

GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE AND FARMERS WELFARE  
DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS WELFARE

**LOK SABHA**  
**UNSTARRED QUESTION NO.4258**  
TO BE ANSWERED ON THE 28<sup>TH</sup> MARCH, 2017

**AMENDMENT IN AGRICULTURE PRODUCE MARKET COMMITTEE ACT**

4258. ADV. NARENDRA KESHAV SAWAIKAR:  
SHRI PARBHUBHAI NAGARBHAI VASAVA:  
SHRI VISHNU DAYAL RAM:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether it is a fact that Agriculture Produce Market Committee (APMC) was established with the main objective to prevent exploitation of farmers by intermediaries and if so, the details thereof;
- (b) whether it is a fact that APMC mechanism have failed to yield the desired results;
- (c) if so, whether the Government has laid down any new system for improving the said marketing system and if so, the details thereof;
- (d) whether the Government is considering to bring second edition of ideal Agriculture Produce Market Committee Act (APMCA) and if so, the details thereof;
- (e) whether the purpose of Agriculture Produce Market Committee Act is to increase the income of the farmers by various measures like bringing contract farming out of the law and if so, the details thereof; and
- (f) the steps taken by the Government to strengthen the Agriculture Produce Market Committees in various States of the country and to protect the farmers from exploitation?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्रालय में राज्य मंत्री (SHRI PARSHOTTAM RUPALA)

(a) & (b) States mostly during sixties and seventies legislated Agricultural Produce Market Committee (APMC) Acts with the objectives to ensure reasonable gains to the farmers by creating environment in markets for fair play of supply and demand forces, regulate market practices and attain transparency in transactions. Over the time, these markets have become restrictive, monopolistic and thus failed to achieve these objectives fully.

(c): In order to promote competition and transparency in trading, reduce market asymmetry and ensure better price discovery to the farmers, Government, in addition to advocacy of reforms in States' Marketing Laws, has launched the National Agriculture Market (e-NAM)

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Scheme. Under this path breaking program, 361 mandis have already been integrated in 11 States for online trading of agri-produce which would ensure informed bidding by buyers and remunerative prices to farmers commensurate to quality of their produce.

(d): Yes, Madam. The salient features of the proposed model APMC Act, 2017 are placed at **Annexure**.

(e): In order to provide better price realization to the farmers and reduce post-harvest losses through integration of fruits and vegetable growers with agro- processing units, Union Finance Minister in budget speech for 2017-18 has announced to formulate a "Model Contract Farming Act". The Government has constituted a Committee in Department of Agriculture, Cooperation and Farmers Welfare to formulate a Model Contract Farming Act for adoption by States/UTs.

(f): APMCs are eligible for financial assistance under various schemes of the department such as Rashtriya Krishi Vikas Yojana (RKVY), Mission for Integrated Development of Horticulture (MIDH), Agricultural Marketing Infrastructure (AMI) a sub scheme of Integrated Scheme for Agricultural Marketing (ISAM). In addition to it the Government is providing financial assistance of Rs. 30 lakh to each APMC Mandi integrated with e-NAM to strengthen the hardware and software infrastructures including putting in place weigh bridges and assaying labs.

**Salient features of draft model APMC act 2017**

- (i) Abolition of fragmentation of market within the State/UT by removing the concept of notified market area in so far as enforcement of regulation by APMC is concerned (State level single market).
- (ii) Full democratization of Market Committee and State/UT Agricultural Marketing Board.
- (iii) De-intermediation of food supply chain by integration of farmers with processors, exporters, bulk retailers and consumers
- (iv) Clear demarcation of the powers and functions between Director of Agricultural Marketing and Managing Director of State/UT Agricultural Marketing Board with the objective that the former will have to largely carry out regulatory functions, while the latter will be mandated with developmental responsibilities under the Act.
- (v) Creation of a conducive environment for setting up and operating of private wholesale market yards and farmer consumer market yards so as to enhance competition for the farmer's produce, to the advantage of the latter.
- (vi) Promotion of direct interface between farmers and processors/ exporters/ bulk-buyers/ end users so as to reduce the price spread bringing advantage to both the producers & the consumers.
- (vii) Enabling declaration of warehouses/ silos/ cold storages and other structures/ space as market sub -yard to provide better access/ linkages to the farmers.
- (viii) Giving freedom to the agriculturalists to sell their produce to the buyers and at the place & time of their choice, to whom so ever and wherever they get better prices.
- (ix) Promotion of e-trading to enhance transparency in trade operations and integration of markets across geographies.
- (x) Provisions for single point levy of market fee across the State and unified single trading licence to realise cost-effective transactions.
- (xi) Promotion of national market for agriculture produce through provisioning of inter- state trading licence, grading and standardization and quality certification.
- (xii) Rationalization of market fee & commission charges.
- (xiii) Provision for Special Commodity Market yard(s) and Market yard(s) of National Importance (MNI).
- (xiv) Licencee of private market yard, market sub-yard, electronic trading and direct marketing have been placed at the same level playing field with the market yards of the APMCs.

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