

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:69  
ANSWERED ON:05.07.2004  
PRIVATE SECTOR IN AGRICULTURE MARKETING SYSTEM  
Budholiya Shri Rajnarayan

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

- (a) whether the Government is contemplating to ensure private sector participation in agriculture marketing system;
- (b) if so, the details thereof; and
- (c) by when a decision is likely to be taken in this regard?

**Answer**

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

(a) Yes, Sir.

(b) Projection of production and marketable surplus of various farm products was recently assessed by an Expert Committee set up by the Ministry of Agriculture which estimated that an investment requirement of Rs.11,172 crore in next 10 years would be necessary for infrastructure development for agricultural marketing. A major portion of this investment is expected from the private sector, for which an appropriate regulatory and policy environment is necessary. The Ministry is well on this path of reform and has had several rounds of discussions with the States including restrictive provisions of State law dealing with agricultural marketing (APMC Act) and the need to modify and create lawful space for the private sector in market development and contract farming.

Promotion of direct marketing and contract farming and development of competitive agricultural markets in private and cooperative sectors have been identified as key areas of reform in the sector inter-alia, requiring amendments to the APMC Act.

(c) Since Agricultural Marketing is a State subject, the aforesaid reforms in this sector were discussed with the State Governments at the National Conference of State Agricultural Ministers held at New Delhi on 7th January, 2004, wherein the States had agreed to review respective APMC Acts on the lines suggested in the Model APMC Act drafted for the purpose by this Ministry.