

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:1714
ANSWERED ON:19.07.2004
AGRICULTURE REFORMS
Rao Shri Sambasiva Rayapati

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether CII has suggested a five point plan calling for agriculture reforms;
- (b) if so, the details thereof; and
- (c) the steps being taken to implement them?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a): Yes, Sir.

(b) & (c): The steps taken by the Government to implement suggestions made in the five point plan are given in the enclosed statement.

STATEMENT

DETAILS OF THE STEPS TAKEN BY GOVERNMENT ON THE FIVE POINT PLAN OF CII ON AGRICULTURE REFORMS

PLAN RECEIVED FROM CONFEDERATION OF INDIAN INDUSTRY

STEPS TAKEN

1. Give States an incentive to amend the Agricultural Produce Marketing Committee Act and abolish mandi tax. this would allow competitive markets to develop; farmers and processors will both gain.
2. Support the organized private sector in increasing its spending on extension and technology transfer. This would give farmers the knowledge of what to grow, and how to grow so that stringent quality norms are met.
3. Implement the Unified Food Law, and back it up with lowering the total tax burden on processed foods so that the sector picks up, and consequently demand for farm produce rises.
4. Target foreign buyers of high – value ethnic Indian foods, as opposed to commodity exports starting with the large NRI population of twenty million, which can be a huge market.
5. Create a viable model of public- private partnership that allows private investors to invest in agriculture infrastructure in partnership with banks and financial institutions.

1. Reforms in agricultural marketing sector are considered necessary for establishment of direct linkage between farm production and the retail chain, including food processing industries and to encourage procurement of agricultural commodities directly from farmers' field. Promotion of direct marketing, contract farming and development of competitive agricultural markets in private and cooperative sectors have been identified as key areas of reforms, inter-alia, requiring amendment to State Law on Agricultural Marketing (APMC Act). In order to move forward with the envisaged reforms, all the States have been requested to suitably amend the APMC Act on the lines suggested in the Model APMC Act, drafted and circulated by this Ministry. States have also been requested to undertake rationalization of market fee to be more in the nature of service charge based on services provided.

2. A new Central Scheme 'Support to State Extension programmes for Extension Reforms' has been formulated for implementation during Xth Plan. The scheme shall provide funding support to the States/UTs for undertaking extension reforms and is to be implemented in 252 Districts. The proposed scheme envisages involvement of private sector to promote extension services.

3. Ministry of Food Processing Industries has initiated action for formulating an Integrated Food Law to provide for a single inference point for matters relating to Food Safety and Standards, regulations and enforcement. The subject matter is under consideration with Group of Ministers.

4. Agricultural and Processed Food Products Export Development Authority (APEDA) has taken several steps for enhancing exports of processed food to target buyer of Indian ethnic food. These include participation in important trade fairs to promote exports of agricultural product and Organization of Buyer Seller Meet- for promoting Processed Foods. APEDA is attempting to implement the concept of Agri Export Zone (AEZ) through produce identification, selection of location and strengthening of infrastructure. APEDA is also providing financial assistance to promote food processing industry for exports.

5. The Small Farmers` Agri Business Consortium (SFAC) is a public private initiative taken by the Department of Agriculture and Cooperation for bringing about and facilitating investments in the agri-business. Several Banks are the promoter members of SFAC. To encourage private sector investments, SFAC provides upto 50% of equity portion in the capital cost of agri- business projects, subject to a maximum of Rs.25 lakhs and in addition also contribute to the share holding of small farmers upto to Rs.5000 per family and upto Rs.25 lakhs in a project.