

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:1174
ANSWERED ON:01.08.2005
SETTING UP OF MODERN TERMINAL MANDIES
Ahir Shri Hansraj Gangaram

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether a scheme has been formulated to set up modern terminal mandies in the country;
- (b) if so, the details thereof;
- (c) the likely positive effects on the marketing of the agriculture commodities following the setting up of such modern terminal mandies; and
- (d) the remedial measures taken to check the role of middlemen in the terminal mandies equipped with the improved technology in view of the illiteracy prevailing in the rural areas?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION(DR. AKHILESH PRASAD SINGH)

(a) & (b): This Ministry is implementing a scheme for `Development/ Strengthening of Agricultural Marketing Infrastructure, Grading and Standardization`. Under this scheme, investment subsidy is provided on the capital cost of general or commodity specific infrastructure for marketing of agricultural commodities including terminal markets. The scheme is reform linked, to be implemented in those States/ UTs that amend the APMC Act, wherever required, to allow setting up of agricultural markets in private and cooperative sectors. Under the scheme, subsidy @ 25% of capital cost of the project subject to a maximum of Rs.50 lakh for each project is provided in all States and @ 33.3% of capital cost subject to a maximum of Rs.60 lakh for each project in case of North Eastern States, hilly areas and to Scheduled Castes/ Scheduled Tribes entrepreneurs. In respect of infrastructure projects of State Governments/ State Agencies, there is no upper ceiling on subsidy to be provided under the scheme. There is central allocation of Rs. 190.00 crore under the scheme during 10th Five Year Plan.

(c) & (d): Infrastructure facilities in the present markets are highly deficient leading to large-scale losses and a very low realization of price by the farmers. This is particularly true for the high value crops like fruits and vegetables, where the post harvest losses are up to 30 per cent of the production. Modern terminal markets provide the integrated facilities of collection, grading, standardization, packing, quality certification, cold chain and storage, etc. depending on the necessity of the area. Consequently, the losses in handling the agricultural produce is expected to be brought down substantially. The terminal markets also provide backward linkage through Farmers` Associations and forward linkages to the consumer. This also helps in reducing the number of intermediaries in handling the agricultural produce. The participation of farmers in the marketing of their produce through the terminal markets is expected to enhance the income levels of the farming community.