building prestige for them in the home village.

Now let us refer back to the question of why more Punjabis have migrated than people from other provinces.

We have already explained in the previous section that in the

comparative analysis, their better educational attainment, particularly among those from Bar areas - the planned canal-irrigated land - has been explored as the dominant origin, and it was not so much due to unemployment as, in the first phases, to more curiosity and a progresive attitude in trade and a desire for further education. In the author's view it was also a matter of confidence, and more sacrifices and risks which a Punjabi takes more readily and faces more patiently than others. Perhaps more important are the vertan banji relationships among different castes, classes or groups which are conducted and accelerated faster than others. But the early phases and stages are equally difficult and painful at both ends for himself abroad and for his family, particularly his wife in the male-dominated society in the village.

According to her interviews with such migrants' wives in Ferozewala subdistrict, the lady interviewer reported that the absence of a husband was felt by all such ladies, because some specific problems were only solved in the presence of their men. They could not go with their husbands either because of the children's educational problems or because their in-laws would not permit them, (because they feared that their sons would stop sending money if their wives accompanied them abroad). This is the other picture of migration in Punjab villages.

Thus from recent observations and evidence in the villages and from some personal experiences, the author considers that one serious drawback of migration is the neglect of the families. No doubt the male migrants who migrate from Punjab can financially take care of their families, but in a male-dominated society the children are left behind in the care of others, while for education and other care-taking

respondents, the father is an important figure. The lack of his presence is seriously felt. That is why migration needs to be checked for this. But all these stages and phases in the long run bring more useful experiences, confidence, and development at both ends to them and their families. Such a development impact is evident and dominant particularly in the planned canal-irrigated (_Bar_) areas of Ferozewal subdistrict in Punjab, Pakistan.

In the following sections we will discuss the locational and marketing aspects in the empirical evidence of this research.

SECTION III

4.3 THE REALITIES OF LOCATIONAL AND CENTRAL PLACE THEORIES IN PUNJAB

4.3.1 Von Thunen's Agricultural Location Theory and Bar and Bet Areas

Muridke market town is surrounded by planned canal-irrigated (_Bar_) and unplanned wells-irrigated (_Bet_) areas. Agricultural land use in the _Bar_ area since the British period has followed the land consolidation and canal tributory square system, soil, and hot weather (for _kharif_) and winter (for _rabi_) crops.

Each square in the _Bar_ area consists of 25 acres, and is surrounded by canal tributaries. Vegetables and fruit are grown near the edges of these squares, regardless of how far a square is located from the market town. This pattern continues up to 15 miles in the _Bar_ area from Muridke town. Such a pattern was also observed by the author (1982, p.4) in Jaranwala subdistrict of Punjab where it extended up to

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18 miles in squares from Jaranwala market town. But the author did not classify whether it was a planned canal-irrigated (Bar) or well-irrigated (Bet) area. The Bar area of Jaranwala was dominated by cotton and wheat crops whereas the Bar areas of Ferozewala subdistrict produce the best variety of paddy rice in the whole region. This is due to differences in their soil characteristics. The average transport cost in the Bar area to Muridke market place was calculated as 1.2 per cent of the total sale price in the market, and it was also lower than the cost in the Bet areas (see Table 4.11). It is very interesting to note here that agricultural land use patterns in the canal-irrigated (Bar) as well as in the well-irrigated (Bet) areas in both Ferozewala (study area) and Jaranwala (studied in 1982, 1983, pp.4, 26-36) do not necessarily follow Von Thunen's land use model, since although most of the area is devoted to rice or wheat, there are isolated patches of horticulture apparently unrelated to accessibility considerations. These may be regarded as exceptions however, since the rural hinterland of Lahore city on the north eastern edge along the River Ravi is intensively farmed for fruit and vegetables.

4.3.2 Central Place Theory - Bar and Bet Areas

For an efficient marketing system, Christaller advocates the hexagonal market system which is very difficult in practice. But more than one hundred years ago the British had already developed a marketing system based on squares in the rural landscapes and market towns in the manner of the dendritic market system along the road. Even today the Bar areas of Punjab districts are self-sufficient as a

TABLE 4.11

Rice Production Cost, USHAR, Transport Cost, Marketing Charges and
Net Income of Small Farmers in a Bar Area (1987)

Total production	=	22.05 x 6.25 = 137.81 Mds.
USHAR	=	2.5% of total production = 3. Mds.
Consumption	=	38.5 Mds.
Produce for storage	=	137.8 - (3.45 + 38.5) = 95.85 Mds.
Wastage in storage	=	(7.15%) = 6.8 Mds.
Marketed surplus	=	95.85 - 6.8 = 89.05 Mds.

Total sale price = 89.05 x 140.00 = Rs 12467.00
@ Rs 140.00 per Md.

Total production cost = 6.25 x 772.5 = Rs 4,828.13
@ Rs 772.5 per acre

			% of sale price	% of production cost
Transport cost	=	Rs 137.00	1.20	2.80
Marketing charges	=	Rs 629.00	5.04	13.03
Total cost	=	Rs 5,594.1		
Net income	=	Rs (12467 - 5594.1) = 6872.9	55.1	142.35

Source: Marketing survey by the author, 1987.

TABLE 4.12

<u>Rice Production Cost, USHAR, Transport Cost, Marketing Charges and
Net Income of Small Farmers in a Bet Area</u> (1987)

Total production	= 20 x 5.1 = 102.00 Mds
USHAR	= 2.5% of 102 = 2.55 Mds.
Consumption	= 28.9 Mds.
Produce for storage	= 102.0 - (2.55 + 28.9) = 70.55 Mds.
Wastage in storage	= 12.3% = 8.6 Mds.
Marketed surplus .	= 70.55 - 8.6 = 61.95 Mds.

Total sale price = 61.95 x 140 = Rs 8,673.0
@ Rs 140.00 per Md.

Total production cost = 5.1 x 947.5 = Rs 4,832.2
@ Rs 947.5 per acre

		% of sale price	% of production cost
Transport cost	= Rs 156.1	1.8	3.2
Marketing charges	= Rs 624.4	7.2	12.9
Total cost	= Rs 5,612.7		
Net income	= 8,673.0 - 5,612.7		
	= Rs 3,060.3	35.28	63.00

Source: Marketing survey by the author, 1987.

result of efficient transport and market (market town) facilities. Christaller develops the market model on the basis of an efficient transport system, range of goods and services, and threshold values whereas the British evolved an efficient canal irrigation system followed by a railway and road transport network along with the market towns. Our main purpose in this thesis is not to testify the central place theory in Punjab region, but the point is that we must depict the real existing pattern and situation in the area. Central places also means to play the role of different functions. Market towns like Muridke town not only function for the town (urban) people but also serve a large rural hinterland. We are interested in why these market towns are linked to a greater extent with a planned rural hinterland, and what is the basis of the greater flow of commodity and capital in between them. Efficient canal irrigation coupled with square agricultural landscapes also represent reasons for their comparative advantage and prosperity as compared to well-irrigated (Bet) areas.

If we analyse the Bet areas we do find a haphazard pattern and lack of an efficient transport network or a lack of lower level rural markets. These gaps and lack of services and facilities can be reviewed and solved by applying the central place hierarchy or, if possible, the planning pattern and canal irrigation system can be extended in the Bet areas, but this is very difficult due to the development of a major highway and extensive development on both sides of the Shahdara-Muridke Corridor. The choice there is either to extend a similar pattern (to the Bar area) or to fill the gaps in the Bet area by applying the central place principles.

Farmers' demands in the Bet areas are also for market and marketing opportunities, but the Government has been trying to improve

the transport network in these areas. Let us see whether it solves the marketing problems of the farmers in such areas. The Grand Trunk Road which bifucates Ferozewala subdistrict into Bar and Bet areas was also widened and improved with the objective of improving agricultural production and providing efficient transport facilities to rural people living in its vicinity. Let us see this aspect in further detail with evidence from other countries.

4.3.2.1 The case of an efficient link road: Village (Chak) 44 in a Bet area

The link road from Chak 44 (village) to the major highway was improved by Local Government and Rural Development, Punjab. According to the farmers, this facility has slightly reduced their travel time, but the prior demand was not for improvement of the Katcha road, rather the need was for a rural wholesale market, with a workshop alongside it, and tractors and bullock carts.

4.3.2.2 Lessons from the Argentine case study (Fred Miller's conclusions)

We should also have learnt lessons from the Argentine case study conducted by Fred Miller (1973, p.121). He concludes that 'Highway improvements would not lead to a substantial increase in agricultural production'. He found that the problem was more associated with the role and mood of truckers and their monopoly powers. According to Miller, such improvements and construction of new roads are goals of most of the governments in the developing countries. A similar situation has been found through this study in Punjab, that without analysing and identifying alternative ways and exploring the markets

and the nature of the problems of the farmers, a huge amount of finance
is unnecessarily spent on predetermined road projects in the
expectation that it will bring considerable production to the unplanned
area. The case of the road link of village Chak 44 in Punjab,
Pakistan, has shown similar aspects. Five years have passed, yet there
is no such drastic change, particularly in the marketing and production
of agricultural produce, by virtue of improvements in the road link of
the village to the major highway. Thus Miller's (1973, p.121) views
are maintained:

> Without more marketing difficulties and a relatively
> more important role of transportation, road
> improvements cannot precipitate large changes.

But on the other hand in Punjab the phenomenon of agricultural
marketing, the process through the channels from farm to market levels,
and the marketing problems faced by the farmers (particularly the small
farmers) have been viewed in the physical development of road
improvements or the development of new markets in the spatial aspects
by the national and international agencies such as Punjab Housing and
Physical Planning Department at the Punjab level, and the Food and
Agricultural Organization of the United Nations at international level.

4.3.3   The Causes of Failure of the Agroville, Markaz and FAO Rural
        Market Approaches

4.3.3.1   The agroville market centre approach

We have already evaluated in Chapter- ¡ that among these three
approaches the agroville centre approach was the most suitable because
it was directly related to the market and marketing problems of the

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farmers from regional to lowest level. The sub-agroville centre was needed specifically in the wells-irrigated (Bet) areas, but the new government failed to implement this strategy for political reasons. One of the small farmers stated:

> The previous Government promised to provide us with an agroville sub-centre mainly consisting of an agricultural market centre, tractor workshop and union hall. The present Government did not pay any attention to this direction. The solution of our marketing problems does not lie in the provision of this metalled road linked to Chak for the Land Revenue Officer (Lamberdar-Chowdhary). The Markaz at Muridke Town is less important for us.

His village fellows supported his statement about the policies of Government officials and their malpractice and percentages (percentage means share in the malpractice).

4.3.3.2 The FAO's rural market approach

The FAO's rural market centre approach has been based on central places. We do not say that it was a wrong approach. The approach was right to fill in the gaps of rural market centres, but its application was misused because markets were wrongly located in Bar areas which are self-sufficient as a result of the British intensive canal and transport network. Such markets were needed in the Bet areas rather than the Bar areas, as was also explored through the discussion of local leaders and farmers in village (Chak) 31, stated above.

4.3.3.3 The markaz development approach

The majority of the farmers are unaware of the markaz concept put in practice by new Government schemes, but in spite of the change of Government the farmers are still affiliated with agroville development due to its provision of market and marketing facilities.

Farmers from Chak 31, Ladhake and Ratanpura, also explained their marketing problems related to octroi, market and municipal committee officials. They also discussed the process and the complications with money lenders and commission agents. Let us review what we have explored in the field work in relation to their marketing problems.

4.4 MARKETING PROBLEMS OF THE FARMERS

We have already identified in Chapter One that in the broader spectrum the developing countries such as Pakistan exhibit problems related to poorly developed and defective marketing channels, high marketing costs, poor incentives to farmers due to the lack of clear marketing channels, and market intermediaries and extra marketing charges.

Based on these perspectives of marketing problems prevailing in the developing countries, the author has already described the conceptual framework for the study area, composed of three subsets, in the previous section. The three subsets are: (i) marketing principal agents (Rice Flow Chart), (ii) marketing channels from farm to wholesale grain market, and (iii) the third subset consists of major parameters of the marketing problems faced by Punjabi farmers in these aspects.

According to the broader spectrum of marketing problems in the developing countries, the major parameters - the problems - were shown

through marketing channel no.2 (see Figure 4.1) in the conceptual framework for the study area, as already identified and discussed in Chapter One. Here we will analyse and discuss with empirical evidence.

4.4.1 **Analysis and Discussion**: Comparison of **Bar** and **Bet** Areas

4.4.2 **Problems Related to the Weak Staying Power of Farmers** (Overall Difference)

Staying power here means the power of holding the produce for selling it in the post-harvest periods in order to get higher prices and fulfil one's financial needs at harvest time from one's previous resources. In this section, the staying power of a sample of farmers was studied on the basis of reasons of selling produce early in the **Kharif** term until 31 January 1987.

The study indicated six reasons for early sale, the most important of which are related to production, domestic price variations and lack of storage facilities. Nearly a quarter (24%) from the **Bar** area sold their produce after January 1987, and only 14.2% did not sell the rice paddy at the farm (see Table 4.13). From the **Bet** area 16 per cent sold after the **Kharif** season, i.e. after January 1987, and 12 per cent did not sell the rice at the farm in the **Kharif** season, though they sold a fraction of it in the market in **Kharif** to make the compulsory payment of USHR.[1] According to the 'Zakat and USHR Ordinance 1980', every

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[1]   (i) The Zakat and USHR Ordinance (XVIII of 1980) was published in the Gazette of Pakistan extraordinary Part I by notification No. F17(1)/80, Pub, dated 20 June 1980.
   (ii) USHR shall be the first charge on the product.
  (iii) USHR shall be collected in cash.

TABLE 4.13

Staying Powers of Farmers:

Comparison of Distributions of Farm Households with Regard to
Reasons for Early Sale

Reasons for Selling Produce in Early Stages	(BAR AREA) column total		(BET AREA) column total		(TOTAL) Total of column total	
1. PRODUCTIVE REASONS	14	(60)	9	(40)	(23)	(100)
Purchase of fertilizers	2 (4)		3 (6)		5	
Purchase of tractors	4 (8)		0 (0)		4	
Purchase of bullocks	1 (2)		1 (2)		2	
Payment of loans	2 (4)		1 (2)		3	
Payment of land tax	2 (4)		–		2	
Payment of water tax	3 (6)		4 (8)		7	
2. DOMESTIC AND SOCIAL CAUSES	11 (22)	(45.8)	13 (26)	(54.2)	(24)	(100)
Household expenditure (including arrangement of marriages (Manganis) and Aqiqas)	6 (12)		8 (14)		14	
Payment of loan	3 (6)		4 (10)		7	
Education	2 (4)		1 (2)		3	
3. PRICE VARIATIONS Fall in price was expected	2 (4)	(40.0)	3 (6)	(60)	(5)	(100)
4. LACK OF STORAGE FACILITIES	9 (18)	(45.0)	11 (22)	(55)	(20)	(100)
Lack of storage facilities (after 31 Dec)	3 (6)		2 (4)		5	
Wastage of produce	6 (12)		9 (18)		15	
5. THEFT EXPECTED	1 (2)	(100)	0 (0)	(0)	(1)	(100)
6. SALE AFTER 1st TERM of Kharif	12 (24)	(60)	8 (16)	(40)	(20)	(100)
7. NO SALE AT FARM IN KHARIF SEASON	1 (2)	14.2	6 (12)	(85.8)	(7)	(100)
TOTAL	50 (100)		50 (100)		100 (100)	

Source: Marketing Survey (1987)

( ) : means %Ages.

Muslim farmer is bound to pay the cash value of some specified percentage weight of his crop estimated on the valuation date.[2] The ordinance (1980, p.12) also states that USHR will not be charged to farmers having less than 948 Kilograms of wheat, or its equivalent in value in the case of other crops. Thus in the study area, every farmer according to his production was liable to pay the USHR on a specified date in the harvest period. This was to be paid in cash, and this was also a reason for early sale. Thus the marketing channel has many problems right from its origin at village level, because many farmers, particularly those from the wells-irrigated (Bet) areas, sell the paddy rice into the hands of money lenders at low prices.

When the author discussed the matter of early sale with four of the money lenders from the surveyed villages, three of them said that they do profit from the farmers by purchasing the produce at an early stage at low prices, because they also make full payments and loans in advance to the farmers. The banks and commission agents cannot provide such facilities to the farmers in such a simple and quick way, and hence they serve and fulfil the financial needs of the farmers in time. The majority of the small farmers are illiterate and do not bother to involve themselves in the complicated banking loan system. The majority of the farmers from the Bet area complained that the bank officials not only charged an interest rate, but also deducted hidden amounts as malpractice.

In addition to these facts, figures and arguments, the author also wanted to clear up the point of classification and representation of

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[2] Valuation Date means: In respect of USHR compulsorily realizable under this ordinance, such date or dates as may be prescribed, or as may be notified by the Administrator-General or by a Chief Administrator within his jurisdiction.

the subdistrict which was raised in the first chapter. Table 4.13 shows evidence with facts and figures that the Bar and Bet areas are two different segments which cannot be intermixed to represent the total area with the total or sum or average of these areas.

Table 4.13 clearly shows that the absolute frequency as well as percentages of different reasons more or less vary in the comparison of Bar and Bet areas. For example, the main reason for early sale of produce is a productive reason (28%) in the Bar areas, whereas in the Bet areas the main reason for early sale is not a productive reason but domestic pressure in terms of repayment of loans to money lenders and household expenditures (26%) are the major reasons. The second crucial problem is (22%) due to lack of storage facilities, whereas in Bar areas the reason for selling the produce early at low prices is a domestic (22%) one. These are the problems listed in percentages for comparison within their own areas.

Now compare the absolute frequencies and percentages columnwise of the Bar and Bet areas with the total figures related to price variations. Three fifths (60%) of farmers from Bet areas and two fifths (40%) from Bar areas sold the produce early suspecting the fall in prices in the following seasons. The type of reason also differs, with only the Bar area needed to pay for tractors.

4.4.3 Domestic and Social Reasons

The biggest problems of the farmers (13 farmers out of 50, i.e. 26%) from the Bet areas were pressure from household expenditure and loan repayments mostly to village money lenders. This problem was only slightly less common in the Bar areas (11 farmers out of 50, i.e. 22%)

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(see Table 4.13).

The author was not satisfied with the answers to questions related to selling produce early for domestic reasons. The farmers just said that they needed money at home as demanded by pressure from their wives for important cultural and religious purposes. They hesitated to elaborate on such purposes. They told the author that their duty was to earn the money, while the expenditure and its use at domestic level was the business of their wives. Culturally in a Muslim society it was not possible for the author to explore these important reasons with the farmers' wives. Hence a lady interviewer was appointed and permission was granted for her to interview the village ladies, happily with the cooperation of Village Heads (lamberdars and USHR Committee members) in order to collect information for this research.

The lady interviewer found in the wells-irrigated (Bet) areas that the main reasons for selling the paddy rice at an early stage were related to (i) USHR, (ii) food and home expenditure, (iii) 'vertan banji', (iv) 'Shabrat', (v) 'vata satta', and (vi) 'aqiqas' relations among families. All eight respondent women reported these reasons in different tones and intensities for early sale. They explained to the lady interviewer that it was preferable to sell Basmati rice early because of its high price compared to wheat. Since wheat was their main staple food, they preferred to sell the rice to purchase other urgent food, clothes and utensils for the home. One of them said that she also sold the rice in Lahore, but saving was not possible as whatever she earned was spent on socio-cultural vertan banji relations.

4.3.3.1 'Vertan Bhanji' or 'Vertava'

'Vertan bhanji' or 'vertava' means the cultural system in Punjab

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of reciprocal gifts of sweets, clothes or other items on specific occasions among different castes and classes. 'Vertan' means good mutual dealings, and 'bhanji' means tasty sweet and salty dishes prepared by the Punjabi women at morning breakfast; it also means good clothes or gifts to be offered on social and cultural occasions. 'Vertan bhanji' has another meaning also. A good 'vertan bhanji' among families is said when they also help each other financially or morally in practice. It is also developed between two families, many families, among more than one caste by mutual practice. For instance a woman who brings a good dowry on her marriage from her parents is respected and appreciated by the husband's parents and vice versa. They also pay visits to the woman's parents with good gifts or when her parents visit the husband's or husband's parents' house they are well treated and regarded. 'Vertan bhanji' has many but deep meanings.

If the spirit of such relationships develops further, it may convert into 'vata sata'. Under a good 'vertan bhanji' relationship the husband's parents may also offer a daughter or niece to be married to that woman's brother or cousin. This is said to be a 'vata sata' relationship between two families on the basis of good 'vertan bhanji'. In some cases it is morally done and in some cases it is a precondition for marrying or engaging into the other family as it keeps both families in a balanced and secured position and they are careful to the wives.

This is one reason why the divorce rate is very low in Punjab as compared to many countries of the world. The lady interviewer also explained that among rural Punjabi families, concepts of 'vertava' or 'vertan bhanji', 'shabrat' and 'aqiqa' also exist on account of the religious and more than that the prestige ('izzat') of the families.

5.4.4.2 (a) Shabrat

'Shabrat' means cultural and religious celebration, a month before the Ramadan month. This is the busiest social and cultural gathering period for engagements (manganies), marriages and religious duties, one of these being aqiqa, because the next two months are purely for fasts, respect and calmness due to religious sacrifices and purely religious occasions.

(b) Aqiqa

'Aqiqa' means religious duty but also a social and cultural ceremony on the seventh or twenty first day (or whenever the parents can afford) after the birth of a child to arrange a get-together and feast. For a newly born baby girl one, and in the case of a son two, lambs are sacrificed. According to religious laws, first of all one third of the meat of that sacrificed lamb is distributed to the poor in the area. One third is distributed among the relatives and friends. And one third is necessarily cooked along with Basmati rice dishes (palough), and other refreshments. Thus a feast is celebrated by proper invitations through the barbar (nai) who also cook the food. Though it is a religious occasion, it amalgamates cultural and social values. The members under the 'vertan banji' practice come forward and celebrate another event (value) called 'to see the face' (moonh vekhai). Having seen the face of the child those men and women pray and pay some money in respect and honour of the child. This is also one kind of vertan banji relations. There are so many other occasions which have very deep meanings from cultural and social values. But the point here is that 'vertan banji' leads to expenditure as well as earning, and the emerging pattern of rice marketing by women was also encouraged and conducted among specific classes and castes due to such

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occasions leading to discussion and support from the economic perspective.

4.4.3.3 From wells-irrigated (Bet) areas

The lady interviewer explained that from the wells-irrigated (Bet) area, in addition to USHR and food reasons, five out of eight families had to sell the paddy rice early due to their urgent need to maintain good 'vertan banji' and 'shabrat' celebrations. The remaining three families reported that in addition to USHR, the food problem also meant they needed the money at an early stage for domestic needs and celebration of 'shabrat' and festivals in Muridke market town.

4.4.3.4 From canal-irrigated (Bar) areas

On the other hand, among women from the canal-irrigated (Bar) areas, four out of six reported that to live in society and with relatives with honour, 'vertan banji' relations had also to be strengthened. The remaining of two reported that in addition to USHR and food problems the money was also needed for maintenance of their aqiqa duties coupled with 'vata sata' relationships among their families (see Table 4.14).

The above information and analysis reveal that no doubt food and USHR are the constant reasons among small farmers for selling their paddy rice at an early stage, but cultural and religious factors are the basis in addition to domestic needs. In spite of planning and technological changes in the Bar areas, cultural and religious factors equally exist to make them persist in selling the paddy rice to meet their social and cultural values, status and religious roles in the

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TABLE 4.14

Early Sale: Comparison of Households in Bar and Bet Areas
on the basis of socio-cultural and religious factors

Combination of Problems for Early Sale of Paddy	BAR AREA		BET AREA			
	Absolute frequency	Column %	Absolute frequency	Column %	Total	Column total %
VERTAN BANJI AND SHABRAT (absolute frequency)	4	(44.4)	5	(55.6)	9	(100.0)
(Row %)	(66.6)		(62.5)		(64.2)	
AQIQAS (absolute frequency)	2	(40.0)	3	(60.0)	5	(100.0)
(Row %)	(33.4)		(37.5)		(35.8)	
TOTAL (absolute frequency)	6	(42.9)	8	(57.1)	14	(100.0)
(Row %)	(100.0)		(100.0)		(100.0)	

1. All these farm households had constant reasons for sale, i.e. USHR and domestic need for food in addition to a combination of reasons mentioned in this table.
2. The total numbers, 6, 8 and 14, correspond to figures under domestic and social causes in Table 5.13.
3. The terms and concepts have been translated from the Punjabi language to English in the text.

Source: This specific Table was extracted from the information collected by the lady interviewer from home to home (1987).

villages. The frequencies of the farm households are different, i.e. 6 from Bar and 8 from Bet areas. But the nature of cultural problems qualitatively is very similar. It is wrong to say that people from the canal-irrigated areas have become more commercialized, modern and technical. But the evidence proves that their progress in these sectors is not at the expense of their culture and social values, indeed conversely these values and culture have flourished into new horizons with prosperity, especially with reference to 'jat' families.

4.4.4 Problems Related to Storage and Wastage

Lack of storage facilities in both areas is also one of the significant reasons for selling produce at an early stage at low prices. Storage here is a necessary function which matches the pattern of production to the pattern of consumption from the standpoint of time. In this section capacity, quantity, condition and losses in storage are discussed.

Katcha and pacca bharolas are the dominant use of storage facilities in both areas. Pacca (cement and tin) bharolas were seen more in Bar areas, but the farmers in Bet areas stored more produce in their living rooms as compared to Bar areas (see Tables 4.15 and 4.16). The storage capacities of living and separate rooms were more than bharolas, but the rice was collected in bags, bulk and both ways in different facilities. In the study area it was observed that Bet areas had more kacha (mud houses with wooden and mud ceilings) which were subjected to great losses in the heavy rainy season. Thus the wastage of produce in Bet areas was greater, mainly due to kacha construction. The storage facilities in Bar areas were better in quality or by

TABLE 4.15

Average Capacity and Quantity of Storage Accommodation Available for
Storage of Paddy Rice in Bar Area

Type of Storage Facility	Frequencies conditions			Average capacity stored	Stored (in percentages)		
	TOTAL	KATCHA	PACCA	in mds.	BAGS %	BULK %	BOTH %
1. Living room	10	4	6	634.3	83	11.2	5.8
2. Separate room	6	-	6	543.0	40	50	10
3. Bharolas	46	18	28	Small 25 to 40 mds.	-	100	-
				Medium 41 to 60 mds.			
4. Kothies	.1	1		120 mds.	-	100	-

Source: Marketing Survey (1987) by the author.

TABLE 4.16

Average Capacity and Quantity of Storage Accommodation Available for
Storage of Paddy Rice in Bet Area

Type of Storage Facility	Frequencies conditions			Average capacity stored in mds.	Stored (in percentages)		
	TOTAL	KATCHA	PACCA		BAGS %	BULK %	BOTH %
1. Living room	16	10	6	650.5	78	14.4	7.6
2. Separate room	2	-	100	563.0	50	50	-
3. Bharolas	33	14	19	Small 25 to 40 mds. Medium 41 to 60 mds.	-	100	-
4. Kothies	2	2		120 mds.	-	100	-

Source: Marketing Survey (1987) by the author.

TABLE 4.17

Comparisons of Sources of Wastages in Percentages of Stored Rice

Types of Storage (sources of wastage)	BAR AREA Wastage Problems									BET AREA Wastage Problems								
	Total Quantity Stored	Sushi (Disease)	Rodents	Shrinkages	Rain	Dampness	Eating by Birds	Theft or Other Reasons	Total as %age of Produce Stored	Total Quantity Stored	Sushi	Rodents	Shrinkage	Rain	Dampness	Eating by Birds	Theft or Other Reason	Total Loss as %age of Produce Stored
Living rooms	1570.2	1.8	2.69	1.65	1.1	.4	.5	.4	8.4	1005.0	2.6	3.80	1.78	1.8	.9	.8	.5	12.2
Separate rooms	1505.01	1.6	2.89	1.5	1.0	.4	.7	.51	8.6	540.0	1.5	2.5	2.1	0.9	.8	1.2	.6	9.6
Bharolas	4441.7	1.8	.8	1.4	.5	.7	.03	.6	5.9	2823.6	2.4	2.3	1.5	1.7	.1	.2	.3	8.5
Kothies	96.0	2.0	8.5	-	8.5	-	5.7	4.95	19.75	150.0	3.7	8.7	1.0	8.3	.4	3.7	-	24.8
TOTAL	7612.9								7.15	5518.6								9.75

Source: Marketing Survey by the author (1987).

condition of pacca (cement and tin) structures of the bharolas but the farmers also complained about the lack of such facilities. Table 4.17 (p.146) shows that average wastage of total stored rice was 7.15% in Bar and 9.75 in Bet areas. Wastage in living rooms in Bar areas is 8.4% and it was mainly due to rodents and susri diseases. In Bet areas wastage in living rooms (12.2%) was mainly due to rodents, rain and susri diseases. Similar conditions were found in separate rooms.

There is a marked difference in wastage through bharolas in Bar and Bet areas. First of all in both areas the wastages in this kind of facility are less but rodents, rain, susri diseases and shrinkage problems were greater in the Bet areas due to mud construction. A small fraction is also wasted during transportation and handling the produce. Wastage in kothies is highest as it is always subjected to rain and rodents in the open area. This type of facility nowadays is rarely used for cash crops.

Table 4.18 gives the overall reasons for storage problems faced by the farmers. Forty per cent of the producers in the Bar areas experienced high produce wastage, and a quarter of the total complained about the non-availability of fumigants and pesticides. In the Bet areas more than half (52%) have experienced high produce wastage. About a quarter of Bet areas realized the high cost of construction of pacca (cement) bharolas and the rest complained about lack of fumigant and pesticide facilities.

All that indicated that particularly it was the lack of storage facilities and heavy wastage (8.9%) in katcha bharolas in Bet area and inability to afford the cost of pacca bharolas. This also adds to the cost of marketing by investment on cemented bharolas.

From Table 4.19 it is clear that the storage problem is mainly

TABLE 4.18

Comparisons of Storage Problems Faced by the Farmers in the Bar and Bet Areas

Storage Problem	Farmers from Bar Area				Farmers from Bet Area				Farmers from Both Areas			
	S	M	L	Total	S	M	L	Total	S	M	L	Total
High initial construction cost (row %)	4	1		5 (10)	11	1	-	12 (24)	15	2	-	17
High produce wastage (row %)	16	2	2	20 (40)	20	5	1	26 (52)	36	7	3	36
Lack of storage space (row %)	8	3	1	12 (24)	2	1	-	3 (6)	10	4	1	15
Availability of fumigants and pesticides (row %)	9	1	3	13 (26)	7	1	1	9 (18)	16	2	4	22
	37	7	6	50 100	40	8	2	50 100	77	15	8	100

S = small farmers
M = medium farmers
L = large farmers

Source: Marketing Survey by the author (1987)

TABLE 4.19

Comparisons of Suggestions Expressed by Farmers for Storage Facilities
in Bar and Bet Areas

	Frequencies BAR AREA				Frequencies BET AREA			
	S	M	L	Total	S	M	L	Total
Government should provide credit facilities	21	3	1	25 (50)	28	3		31 (62)
Government should provide better storage facilities	16	4	5	25 (50)	12	5	2	19 (38)
TOTAL	37	7	6	50 (100)	40	8	2	50 (100)

S = small farmers
M = medium farmers
L = large farmers

Source: Marketing Survey (1987) by the author.

related to small farmers in both Bar and Bet areas. In both areas credit facilities are demanded by a majority of the small farmers. But of the farmers from Bet areas, 28 out of 40 demanded credit for improvements of the katcha bharolas into cemented pacca. This means they needed more credit facilities than the farmers in the Bar areas.

4.4.5 Problems Related to Marketing Intelligence

4.4.5.1 Source of price information and reliability

The farmers from both areas collect price information by personal visits depending on their interest and accessibility. These were the sources of information which farmers preferred, and at the same time they could tell the validity and reliability of the information from their available experiences.

It is very obvious from Table 4.20 that the majority of the farmers from both areas collect information which is most cases reliable. More farmers (16%) from Bet areas prefer to receive information from drum beaters every Friday. The majority, 7 out of 8, found them reliable as the prices offered by the traders were the same as those advertized by drum beatings. Only one farmer from the Bet area found this an unreliable source. In the Bar area, price information received by hawka is slightly less reliable, as 2 out of 6 farmers for whom it was a source of advertisement were not given the same advertised prices, simply saying that their produce was not of the quality demanded in the hawka.

More farmers from Bar areas compared to Bet areas also depend upon information from the radio or from newspapers as they had more educated

TABLE 4.20

Comparison of Showing Sources of Price Information in Preference and Reliability

Source of Price Information in Preference	FROM BAR AREA			FROM BET AREA		
		Reliable	Unreliable		Reliable	Unreliable
Personal visits						
(F)	16	15	–	15	15	–
(%)	(32)			(30)		
Relatives and Neighbours						
(F)	12	10	2	15	15	–
(%)	(24)			(30)		
Hawka						
(F)	6	4	2	8	7	1
(%)	(12)			(16)		
Money lenders						
(F)	7	5	2	7	5	2
(%)	(14)			(14)		
Newspaper						
(F)	2	1	1	1	1	–
(%)	(12)			(4)		
Radio						
(F)	6	5	1	2	1	1
(%)	(12)			(4)		
Village Shopkeepers						
(F)	1	1		2	1	1
(%)	(2)			(4)		
Total						
(F)	50			50		
(%)	100.00			100.00		

Source: Marketing Survey (1987) by the author.

people in their families. The information supplied is often reliable

for other markets, but those outwith Ferozewala subdistrict, and this

information is not valid especially for paddy rice according to the

wholesale market at Muridke.

The most interesting source of reliable information was the

information received mutually from their own relatives and neighbours.

It was the most valid and most reliable source in the Bet areas.

In the Bar areas it was also popular as a secondary source. Why

is this source of price information in the Bet areas highly popular and

reliable? There are many reasons: (i) among relatives many live in a

joint family system; (ii) two or more families share their agricultural

and marketing activities; (iii) they meet relatives and neighbours

frequently; (iv) above all among many families a vertan bhanji and

vata sata system is established. It has already been discussed in the

previous section that an exchange of goods and gifts takes place.

Hence more faith and reliability is developed due to the engagements

and marriages. Thus they also exchange good faith in reliable

information as it is a matter of their high prestige. A good vertan

bhanji means faithful and reliable information and always good terms.

However in Bet areas this system based on familial relations is better

than the Bar area.

In the author's view the vertan bhanji system on some occasions is

blindly respected by virtue of relationships and not by virtue of its

testable reality. No doubt it has many advantages and saves time, but

sometimes a single wrong item of price information can also affect the

faith of many relatives, neighbours or friends among whom this system

is established. But a person would not dare to commit such a mistake

consciously because he is also well aware that he would be cut off and

disrespected and punished by the family heads. Thus this system remains more valid and reliable for price information among the families who believe and practise it in rural Punjab.

4.4.5.2 Checking of prices at market level

When arriving at the market some of the farmers did not check the prices before sale (see Table 4.21). One third of the farmers from Bet areas and less than one fifth from Bar areas did not check the prices before actual sale. This led them to lower their sale prices in ignorance of the prevailing market prices. Once a farmer is in the grain market he has to pass through a long chain of intermediaries in the marketing channel. Here he has to pay a market fee, commission charges, handling and weighing charges, brokerage and storage fees. The produce is usually sold by auction, but on many occasions it is bought by the monopoly of traders. Table 4.22 clearly shows that major costs of marketing paid by the farmers from Bar and Bet areas are Rs 11.94 and Rs 12.38 per Maund which were quite high as compared to the fixed marketing fees shown in Table 3.5 in Chapter Three, and Table 4.11 in the previous section. The family from a Bet area paid more marketing charges per Maund as compared to Bar areas. This was due to a lack of information on prices and charges in the marketing of produce. Thus here commission agents charge more than prescribed (see Table 4.22).

4.4.5.3 Money lenders' margin of profits

It is interesting to note here that the money lenders (beoparies) collected the paddy rice from both Bar and Bet areas at average prices of Rs 120 per Maund and Rs 114 per Maund respectively, and sold the

TABLE 4.21

Comparison of Showing Distribution According to Checking of Mandi
Prices Before Sale of Paddy Rice at Wholesale Market

	BAR AREA			BET AREA			TOTAL		
Farmers	Checked prices	Did not check	Total	Checked prices	Did not check	Total	Checked prices	Did not check	Total
Small farmers	31	6	37	27	13	40	58	19	77
Medium farmers	5	2	7	6	2	8	11	4	15
Large farmers	6	-	6	2		2	8	-	8
Total	42	8	50	35	15	50	77	23	100

Source: Marketing Survey by the author (1987).

TABLE 4.22

Margin of Village Money Lenders (Beoparies) in Rice Trade

	FROM BAR AREAS (in Rupees)	FROM BET AREAS (in Rupees)
MONEY LENDERS		
1. His purchase price per maund	120.00	114.00
2. His sale price in market per maund	143.00	143.00
3. His margin per maund	23.00	29.00
FARMER		
1. His cost of production per maund	56.60 (40.2% of sale price)	75.38 (53.84% of sale price)
2. His sale price per maund	140.80	140.00
EXPENDITURES FOR MARKETING		
Transport cost	1.48	1.31
Octroi tax	0.32	0.48
Rahdari tax	0.08	0.10
Marketing charges	10.07	10.49
	A = 11.94	B = 12.38
MONEY LENDER'S MARGIN AFTER DEDUCTION OF OCTROI, RAHDARI AND MARKETING CHARGES	23.00 - 11.94 = 11.06	29 - 12.38 = 16.62
MONEY LENDER'S PROFIT (%) OF HIS PURCHASE PRICE	11.06/120 x 100 = 9.2%	16.62/114 x 100 = 14.6%

Source: Marketing Survey conducted by the author (1987).

Rupees 30 equal to £1 on 13.7.87 in Punjab.

same rice in the market town at the same rate of Rs 143 per Maund. Excluding the transport, octroi, rahdari and marketing charges in the respective areas, the money lender earned Rs 11.94 and Rs 12.38 per Maund profits. Thus he earned 14.6% profit from the Bet areas which was more than 9.2% of his purchase price from the Bar areas. Thus the money lender gained maximum profits in this marketing channel. The people in Bet areas were more liable to be in the hands of money lenders, as it has already been discussed that the majority of farmers from Bet areas sold their rice in the early stages.

On the other hand the majority (22%) of Bet area farmers explained that they had a small surplus and that was why they preferred to sell the produce to the village beoparies. Secondly they (20%) did not have proper transport facilities. They said that the wagon service was not available. The reason was that in the Bet areas the wagon drivers did not run the minibus at higher deterioration cost at the same notified tarrif.

It was argued by members of the tehsil council in 1983 that fast modes of transport like wagons (minibuses) would be useful for reducing time and marketing problems as compared to slow modes of transport. Wagon transport prevails efficiently in Bar areas and is mostly used by shoppers to visit the local market in the market town. In the Bet areas it was very rare. Table 4.23 shows that the transport cost from farm to grain market has been increased to Rs 6.8, Rs 8.6 and Rs 6.82 per ton per mile by wagons, tractors and trucks as compared to Rs 4.5, Rs 5.87 and Rs 5.5 per ton per mile by slow modes of transport, i.e. rehras, pack animals and bullock carts. The same is the case in Bet areas. See Table 4.24. From the perspective of the high cost of marketing the transport cost is very small. Thus the high cost of

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TABLE 4.23

Comparison of Relationships Between Transport Cost and Cost of Rice
Production in the Wholesale Market in the Bar Area

Modes of Transport	Average transport cost per ton per mile (in Rupees)	Cost of production per acre for 22 Maunds	Cost of production per ton (25 Maunds)	Total transport cost from farm to Mandi Town	Transport cost percent of production cost per ton (%)	Total sale of 1 ton rice in market @ Rs 120 per Maund	Transport cost percentage of sale price of paddy rice (%)
BULLOCK	5.5	772.5	877.8	45.37	5.1	3000	1.5
RAHRAS	4.5	772.5	877.8	37.12	4.2	3000	1.2
TRUCKS	6.82	772.5	877.8	56.3	6.4	3000	1.87
PACKED ANIMAL	5.87	772.5	877.8	48.4	5.5	3000	1.6
TRACTORS	8.6	772.5	877.8	70.0	8.0	3000	2.3
WAGONS (MINIBUS)	6.8	772.5	877.8	56.3	6.4	3000	1.87

Source: Marketing Survey by the author (1987).
Average distance = 8.25 miles.

TABLE 4.24

Comparison of Relationships Between Transport Cost and Cost of Rice Production in the Wholesale Market in the Bet Area

Modes of Transport	Average transport cost per ton per mile (in Rupees)	Cost of production per acre for 20 Maunds (in Rs)	Cost of production per ton (25 Maunds) (in Rs)	Total transport cost from farm to Mandi Town per ton	Transport cost percent of production cost per ton (%)	Total sale of 1 ton rice in market	Transport cost percentage of sale price of paddy rice (%)
BULLOCK	5.5	947.5	1184.3	44.0	3.7	3000	1.4
RAHRAS	4.5	947.5	1184.3	37.1	3.1	3000	1.2
TRUCKS	7.5	947.5	1184.3	61.8	5.2	3000	2.0
PACKED ANIMAL	5.8	947.5	1184.3	48.4	4.0	3000	1.6
TRACTORS	8.6	947.5	1184.3	70.9	5.9	3000	2.3
WAGONS* (MINIBUS)	6.8	947.5	1184.3	56.1	4.7	3000	1.8

* Number of wagons (minibuses) in Bet areas only,[1] as compared to 4 in Bar areas.
  Average distance = 8.25 miles.

Source: Marketing Survey by the author (1987).

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marketing faced by farmers from the Bet areas was not due to transport costs, but was mainly due to high and extra marketing charges in the market.

4.4.5.4 Problems in Weighing: Weights and Frauds

Comparing the problems in both areas, the farmers from Bar areas complained about fraud in weighing at markets by takri or scale. In their opinion the marketing process was still a complicated one. Some farmers complained at the delay in times and extra charges in the market.

Farmers (12%) from Bet areas also experienced unfair prices and were unsatisfied due to fraudulent weighing at the market level. They said that the produce which was weighed at the farm was found to be less in quantity at the market, as was the usual practice (see Table 4.25).

4.4.5.5 Problems of rice marketing women (cultural and social aspects)

4.4.5.5.1 Rice marketing by women the invisible marketing pattern in the concepts of caste, Vertan bhanji and char dewari. Culturally women do not participate at small town (qasba) or wholesale grain marketplaces in Punjab. B.L.C. Johnson (1979, p.189) also pointed out the same aspect with particular reference to grain markets in Punjab.

In fact this study has revealed the invisible rice marketing activity by the farm women. In addition to their participation at rice farming and domestic levels in the village homes, some of the women (the majority from the Bar areas) were found to be marketing at domestic level in the cities, particularly in Lahore. This is an emerging pattern which has also come out as a by-product during their

TABLE 4.25

Problems Faced in Rice Marketing by Farmers from Bar and Bet Areas

Nature of Marketing Problems	FROM BAR AREA — Tenure Status of Farmers				FROM BET AREA — Tenure Status of Farmers				TOTAL — Tenure Status of Farmers			
	OWNER	OWNER CUM TENANTS	TENANTS	TOTAL	OWNER	OWNER CUM TENANTS	TENANTS	TOTAL	OWNER	OWNER CUM TENANTS	TENANTS	TOTAL
Small marketable surplus	7	2	1	8 (16)	11			11 (22)	18	–	1	19
Complicated and discouraging dealings with market functionaries	8			8 (16)	3			3 (6)	11	–	–	11
Unfair price information given by commission agents	5	2		7 (14)	5		1	6 (12)	10	2	1	13
Extra charges such as charity, beggars, etc.	4	2		6 (12)	2			2 (4)	6	2	–	8
Delay, Wastage of time	5			5 (10)	2		1	3 (6)	7	–	1	8
Non-availability of transport, wastage of time and produce	2	1	1	4 (8)	9	1		10 (20)	11	2	1	14
Frauds in weighing suspected at market	7	1		8 (16)	6	1		7 (14)	13	2	0	15
Octroi officials charge more than fixed	3	1	1	4 (8)	7	1		8 (16)	10	1	1	12
	41	6	3	50 (100)	45	3	2	50 (100)	86	9	5	100 (100)

Source: Marketing Survey by the author (1987).

TABLE 4.26

Rice Marketing by Women on the Basis of Area and Their Caste
from Bar and Bet Areas

Castes of Rice Marketing Women		From Bar Area	From Bet Area
JAT	F	6	1
	(%)	(67)	(14)
ARAIN	F	1	6
	(%)	(11)	(86)
GUJJAR	F	1	0
	(%)	(11)	(0)
MOEEN	F	1	0
	(%)	(11)	(0)
Total	F	9	7
	(%)	(100)	(100)

(i)   F means absolute frequency
(ii) Figures in parenthesis are in percentages
(iii) All the women were interviewed by the lady interviewer.
      They were from small farmers households (with less than
      12.5 acres of land).

Source: Marketing Survey (1987), subdistrict of Ferozewala, Punjab.

vertan bhanji relations useful for their economy at household level. Most of the women belonged to Jat (67%) families from Bar areas, and Arain (86%) from Bet areas.

When the women were asked whether taking rice out of the Ferozewala subdistrict (study area) was not an illegal activity, they replied that it was that rice which they were allowed to bring legally with them. They said that the rice marketing business was legal and in the char dewari (which means according to Islamic values, i.e. within the four walls of a house). Conversely they complained that it was the men - the rich farmers - who were smuggling the rice out of the study area. In their opinion Government intervention through USHR was also at the expense of the poor farmers and an additional burden. The poor farmers should be exempted from USHR tax and should be supported and helped by the Government. They showed their determination to continue their marketing business because they found it somewhat profitable, in Lahore, and it was better for them to earn something than nothing. The housewives (consumers) also found the prices of that rice were always lower than the market prices in Akbari mandi Lahore. Thus both the seller (the farm women) and consumer (the housewives at home) felt satisfaction from price and opportunity at char dewari level.

During the discussion on the FAO's new rural market among the rice marketing women, some of them pointed out that for the Government it was much better to allocate that (Sharqpur) rural market to those women by virtue of their management and control within a large char dewari around it. One of these women wished that if Benazir Bhutto came in power, such revolutionary changes as women's rights and an open grain marketing run by women could flourish. Another woman quickly said that yes, the first grain market run by women would be located in

Baluchistan.

If we look again at Table 4.26, we find that more women from **Bar** areas market their rice than women from **Bet** areas. But who are these women? It is interesting to note here that two castes of women were dominant in rice marketing. **Jat** women (67%) were dominant in the rice marketing business from the planned canal-irrigated (**Bar**) areas, whereas **Arain** women (86%) were dominant from **Bet** areas. What could be the reason for dominance with respect to these castes and categories of farm households? In answer to this question two reasons were found:

(1) These women marketed some rice of their rice surplus because mostly they were from small land holding groups, and faced financial constraints too because that was also the reason for selling the paddy rice early in the **Kharif** season. In the **Bet** areas they also needed more money due to large family sizes. In Chapter ONE we also discussed that poor families have more children (source: Lipton, 1977, p.83). This does not mean that their caste was poor. These women were from small farmer families or from comparatively poor strata of their castes.

(2) The dominance of the **Jat** (67%) caste from **Bar** areas was also due to their familial and friendly relations. The **vertan bhanji** among the women of these castes were very highly established. This very clearly showed that the social relations on cultural and religious occasions or in other words good and established **vertan bhanji** in the long run bring economic and marketing benefits. This also shows that in addition to locational, productive and marketing factors there are also other emerging factors related to caste, sex and **vertan bhanji**.

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Still in general opinion in Punjab the Arain caste has been considered as the dominant agricultural class. Our research proved that the Jat caste has also emerged as dominant in many parts of Punjab. Our interest here is that we were already well aware that the Arain class who was predominant, but how have Jats and Jatnies (Jat women) come onto the front line in rice marketing at char dewari?

The lady interviewer found from the eldest and most experienced ladies of Jat families in the Bar area of Ferozewala subdistrict (study area) that during the British occupation of Punjab in the British period, some of their elders (peasants) were allotted agricultural land in the canal-irrigated planned area by the British due to some genuine reasons from the Jats' point of view.

(i) Firstly the obvious reason for this new allotment in the vacant planned land was that the British observed that Jat families were the most hard-working class in Punjab. (ii) Secondly the British also realized that many of this hard-working class did not have their own land. The author referred back to the literature review and found that Malcolm Lyall Darling (1929, p.51) also studied these castes in Punjab for the Jat and Arain women. He stated:

> The wife of a Jat does all that a man does. She keeps splendidly fit, but necessarily neglects her children. The women of the Arains, who are the great market-gardeners of the Punjab, work almost as hard.

Darling (1929, p.103) compared these classes and castes, and admired the Jats very much. Once he stated:

> The Rajput keep their women in purdah and the Jats work theirs harder than anyone else in the Punjab.

and this appears to be true today.

Today the problems of women's rice marketing are not associated with their own cultural and social relations (vertan bhanji) or their

husbands (men) who even allow them to carry out this marketing practice; it is highly constrained and affected by other rural and urban elites who have become barriers on their way to marketing prosperity even within the fundamental principles of their own culture and religion. It is also a matter of a change in attitudes and rigid behaviour against women who are mostly dependent and snubbed.

The President of Pakistan, General Mohammad Zia-Ul-Haq, on many occasions has stated that the women of Pakistan must be given rights and honour within the limits and regard within chadar and char dewari.

The social secretary of the International Friends Forum, Lahore, on the 39th Pakistan National Independence celebration day on 14 August 1985 stated:

> It is also requested to those honourable gentlemen who are the executives of this forum that they should look around the world and at least change their rigid attitude extremely against the women - the women, their own wives, daughters, mothers and sisters' freedom - the freedom in their own culture 'chadar and char dewari Pakistan Zinda Bad.'[1]
>
> Source: with the permission of Mrs Patrick Baudwin, Chairperson of the International Friends Forum, Lahore. Extract quoted from the video film of the Forum's proceedings on 14 August 1985, at Lahore, Punjab, Pakistan.

4.4.5.6 Problem of low productivity in the global context

Since the development of the British canal-irrigation system in Punjab, rice and particularly Basmati rice has been an important cereal of the hot season (Kharif) and even today it is a major foreign

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[1] 'Chadar and Char dewari': Here it means women's mutual activities at their homes or common place in a homely atmosphere self contained, and safe from mischief from outside. For instance, rice marketing at domestic level among women without interference by outsiders. It has many other deep and detailed meanings in many contexts.

exchange earner for Punjab and Pakistan as a whole.

It also helps to compensate for the wheat deficit, and thus attained a prominent position in the agricultural economy in the country. According to the Pakistan Economic Survey (1983-1984) by the Government of Pakistan, a little more than twenty per cent of total foreign exchange was earned by the export of rice in 1983-84. Comparatively it was predominantly as a result of the productive and marketing advantages and maximum flow from canal-irrigated (Bar) areas of Punjab.

No doubt rice production has increased over the past decade, but the average yield in Pakistan is still mu. lower than in some of the major rice-producing countries of the world (see Table 4.27). One of the major factors in this low yield per acre in the developing countries is the very high cost of fertilizers and their inputs, as has already been explained in Chapter one *Section 1.2.1.2 ,* __with reference to Michael Lipton (1977, pp.82-85, 292-293), that (i) the rural poor remain poor due to urban biased policies, (ii) poor couples have more children, (iii) resources are drained out of villages, and (iv) the high cost of agricultural inputs in the developing countries.

Figure 4.4 also shows that in 30 developing countries, the high cost of inputs (tractors) has benefitted only large farmers, whereas the majority of farmers (small) could not benefit.

The wells-irrigated (Bet) areas of Punjab represent these causes of poverty in the area, including the disadvantage factors of marketing costs in the light of neoclassical theory discussed in Chapter - 1 Section   with reference to Tweeten and Brinkman (1976, p.62), where it has been explained that such areas are called depressed or backward due to subsistence agriculture coupled with low production and

TABLE 4.27

Comparison of Yield per Acre in Pakistan with Other Countries

Country	Wheat	Rice Paddy	Maize	Sugar Cane	Cotton (Lint)	Tobacco
			Maunds per Acre			
USA	24.9	56.7	59.4	1004	5.3	25.6
Canada	19.9	-	55.5	-	-	27.6
Mexico	29.2	-	13.0	-	8.8	-
Australia	12.9	-	-	-	-	-
France	42.1	-	-	-	-	-
Indonesia	-	24.0	10.6	-	-	-
Mauritius	-	-	-	694	-	-
Thailand	-	21.5	-	-	-	-
Burma	-	18.4	-	-	-	-
Japan	-	57.2	-	-	-	24.6
Italy	-	-	52.1	-	-	-
Turkey	15.6	-	17.5	-	8.1	4.9
Ecuador	-	-	-	-	-	-
Cuba	-	-	-	460	-	-
UAR	-	-	-	1017	8.5	-
Philippines	-	-	-	-	-	-
India	15.6	18.6	13.1	529	1.2	8.6
Pakistan	11.7	23.8	12.2	395	3.4	20.0

Source: Akater, S.M., _Economic Development of Pakistan,_ Publishers United Ltd., Lahore, 1975 (p.347).

FIGURE 4.4

Comparison of Cumulative Percentage of Farms in Three Size Classes

Adopting High Cost Input (Tractors) in 30 Selected Villages in Asia
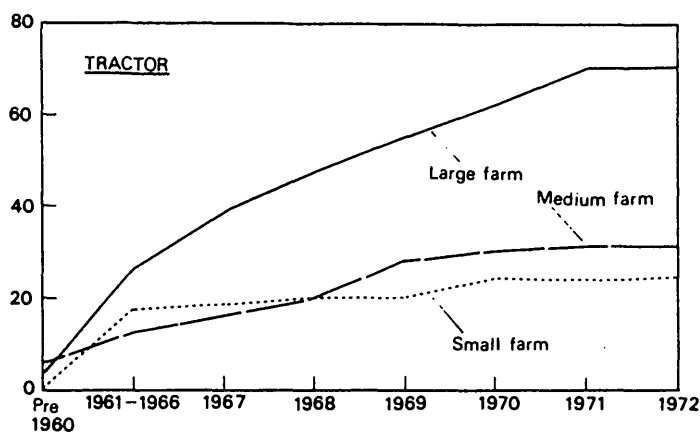
_16 8_

TRACTOR

Large farm

Medium farm

Small farm

80
60
40
20
0

Pre
1960   1961–1966   1967   1968   1969   1970   1971   1972

low wages. But Lipton's arguments concerning causes of poverty in

canal-irrigated areas are not found valid.   However, among the various

causes, a traditional irrigation structure coupled with defective

marketing channels in the marketing system in the wells-irrigated (Bet)

areas has been explored as a possible reason for this situation.   The

present study was therefore taken in hand to investigate the rice

marketing channels and behaviour patterns of market agents along with

the consideration of middlemen - the money lenders (beoparies) - at the

village level and commission agents (arhatiyas) at the agricultural

wholesale grain market level.   The results drawn might be of some use

to the economic planners and policy makers for applying corrective

measures to improve the prevailing defects in the marketing system of

agricultural produce in Punjab.

4.5 CONCLUSIONS

4.5.1 (A) <u>Findings in General</u>

Marketing problems of paddy rice in Punjab are associated crucially with the small farmers of the study area, Ferozewala subdistrict in Punjab. The genesis of these problems is in two sections. Section one, the production sector, displays its fundamental basis and origins. Section two explores the major defects in the marketing channels at farm, <u>octroi</u> and grain market levels.

Two areas, the <u>Bar</u> (the British canal-irrigated and planned area) and the <u>Bet</u> (the unplanned and well and tube well-irrigated area) are clearly distinct and in contrast to each other.

The <u>Bar</u> area has proved its superiority and prosperity as compared to the <u>Bet</u> area mainly by virtue of its canal irrigation water and hence with large rice cultivated plots, higher per acre yield and higher per capita income levels than the <u>Bet</u> areas. The evidence and results of this study have also shown that more marketing surplus and money flows between farms and grain markets in Muridke market town, as was shown in the comparison of year-based agricultural produce in quantity and values (in capital). This results in greater use of the market, as opposed to local money lenders, with benefits both in terms of prices for goods and market and agricultural input information.

The educational facilities in planned villages of the <u>Bar</u> areas have in the long run kept family sizes small and reasonable in the canal-irrigated <u>Bar</u> areas, and the migration pattern to foreign countries has become a source of additional income and development as compared to the wells-irrigated <u>Bet</u> areas.

In the <u>Bet</u> areas it was found that the cost of production was

high, mainly because of water charges, electricity failure and greater use of fertilizers, resulting in the reverse of the case of Bar areas: lower surplus.

Marketing problems at village levels in the marketing channels have been explored in terms of cost of production and storage problems, coupled with percentages of product sold to different agents and agencies.

The production cost in wells-irrigated Bet areas at farm level is much higher than in canal-irrigated Bar areas. Most of the rice surplus is sold to the village money lender at prices even lower than those offered in the canal-irrigated Bar areas. Most of the farmers from the Bet areas have weak staying power, mainly due to their domestic and cultural needs and loans to be repaid to money lenders in the village.

The farmers from Bet areas waste more of their rice surplus because of a lack of storage facilities, which mostly consist of mud (katcha) and are subjected to damage in the rainy season. They cannot afford pacca bharolas because of financial constraints. The farmers in the Bar areas have reasonable and more cemented pacca bharolas compared to Bet areas, but they lack storage capacity in the harvest season, and that also is a reason for selling the produce early.

However the farmers from the Bar areas wanted more storage facilities, whereas the farmers from the Bet areas wanted credit facilities to overcome storage problems. There was an equal lack of fumigants and insecticides in both areas.

Transport costs as a percentage of the cost of production and sale prices in the grain market were found to be very low, and hence insignificant.

The majority of farmers in the Bet areas consider marketing prices more reliable when gleaned from their relatives and neighbours (under the vertan bhanji system) and hawkas, as compared to the Bar areas where farmers trust in personal visits, radio and also neighbours and relatives under the vertan bhanji system in Punjab. Farmers from the Bet areas suffer more in the markets due to lack of price information collected before selling in the market. No doubt marketing charges are experienced as high by the farmers from both areas, but the costs of marketing met by farmers from the Bet areas are always higher than the costs experienced by farmers from Bar areas. Thus they gain a much smaller profit margin than farmers from Bar areas.

The traders, due to their monopsonistic position and wrong assessment by weight and quality of the produce, charge more in terms of cash and kind, especially to the farmers of Bet areas, than is legal.

Though the emerging role of marketing by women is invisible and not encouraged due to rural and urban elites and decision makers, the women found marketing at the char dewari level beneficial both for consumers and sellers. Jat women in the Bar areas and Arain women in the Bet areas dominate the door-to-door rice business in the domestic enclaves. These women belong to small farm households. Marketing by women varies with caste, farm sizes, and social and cultural relations - vertan bhanji in Punjab.

The agroville, markaz and rural market development approaches follow the locational and central place principles of Von Thunen and Christaller. These approaches are not needed in the Bar areas as they are already self-sufficient as a result of the transport network and marketing facilities. They may be applicable and useful in the Bet

areas which lack an efficient transport network (canal irrigation extension) and market hierarchies from village to small town levels. But without improving the defects in the marketing channels already being faced by the poor farmers, these new developments will not benefit the farmers, but rather benefit traders and businessmen.

USHR is felt to be a burden in Bet areas rather than a solution for the small and poor farmers. The Prime Minister's proposal to bring revolutionary changes to the rural areas by virtue of an increase in the rural development budget from 10% to 30% is also an encouraging step. The Bar areas in general and the Bet areas in particular need special attention, and approaches such as agroville centres and market town centres should also be reviewed in the light of the problems at grass-root level.

4.5.2 (B) The Major Findings

(1) Based on the comparisons and contrasting conditions with empirical study and evidence, the validity of these facts and truths were concluded as: can irrigation play a vital role in the planning, development and prosperity of rural areas?

This study has provided support for the view that a lower cost of production, high percentage yield, high marketable surplus and higher income levels (in terms of intensities of flows of produce and capital) were mainly due to canal irrigation water by virtue of its quality and quantity at much cheaper rates. This sort of irrigation development by canals and tributaries from the rivers in the past also eradicated famines and converted a vast vacant area of agricultural land into a productive and commercialized area and hence the marketing process brought

prosperity to the area. The reports and projects related to Punjab do admit these facts of prosperity, but are silent concerning in which area this prosperity came into existence. Our empirical study has explored and confirmed that it is in these planned and canal-irrigated Bar areas that agricultural production and income flourish. The planning and design features of these villages with educational nodes later proved beneficial to these planned and canal-irrigated villages and the agricultural fields in the Bar areas by virtue of their good impact on (i) family sizes, (ii) external migration and remittance as a source of development in the Bar areas, and (iii) economic prosperity and land ownership (in the case of Jat families) which enhanced the socio-cultural values in developing high vertan bhanji relations.

Thus these aspects proved to be valid within the British planned network and canal-irrigated Bar areas with educational facilities as an integral part.

More than a hundred years have passed since 1860 after canal irrigation development in the Bar areas, but the unplanned, wells-irrigated Bet areas, even though now irrigated with tube wells, could not narrow this gap. Thus the extension of canal irrigation could bring similar results and could narrow the socio-economic gap between planned, canal-irrigated (Bar) and wells-irrigated (Bet) areas.

During his stay in Punjab the author visited another

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subdistrict, Jaranwala[1] in Faisalabad district (67 miles from Lahore), where similar patterns and conditions were experienced in its Bar and Bet areas. It was also found that with the passage of time, the extension of the Lahore-Faisalabad highway and parallel rail embankments have made it most difficult to create an extension of canal irrigation from Bar to Bet land.[2] In our study area, Shahdara-Muridke Corridor, it is also a big constraint for the extension of the Muridke Minor and its tributaries towards the Bet area. However it is a question for further research how these unplanned and wells-irrigated Bet areas can be linked with the canal irrigation extension and network from the already planned and canal-irrigated Bar areas in Ferozewala subdistrict.

(2) Planned and better spatially organized areas have stronger linkages with market nodes than the unplanned areas. In other words, planned, canal-irrigated (Bar) areas are better than unplanned, wells-irrigated (Bet) areas due to their strong marketing and economic linkages, intensive flows of commodities and capital due to comparative productive and marketing advantages. The flow of agricultural produce in general and paddy rice in particular, and the octroi taxes and rahdari taxes,

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[1] Jaranwala market town is located in Faisalabad district, 55 miles from the study area.

[2] General views of the officials of the Municipal Market Committee of Jaranwala subdistrict, and the farmers in the villages of (i) Kot Ghulam (5 miles from Jaranwala wholesale grain market) and (ii) Joke Deta (15.5. miles from Jaranwala wholesale grain market) were that the British-developed Faisalabad district had the most extensive canal irrigation develpment (Bar) areas and market (mandi) towns with planned grain markets.

resulted in high intensities of crops in terms of bulk and values from the Bar area to Muridke market town.

Can we reorganize the irregular rural landscapes in the wells-irrigated Bet areas on a similar pattern to the square and subsquare (murababandi and kiari) system?

In the author's view, spatially it will be possible, but without a canal distribution network it will not be useful for production and a higher standard of living because the economic and marketing linkages will remain weaker due to a lack of agricultural marketable surplus as compared to planned canal-irrigated Bar areas. However we will have to improve the marketing channels to reduce at least the cost of marketing and find new solutions to the water problem.

(3) This study suggests that marketing problems of farmers are more strongly related to the efficiency of marketing channels from farm to market levels than to the physical location and efficiency of design of rural markets (conducted by the FAO).

This study by the FAO (1980) has shown that improvements to markets can enhance the physical and operational efficiencies of the rural markets, which is one aspect and more beneficial to traders and entrepreneurs and consumers; but greater improvement could be achieved by remedying some of the defects in the marketing channels. This would affect the major parameters of weak staying power, storage deficiency, excessive marketing charges, and hence cost of marketing at octroi posts in particular, problems related to marketing intelligence, price, and debt problems experienced by farmers through different agents. Problems related to emerging patterns evolved by rice marketing

women at the moment are very much related to the rural and urban elites and their decision-making policies, and much depends upon their change of attitudes.

If these problems and defects in the marketing channels are removed, a smooth and efficient viable marketing system through these channels can prove beneficial to farmers, particularly the farmers in the wells-irrigated Bet areas.

SECTION VI

4.6 SUGGESTIONS AND RECOMMENDATIONS

4.6.1 Farmers' Demands and Suggestions

As regards the farmers' suggestions for the improvement of the existing production and marketing channel at farm level, the majority of the respondents suggested expansion of irrigation facilities, establishment of procurement centres near their production areas, ready acceptance of properly graded produce, quick payment of sale proceeds and an increase in the prices of Basmati paddy rice.

4.6.2 Suggestions from This Research Study

4.6.2.1 Improvement in staying power (at local, Ferozewala subdistrict level, the study area)

The small farming communities in Bet areas generally lacked

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staying power, and most farmers disposed of their surplus at the harvest period, mainly to village money lenders (beoparies) and small town (qasba) traders, and received the lowest prices of the season.

Keeping in view these problems, credit facilities should be provided to these rice farmers to improve their staying power. At least payment of the Government dues should be arranged so as not to compel the farmers to sell their produce at the low prices prevailing in the harvest period.

An efficient marketing system should also benefit the farmers and consumers through its added and improved services at each level of the marketing channel. However, due to the preponderance of farmers in developing countries such as Pakistan, and because of the inherent shortcomings of the farming industry (particularly the masses), the small farmers certainly deserve more attention in both areas than the money lenders (beoparies), commission agents (katcha or pacca arhatiyas) and market intermediaries (as explained by Barbara Harriss - the series of complications at market places described in Chapter One).

4.6.2.2 Provision of storage facilities

The Government should also help improve storage facilities at farm level. The most suitable storage for local conditions should be evolved for both Bar and Bet areas. The farmers from Bar areas need more storage facilities, whereas the farmers from Bet areas need credit facilities to construct cemented (pacca) bharolas in the Bet areas.

Besides this the use of chemicals and fumigants should be encouraged to keep down wastage mainly due to rodents and insects.

4.6.2.2.1 Large modern storage facilities at Muridke wholesale market.

Since (i) the flow of surplus is intensive from the canal-irrigated Bar

area, (ii) the small farmers have to sell their produce early due to productive and domestic needs, and (iii) they lack scientific standard storage facilities, why not construct a large modern storage facility on scientific principles? It will serve every producer by the Government officials with direct payment at the time of acceptance for storage. This will also save a lot of valuable produce which is wasted in both Bar and Bet areas. It will be a revolutionary step. It will benefit the · farmers because they will be free from long complicated intermediaries systems and high marketing charges. It will affect the commission agents in the market. But a great success lies in the hands of Government officials and servants, who should be honest, and malpractice should be checked thoroughly.

4.6.2.3 <u>Measures suggested for improvement of channels at market level</u>

4.6.2.3.1 (A) <u>Provision of price information</u>. Market intelligence in general and price information in particular to the small farmers is inadequate. Despite their personal visits and faith in relatives (<u>vertan bhanji</u>) and <u>hawkas</u>, the small farmers are at a loss to know the ruling prices of the day. It is, therefore, imperative to look into this problem thoroughly and carefully, in order to ensure good prices for the agricultural produce of the farmers. Price information should be included in the function of the extension staff or separate staff should be deputed for this purpose. Such information should be provided well in advance, so that the farmers are able to plan their rice or other cropping pattern in the light of prices of their products. The farmers will be able to see the ruling prices of the day, and then can decide whether or not to bring the produce to market.

4.6.2.3.2 (B) <u>Removing defects of marketing channels at farm and market levels.</u>

These have been explained in the following.

4.6.3 <u>The Problems</u>

4.6.3.1 (i) <u>The monopolistic powers of money lenders and commission agents</u>

In the marketing channel, particularly under the prevailing conditions of <u>Bet</u> areas, there are usually two parties, i.e. the money lenders at farm level and the commission agents at market level, who both enjoy monopolistic powers, and the small farmers have little chance to dispose of their produce through the alternatives. It has been observed during the conduct of this study, that when farmers bring their produce to these commission agents they not only get lower prices than current marketing prices, but the deductions in kind through a series of market intermediaries *are* also very high.

4.6.3.2 (ii) <u>Extra deductions in kind of produce</u>

The existing rules and regulations of the market committee forbid deduction of produce, but in practice these have been observed to be customary. These deductions are taken on the plea of admixture, higher moisture percentage and services performed by the commission shop. The commission agents have no scientific technique to judge the presence of the above stated impurities, but on the basis of their experience, they determine the extent of deductions which is in most cases unjust. The farmers have no voice in this phenomenon and have to accept the decision of the commission agents as such.

4.6.4 The Solutions

For the creation of competition and elimination of kind deductions, the following steps are suggested.

4.6.4.1 (1) Establishment of procurement centres

The gap between the procurement centres proposed by the farmers and open market prices, should be minimized by raising the procurement prices. No doubt the quality of the product which is procured should be strictly and scientifically checked. This will lead to a better reputation for our rice product in the international open market.

4.6.4.2 (2) Provision of export licensing

For increasing market competition, export licences may be issued to private concerns. Moreover they may be helped to pay instalments on modern processing plants. Besides improving the grain quality, this will also create healthy competition and stabilize paddy prices as a result.

4.6.4.3 (3) Intervention of the market committee (By whom?)

The market committee should review the market charges at reasonable intervals. Non-functional charges should be strictly eliminated. How should this be done?

4.6.4.3.1 (a) Proposed inspection team.

This can be done by proposed inspection teams comprising of farmers, buyers, commission agents and civil administration empowered to visit the market at random without any prior notice and punish the defaulters by fines on the spot.

4.6.4.3.2 (b) <u>Opening a complaints office at the market place</u>. The opening of complaints offices at the market committee level can prove helpful in locating the law-breakers.

4.6.4.4 (4) <u>Sharing the burden of marketing fees and charges</u>

The commission fee rate and other charges at the market level may be enhanced to some extent, but half may be charged to the farmers and the other half to the buyers. This will help to reduce the burden on farmers.

4.6.4.5 (5) <u>Payment of sale proceeds</u>

Payment of sale proceeds to the farmers from <u>Bar</u> areas: the majority of farmers from <u>Bar</u> areas sell their produce in the grain market at harvest time to meet primarily production and consumption needs. If the farmers do not get payment in time, their whole production schedule is adversely affected and so is the output. The commission agents showed their inability to make quick payments. Streamlining the payment of sale proceeds deserves special emphasis, and the measures suggested in this regard are as follows.

4.6.4.5.1 (a) <u>Quick payment</u>. The commission agents and buyers may be forced to make quick payment of sale proceeds when the physical delivery of rice paddy is made to them.

4.6.4.5.2 (b) <u>Extension of agricultural credit facilities</u>. In case of available credit facilities, the period of short-term agricultural credit may be extended to cover the sale of the produce.

4.6.4.6 <u>The Research Institute at Kala Shah Kaku in the study area</u>

4.6.4.6.1 <u>Education and training in marketing practice</u>. The Institute

for Rice Cultivation located at Kala Shah Kaku in the <u>Bet</u> land of the

study area in particular, and the Directorate of Food and Agricultural

Departments in Punjab in general, should start an intensive extension

service for educating the farmers about marketing practices.

The awareness of the farmers, particularly in the <u>Bet</u> areas, thus

created will induce a strong check on some of the malpractices which

are in existence in the grain market, and will help to improve the

working of the marketing channels between farms and agricultural

wholesale markets.

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Research Paper No.1 'Towns as Growth Centres in Punjab' (1st paper published on 13 June 1987 at Lahore).

Research Paper No.2 'The Importance of Market Towns': a case study of Chichawatni market town in Punjab.

Research Paper No.3 'Grain Wholesale Market in Jaranwala Town, Punjab'.

Research Paper No.4 'Planning Problems in Muridke Market Town'.
                    NOTE: Muridke market town is included in the study area of this thesis.

Research Paper No.5 'Planning in the Rural Hinterlands of Mandi
                     Towns'
                     NOTES: These papers in in the National Language
                            (URDU) with illustrations.
                            The village plan in this paper is from
                            canal area (Lower Bari Doab) developed
                            by the British Planners. It is located
                            in the planned canal irrigated (Bar)
                            area of this study.

(see the series of all these papers (in Urdu) in the Daily Wafaq,
The Mall Waris, Lahore, Punjab, Pakistan)

NOTE:
   (i)   Pakistan Rural Academy has received and decided to publish
         the series of these papers in a booklet form as it was
         informed to the author by an official letter from (PARD),
         No.FRS/5146 dated 31 July 1987.

   (ii) The papers were sent with the consent of my Supervisor.

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APPENDIX

Department of Urban Design and Regional Planning,
University of Edinburgh, United Kingdom, July-August 1987

INTERVIEW SCHEDULE AND QUESTIONNAIRE

RESEARCH TOPIC: COMPARATIVE STUDY OF BAR AND BET AREAS WITH SPECIAL REFERENCE TO MARKETING PROBLEMS OF FARMERS IN PUNJAB: A CASE STUDY OF SUBDISTRICT FEROZEWALA, DISTRICT SHEIKHUPURA, PUNJAB, PAKISTAN.

RESEARCHER: QAMAR-UL-ISLAM   SUPERVISOR: MR PHILIP BOWERS

Name of
Interviewer: _____ Dated _____

Q.1   Bar or Bet area   Q.2 Planned or unplanned village
       (please mark tick √)

BAR AREA	01
BET AREA	02

PLANNED	01
UNPLANNED	02

Q.3   Name of the village

SHEIKHUPURA 01	LADHEWALA 02	ALI PUR 03	RATAN PUR 04

Q.4   Location of the village from Muridke market town

                    By distance from town   _____
                    By average time from town   _____
                    Distance from railway station _____
                    Others   _____

Q.5   Name of farmer _____

Q.6   Educational attainment _____

Q.6   Farm area
       Tenural status   Owner_____Owner cum Tenant_____Tenant

Q.7   Total cropped area (acres)

KHARIF	RABI	OTHERS	TOTAL

Area BASMATI	Area OTHERS

Q.8   Production and marketable surplus:

VARIETY	PRODUCTION		HOUSE CONSUMPTION	VERTAVA	TOTAL USES	QUANTITY STORED
	YIELD PER ACRE	TOTAL PRODUCTION				

Q.9   Quantity of paddy rice sold by farmer

(A)
(1) To money lender _____

(2) Price received _____

(C)
(5) To wholesale
    market _____

(6) Price received _____

(B)
(3) To village
    shopkeeper _____

(4) Price received _____

Other mode of
sale _____

Q.10   (a) Paddy rice marketing by women   Quantity
                                            Sold _____ Price _____

       Which area rice marketed by women   (1) District Sheikhupura _____
                                            (2) Lahore City _____
                                            (3) Others _____

       (b) How women were motivated for rice marketing

                        (1) Encouraged by husbands _____
                        (2) Vertava: social relations _____
                        (3) Domestic needs _____
                        (4) Pressure from loans _____
                        (5) Others _____

Q.11   Source of irrigation water and tax   (in acres) Tax Rs per acre

       (1) Area under canal irrigation   _____   _____

       (2) Area under well irrigation   _____   _____

       (3) Area under tube wells   _____   _____

       (4) Area under wells and tube wells _____   _____

       (5) Total area and water tax   _____   _____

Q.12   Other costs of production   _____

_____

_____

_____

Q.13   Marketing cost   (1) Rahdari Tax
                        (2) Octroi Tax   _____
                        (3) Transport cost   _____
                        (4) Marketing fees   _____
                        (5) Other marketing charges   _____
                        (6) Others   _____

Q.14   Family members and some of their socio-economic characteristics

MALE	FEMALE	MARITAL STATUS			RELATION WITH FARMER	EDUCATION	CASTE	DO THEY HAVE A JOB FOR AN INCOME?		
		M	UM	O				AGRI-CULTURE	NON AGRI-CULTURE	REMITTANCE FROM ABROAD

Q.15   Earning members and income

Male	Female	INCOME FROM DIFFERENT SOURCES						
		Rice Marketed	Other Crops	Live Stocks etc.	Non Agri Jobs	Rice Marketing by Women	Remittance from Abroad	Others

Q.16 Did you sell the rice early in Kharif season? YES ____ NO ____

Q.17 If yes, how much? _____   If no, how much sold
                                       later? (in quantity) _____

AGENTS (1) Shopkeeper   _____   (1) Shopkeeper   _____

       (2) Money lender   _____   (2) Money lender   _____

       (3) Wholesale   (3) Wholesale
           market   _____   market   _____

       (4) Govt. Depot   _____   (4) Govt. Depot   _____

       (5) FAO's new   (5) FAO's new
           market   _____   market   _____

       (6) Rice mill   _____   (6) Rice mill   _____

       (7) Marketed   (7) Marketed
           by women   _____   by women   _____

Q.18 What were the reasons for early sale?

REASONS   REASONS

PRODUCTIVE PURPOSES	
Needed money to buy fertilizers	01
To buy implements	02
To buy bullocks	03
To buy tractors	04
Had to pay loan	05
To pay Water Tax	06
Others	07

DOMESTIC AND SOCIAL NEEDS	
Needed money for households	01
Vertava	02
Had to pay back loan to money lender	03
Marriage/Dowry	04
Festivals	05
Recreational	06
Others	07

REASONS   REASONS

PRICE FLUCTUATIONS	
Govt. Depot (fair price)	
Fair price	
Fall in price expected	
Others	

STORAGE PROBLEMS	
Lack of storage	
Wastage	
Theft	
Leakage	
Advance sale	

Q.19 Why did you not get credit to overcome the above mentioned problems? Please specify

(1) _____

(2) _____ (3) _____

(4) _____ (5) _____

Q.20 STORAGE FACILITIES
Capacity and quality of storage accommodation available.

TYPE OF STORAGE	CHARACTER		AREA IN C.F.	CAPACITY IN C.F.	CAPACITY IN MAUNDS STORE	STORED IN	
	MUD (K)	CEMENT (P)				BAGS	BULK
Living Room							
Separate Room							
Bharola							
Kothies							
Others							

Q.21 Storage cost per season

SEASON	TYPE OF STORAGE	INITIAL COST	TOTAL INTEREST	RENTING HIRE	CHOWKIDAR	OTHERS

TRANSPORT COST	LABOUR COST	MAINTENANCE COST	ELECTRICITY COST	COST OF RENT	FUMIGATION COST

COST OF PRODUCE WASTED	TOTAL QUANTITY STORED	PERIOD	TOTAL STORAGE COST	STORAGE COST PER MAUND PER SEASON

Q.22 Quantity wasted in storage

TOTAL QUANTITY STORED	STORAGE PERIOD	INSECT PESTS	RODENTS	SHRINK-AGES	MOSITUR-IZATION	ANY OTHER WAY	WASTAGE OF TOTAL % OF STORAGE

Q.23 What were the storage problems faced by you in general?

High initial cost	
High produce wastage	
Lack of storage space	
Non-availability of fumigants	
Others, please specify	
Which was the most crucial problem?	

Q.24 Do you think that STORAGE was advantageous?

YES	01
NO	02

(a) If YES, what were the advantages?

	01
	02
	03

(b) If NO, why not?

	01
	02
	03

(c) If you were really convinced about the advantages of improved storage facilities, how did you think it could be done?

Government should give credit loan	
Government should provide better storage facilities	
Others	

MARKETING INTELLIGENCE

Q.25 What sources of information did you use? Please specify priority and most reliable source.

SOURCE OF INFORMATION	PRIORITY	BEST RELIABLE SOURCE (REASONS)
01 Personal visits		
02 Neighbours		
03 Hawka		
04 Radio		
05 Newspaper		
06 Money lender		
07 Village shopkeeper		
08 Others		

Q.26 How often do you get price information?

DAILY	WEEKLY	MONTHLY	YEARLY	SEASONAL
01	02	03	04	05

Q.27 Did you check mandi town prices before selling the produce in the village?

YES	01
NO	02

Q.28 Did you check mandi prices before taking the produce to the mandi town?

YES	01
NO	02

Q.29 Did you clean the produce before sale?

IF YES (PRICE)	IF NO (PRICE)	PRICE DIFFERENCE

Q.30 Did you clean and grade the produce before sale?

IF YES (PRICE)	IF NO (PRICE)	PRICE DIFFERENCE

Q.31 What mode of transport did you prefer to use to take the produce to the market town?

MEANS OF TRANSPORT	OWNED	BORROWED	HIRED	COST OF TRANSPORT	COST OF PRODUCE	FRAUDS AT OCTROI	OTHER PROBLEMS

Q.32 How much time did you spend to go with your produce to the grain (Gala) market and come back?

_____

Q.33 How often did you visit Muridke town?

DAILY	WEEKLY	MONTHLY	SEASONAL	OTHERS

Q.34 What were the purposes of the visit to market town? Please specify

_____

_____

_____

_____

Q.35 Did you prefer to visit other markets than Muridke grain market   YES _____ NO _____

If YES, which other markets?
Please specify   1.   2.   3.

_____

If NO, why did you prefer   1. _____
Muridke wholesale market?

2. _____

3. _____

MARKETING PROBLEMS AT VILLAGE LEVEL

Q.36 Where did you sell your produce?

DID NOT SELL	SOLD IN VILLAGE ONLY	SOLD IN MARKET ONLY	SOLD IN BOTH	OTHER/ FAO
01	02	03	04	05

Q.37 What were the problems faced and experienced at wholesale market?

REASONS	ORDER OF MAJOR PROBLEMS	
Small marketable surplus		01
Did not know how to deal with market functionaries		02
He was not aware of exact market prices		03
He was not paid the sale proceeds in a lump sum		04
Suspected frauds in weights		05
Extra charged like charity etc.		06
He had no time to visit grain wholesale market		07
He had no transport means		08
He had a contract to sell in the village		09
Rahdari and Octroi charges were to be paid		10
Profit margin was not reasonable		11
Others, please specify		12

SALE AT VILLAGE LEVEL

Q.38 To whom did you sell at village level? Were you satisfied with
      the weighing or not?

BUYERS IN THE VILLAGE	WEIGHMAN		SATISFIED WITH WEIGHMENT	
	BUYER	FARMER HIMSELF	YES	NO
Banjara				
Village shopkeeper				
Agent from mill				
Govt. cooperative				
Others				

Q.39 Prices and payments received at village level

PRICES RECEIVED		ASCERTAINED MARKET PRICES BEFORE SALE		IF YES ANY DIFFERENCE IN PRICES	PAYMENT	
Satisfied	Not Satisfied	Yes	No		Lump Sum at Same Time	Instalments

Q.40 Which mandi town or city would you prefer to visit?

MURIDKE	NARANG	LAHORE	OTHER

Q.41 If you went to Muridke wholesale grain market, what were the reasons for preference?

REASONS	
Better prices were expected	01
Advance sale agreement with Commission Agents	02
Contract made with Katcha Arhatiya	03
Cheap transport was available	04
Storage was a problem	05
No buyer was available in village	06
Others, please specify	07

Q.42 Did you know personally the Commission Agent to whom you sold the commodity?

YES	01
NO	02

If YES, did you check the price of the commodity from other Commission Agents?

YES	01
NO	02

If NO, how did you happen to select the Commission Agent? _____

_____

_____

Q.43   SALE AT MANDI LEVEL

WEIGHING MEANS	PRESENT AT WEIGHMENT		WEIGHED AT HOME		IF YES, FOUND DIFFERENCE
	YES	NO	YES	NO	
01 Local Balance (Takri)					
02 Balance with Stand					
03 Ground Balance					
04 Rough Estimate (Sacks)					
05 Others					

Q.44   Satisfaction or dissatisfaction with prices received at mandi level

PRICES RECEIVED		ASCERTAINED MARKET PRICE BEFORE SALE		PRICE SETTLEMENT					
SATISFIED	DISSATISFIED	YES	NO	AUCTION	PRIVATE	HAND UNDER COVER	OTHERS	SATISFIED	DISSATISFIED

Q.45 PAYMENT AT MANDI LEVEL

MARKET CHARGES TO	TOTAL PRICE RECEIVED		ADVANCE SALE	PAID IN INSTALMENTS	OTHER WAY OF PAYMENT
	YES	NO			
Commission Agents					
Brokers					
Palladars					
Weighman					
Others					

Q.46 What facilities did you need at the wholesale market?

FACILITIES	
Parking/Cart Yard	01
Rest House/Inn	02
Others, please specify	03

Q.47 Did you demand the FAO's new Rural Market at Sharaqpur?

YES	01
NO	02

If YES, what were the reasons? 1. _____

2. _____

If NO, why not? 1. _____

2. _____

Q.48 In your opinion how could the marketing system be improved?

(1) By establishing more rural
    markets in the area

YES	01
NO	02

(2) By improvement in prices   _____

(3) Give your suggestions and   _____
    opinions for improvement
    of the marketing system   _____

                                  _____

                                  _____

Q.49 Other important information, _____
      observations and ideas
      related to marketing   _____
      problems of farmers and
      their solutions, please   _____
      write here.

                                  _____

TABLE

Comparison of Distribution of Respondent Farmers/Farm Households Based
on Farm Sizes and Land Tenure in Bar and Bet Areas of
Ferozewala Subdistrict, Pakistan

Farm Sizes	BAR AREA				BET AREA				TOTAL AREA			
	O	OCT	T	TOTAL	O	OCT	T	TOTAL	O	OCT	T	TOTAL
SMALL FARMERS with below 12.5 acres of land	33	2	2	37	35	3	2	40	68	5	4	77
MEDIUM FARMERS with 12.5-25.0 acres of land	7	0	0	7	8	0	0	8	15	0	0	15
LARGE FARMERS with above 25 acres of land	6	0	0	6	2	0	0	2	8	0	0	8
TOTAL	46	2	2	50	45	3	2	50	91	5	4	100

  O = Owner
OCT = Owner cum Tenant
  T = Tenant

Source: Marketing Survey by the author (1987).