

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:944

ANSWERED ON:08.12.2003

COMMITTEE FOR AGRICULTURAL MARKETING

MANSINH PATEL;RAM TAHAL CHOUDHARY;SULTAN SALAHUDDIN OWASI

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

- (a) whether an expert committee was set up for strengthening and development of agricultural marketing;
- (b) if so, the date on which the said committee was constituted and the date on which it submitted its report;
- (c) the salient features of the report of the said committee and the benefits accrued after implementation of its report;
- (d) whether the Government propose to take assistance from the private companies in this task; and
- (e) if so, the details thereof?

**Answer**

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

(a): Yes, Sir.

(b): The Expert Committee on strengthening and developing of Agricultural Marketing was set up by Ministry of Agriculture, Department of Agriculture & Cooperation on 19.12.2000. The Expert Committee submitted its report on 29.06.2001.

(c): The Committee in its Report has suggested several reforms measures for the development and strengthening of the agricultural marketing in country. Important recommendations made are as follows:-

(i): Government needs to examine existing legal framework governing the institution of regulated markets and remove all such restrictive provision which inhibit growth of a competitive marketing structure in country.

(ii): Government needs to promote direct marketing of agricultural produce by the farmers to maximize their share in the price.

(iii): More commodities should be added to the list of commodities allowed for forward and futures trading to reduce price risk and to facilitate integration of domestic market with international markets.

(iv): Government should promote development of national warehousing receipt system for agricultural commodities to induce increased flow of funds to agriculture sector and to improve price risk management.

(v): Credit policy of the Government should support pledge financing by treating it as priority sector lending to agriculture with facility of concessional re-finance.

(vi): Government need to promote marketing extension, training and research and use of information technology in agricultural sector to advise the farmers on (a) product planning, (b) market information, (c) securing markets, (d) alternate/direct marketing, (e) improved marketing services including grading and packaging, and advantage of group marketing.

The recommendations made by the Expert Committee were examined by an Inter- Ministerial Task Force Constituted by this Ministry on 4.7.2001. The Inter-Ministerial Task Force in its report on 28.06.2002 has inter-alia recommended that all the State Governments should amend the State Agricultural Produce Marketing Regulations Act (APMC Act) to provide specifically for the following:-

(i) Enabling private and cooperative sectors to establish and operate (including levy of service charge) agricultural marketing infrastructure and supporting services.

(ii) Direct marketing of agricultural commodities from producing area's and farmer's fields, without the necessity of going through licensed traders and regulated markets.

(iii) Permitting `Contract farming` programs by processing or marketing firms. The APMC within whose jurisdiction the area covered by contract farming agreement lies, should record the contract farming agreements and act as a protector of producer's and processor's interests with due legal support in its jurisdiction.

(iv) Rationalization of levy of market fee by introducing single point levy of market fee in the entire process of marketing in the State.

Levy of market fee should be more in the nature of service charge based on the quality of services provided.

The report of the inter-Ministerial Task Force was circulated to all the State Governments/UT Administrations for taking further necessary action in the matter as the subject matter falls within the purview of the State Governments/UT Administrations.

The recommendations of the Task Force were also discussed with the State Governments in the National Conference on Agricultural Marketing Reforms held on 27.09.2002 and later by the Standing Committee of State Ministers on 29.01.2003, wherein this Ministry was requested to formulate a Model Legislation on Agricultural Marketing in order to guide the States in implementing the reforms. Accordingly, a Committee under the Chairmanship of Additional Secretary in the Department of Agriculture & Cooperation has formulated a Model Legislation on Agricultural Marketing. The Model law has been sent to all State Governments/UT Administrations for follow up action.

(d): No, Sir.

(e): Does not arise.