

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

LOK SABHA
STARRED QUESTION NO. 212
TO BE ANSWERED ON THE 9TH MARCH, 2021

PRIVATE SECTOR INVESTMENT IN FARM SECTOR MARKETS

*212. SHRIMATI SUMALATHA AMBAREESH:
SHRI NALIN KUMAR KATEEL:

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

- (a) whether the new farm laws have huge scope to improve the efficiency of agricultural markets in the country and if so, the details thereof;
- (b) whether it is true that there is a scope for private sector investment in the farm sector markets and if so, the details thereof; and
- (c) the total number of private entities which have invested in farm sector markets during the last three years along with the amount invested till date?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री

(SHRI NARENDRA SINGH TOMAR)

(a) to (c): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA
STARRED QUESTION NO. 212 DUE FOR REPLY ON 9TH MARCH, 2021.**

(a): Yes Sir. The New Farm laws viz, “The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020”, “The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020” and “The Essential Commodities (Amendment) Act, 2020, are intended to improve the efficiency of agricultural markets in the country by providing an ecosystem where the farmers can enjoy the freedom of choice relating to sale of farmers' produce which facilitates remunerative prices to farmers through competitive alternative channels for selling their produce. These farm Acts facilitate direct buying from farmers in trade area by traders, processors, exporters, Farmer Producer Organizations (FPOs), agriculture co-operative Societies etc., so as to facilitate farmers with better price realization to enhance their income.

Farm laws will accelerate more investment in marketing and value addition infrastructure including that in storage facilities near to farm gate creating more employment opportunities for rural youth. Farm laws provide additional marketing opportunities to farmers for selling their produce outside the APMC market yards such as at farm-gates, cold storages, warehouse, silos, etc. to help farmers get remunerative prices due to additional competition.

“The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020” is also intended to promote competition and transparency in trade by way of facilitation of electronic trading system in trade area.

The Farming agreement i.e “The Farmers (Empowerment and Protection) Agreement On Price Assurance and Farm Services Act, 2020” will enable production and processing of high value agriculture produces and give fillip to exports. The framework will also mitigate the risks for the farmers, enhance their income and will put in place an effective and conducive policy regime for agreements.

Farm Acts provides sufficient safeguard mechanism to protect the interest of farmers including that of small and marginal farmers. Simple, accessible, quick and cost effective dispute resolution mechanism is prescribed at local Sub-divisional level and deterring penal provisions have been provided against traders to prevent and curb any violation of the Act by them.

“The Essential Commodities (Amendment) Act, 2020”, encourages investment in harvest and post-harvest agricultural infrastructure and would help in enhancing the income of the farmers.

The farmers are free to sell their produce to the Government procurement agencies at MSP or Agricultural Produce Market Committee (APMC) markets or through contract farming or in the open market whichever is advantageous to them.

(b) & (c): Yes Sir. As per National Commission on Farmers’ Report (2006), there should be one market to serve 80 sqkm whereas presently one regulated market serves 473 sqkm. Therefore, in order to realize more number of markets in country and to induce competitiveness and efficiency in marketing ecosystem, there is felt need for investment in farm sector marketing. Farm laws aim at promoting agriculture marketing infrastructure and supply chain for efficiently connecting farm gate to markets for benefits of farmers’ by encouraging investments.

As per information available from State Governments, a total number of 38 private entities have developed farm sector markets during last three years including current year involving total investment of Rs.301.19 crore (Maharashtra-18 markets with Rs. 88.62 crore, Gujarat- 6 markets with Rs.151.6 crore, Rajasthan 12 markets with Rs. 49.75 crore and Karnataka 2 markets with Rs.11.22 crore)
