

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:31

ANSWERED ON:18.11.2002

SETTING UP OF A TASK FORCE IN AGRICULTURAL MARKETING SECTOR

N.N. KRISHNADAS;SUNIL KHAN

**Will the Minister of AGRICULTURE be pleased to state:**

- (a) whether the Government have set up a Task Force under the chairmanship of the Minister of State for Agriculture in order to spur reform in the agricultural marketing sector;
- (b) if so, the details thereof;
- (c) whether there was a consensus among States that the existing marketing system needed overhaul since it had failed to give farmers competitive prices; and
- (d) if so, the reaction of the Government thereto?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a) to (d): Yes, Sir. Issues relating to reforms in Agricultural Marketing Sector were discussed in a National Conference of State Ministers on 27-9-2002 at New Delhi. All the State Governments were of the view that reforms in the agricultural marketing sector were necessary to move away from a regime of controls to one of regulation and competition. The existing set up of market yards had failed to secure to the farmers competitive prices for their produce. The emphasis was more on regulation and collection of revenue and not the development of requisite facilities. In view of liberalization of trade and emergence of global markets, it was necessary to promote development of a competitive marketing infrastructure in the country and to bring about professionalism in the management of existing market yards and market fee structure. While promoting the alternative marketing structure, however, Government need to put in place adequate safeguards to avoid any exploitation of farmers by the private trade and industries.

With a view to evolve an action programme for the implementation of reform measures in the marketing sector, a Standing Committee of State Ministers has been set up on 13-11-2002 under the Chairmanship of Hon'ble Minister of State for Agriculture, Department of Agriculture & Cooperation, Ministry of Agriculture. Among others, the Committee will make recommendations for the following:-

- a) Amendment to the APMC Act to pave way for the development of competitive agricultural markets/marketing infrastructure in private and cooperative sectors and for the promotion of direct marketing and contract farming programmes and the need for a model legislation;
- b) Rationalization in the levy of market fee to be more in the nature of service charges based on quality of service provided and its imposition at different slabs in consonance with the type/scale of services/facilities provided to market users;
- c) Modernization/development of existing markets, wholesale, rural periodic and in tribal areas and their professional management through public private partnership;
- d) Development of 'Rural Godowns'/'Cold Storage', to provide at a single point comprehensive warehousing and marketing services to farmers, including the facility of grading, standardization, packaging, quality certification, credit and bulk marketing;
- e) Promotion of pledge financing and marketing credit through the network of rural godown, by evolving simplified procedure and legal arrangement with Banks so that warehousing/godown receipts of private sector are acceptable to bankers for providing marketing credit;
- f) Promotion of Information Technology (IT) to provide market led extension services to farmers, including the facility of 'electronic' trading to enable producers to directly transact business with distant buyers; and
- g) Reorientation of training and extension systems to assist farming community to respond to emerging challenges in agricultural marketing and to create an ambience of good marketing practices in the country.