

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 3700**  
TO BE ANSWERED ON THE 17<sup>TH</sup> MARCH, 2020

**DIRECT PURCHASE OF AGRICULTURAL PRODUCTS FROM FARMERS**

3700. SHRI KURUVA GORANTLA MADHAV:

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

- (a) whether the Government has initiated any measures by appointing Government agencies for the direct purchase of agricultural products from the farmers to avoid middle man intervention, if so, the details thereof;
- (b) whether the Government is planning to provide any financial assistance to the farmers or Farmer Producer Organisations through NABARD or any financial institutions for promotion of export of agricultural products; and
- (c) whether any reforms have been taken or are proposed to be taken for abolition of Mandi Tax for exporting agri-products, if so, the details thereof and if not, the reasons therefor?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

- (a): There is already a mechanism under which Government purchases commodities at Minimum Support Price (MSP) directly from the farmers, under which, as per prescribed guidelines, procurement is made by Government agencies at MSP in consultation with the concerned State Government when market price of notified farm produces of Fair Average Quality (FAQ) goes below MSP. Payment to the farmers is made primarily through Real Time Gross Settlement (RTGS)/National Electronic Fund Transfer (NEFT) and account payee cheque by the procuring agencies. However, if farmers get better price in comparison to MSP, they are free to sell their produce in open market.
- (b): The Government has approved a central sector Scheme "Formation and Promotion of Farmer Producers Organisations(FPO)". One of the focus areas of the Scheme is to promote agriculture marketing including exports through production of quality produce with the involvement of institution of FPOs. NABARD is one of the implementing agencies under the Scheme to form and promote FPOs for which the assistance will be provided.
- (c): Market Fee is levied and collected by the Agriculture Produce Market Committees (APMCs) as provisioned and notified under the respective APMC Acts legislated by respective States /Union Territories. Central Government, in order to rationalise levying of market fees on trade transaction of notified agriculture produce, has advised the States through the Model Act "The Agriculture Produce and Live Stock Marketing (Promotion and Facilitation ) Act, 2017" to contain market fee upto 2% *ad-valorem* in case of non perishables and 1% in case of perishables. However, States to promote export and processing of agriculture produce may exempt from levying of market fee.

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