

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

LOK SABHA
UNSTARRED QUESTION NO. 3433
TO BE ANSWERED ON THE 16TH MARCH, 2021

CHANGES UNDER NEW FARM LAWS

3433. SHRI T.R. BAALU:

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

(a) whether the new farm law allowing private mandis to be set up will actually lead to the dismantling of the Agricultural Produce Market Committee (APMC) structure itself, as APMC mandis will cost taxes and compliance on part of the buyer, increasing preference for private mandis and deterioration in farmers' terms of trade in reality;

(b) if so, the details thereof, and if not, the reasons therefor;

(c) whether it is a fact that the new farm law also removes stocking limits for farm produce, intervening only if there is a 100 percent rise in horticultural produce or 50 percent rise in non-perishables, over preceding 12 months; and

(d) if so, the remedial steps to be taken by the Government since this leaves food stocks vulnerable to hoarding and food prices susceptible to astronomical rises?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) & (b): No Sir. Private mandis, licensed under respective State Agricultural Produce Market Committee (APMC) Acts, are not governed under the new farm law of "The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020". These aforesaid private mandis alongwith APMC mandis in the States are subjected to taxes, fees and cess as per respective State laws.

New Farm laws viz, "The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020" and "The Farmers (Empowerment and Protection) Agreement On Price Assurance and Farm Services Act, 2020" are

intended to provide an ecosystem, whereby the farmers can enjoy the freedom of choice relating to sale of farmers' produce through additional marketing opportunities in trade area outside the APMC market yards, private markets and deemed markets under State APMC Act, to help farmers get remunerative prices due to additional competition. The states with efficient services at APMC market premises will continue to attract farmers and generate revenue. Overall, the farm Acts will ensure the creation of a competitive marketing opportunities and improved market access for farmers.

Government has always been supporting the idea of strengthening of Agricultural Produce Market Committees (APMCs) markets and making them more competitive and efficient through improving their infrastructure/ supply chain and services for users. Government has been providing assistance to APMCs for infrastructure and value chain development through various schemes like Rashtriya Krishi Vikas Yojna – RAFTAAR, Agriculture Market Infrastructure (AMI), National Agriculture Market (e-NAM), Agri. Infrastructure Fund (AIF) and Agriculture Marketing Infrastructure Fund (AMIF), etc.

(c) & (d): “The Essential Commodities (Amendment) Act, 2020 provides the conditions for imposition of stock limits on agricultural produce. It provides that any order for imposition of stock limits shall be based on price trigger which is 100% increase in retail price of horticultural produce and 50% increase in retail price of non-perishable agricultural foodstuff over the immediately preceding twelve months or average retail price of last five years, whichever is lower. Further, stock limits provides for imposing restrictions in exigent situations such as war, famine, extraordinary price rise and natural calamity of grave nature.

The Essential Commodities Act, 1955 empowers the Government to regulate prices, production, supply, distribution etc. of essential commodities for maintaining or increasing their supplies and for securing their equitable distribution and availability at fair prices. Most of the powers under the Act have been delegated to the State Governments through orders issued during 1972 to 1978. The “Prevention of Black-marketing and Maintenance of Supplies of Essential Commodities Act, 1980” intends to prevent unethical trade practices like hoarding and black-marketing of essential commodities.”
