

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3077
ANSWERED ON:20.12.2004
REGULATORY STRUCTURE IN FARM SECTOR
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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government is reviewing the regulatory structure in the farm sector; and
(b) if so, the details thereof?

Answer

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

(a): Yes, Sir.

(b): The initiatives taken by this Ministry to review the regulatory structure in the farm sector are as under:-

The Seeds Act, 1966 regulates the quality of seeds sold/distributed to the farmers through voluntary certification and compulsory labeling of seeds of notified kind/varieties. Based on the changes that have taken place in the seed sector since 1966, the existing Seeds Act, 1966 is proposed to be replaced by a suitable legislation. The Seeds Bill, 2004 has been introduced in the Rajya Sabha on 10.12.2004.

The highlights of the proposed Seeds Act inter-alia include:-

- (i) Compulsory registration of varieties based on agronomic performance data.
- (ii) Accreditation of ICAR centres, State Agricultural Universities and Private Organisation to conduct agronomic trials.
- (iii) Accreditation of Organisation for certification.
- (iv) Maintenance of National Register of varieties.
- (v) To regulate the export and import seeds.
- (vi) Exemption for farmers to save, use, exchange share or sell their seed without registration.
- (vii) Accreditation of private seed testing laboratories.
- (viii) Enhancement of penalty for major and minor infringement.
- (ix) Inclusion of provisions to regulate GM crops and ban on terminator seed.

The import of plants/plant materials is regulated through the Plant Quarantine (Regulation of import into India) Order, 2003 issued under the Destructive Insects and Pests Act, 1914. The basic objective of the order is to eliminate the risk of introduction of exotic pests and diseases associated with the imported plants/plant materials so as to ensure safety of country's agricultural resources. The PQ Order 2003 has been recently implemented with effect from 1st January, 2004 replacing the Plants, Fruits and Seeds (Regulation of Import into India) Order, 1989. The regulatory provisions have been revised keeping in view the enhanced movement of agricultural commodities in view of WTO and also keeping in line with the provisions of Sanitary and Phytosanitary (SPS) Agreement.

Under the existing APMC Act, State Government alone is empowered to initiate the process of setting up of markets for agricultural commodities in notified areas. Processing industry can not buy directly from the farmers. The farmer is restricted from entering into direct contract with any manufacturer as the produce is required to be canalized through regulated markets. These restrictions are acting as a disincentive to farmers, trade and industries. The State Governments have, therefore, been advised to amend the APMC Act to allow direct marketing and contract farming and to permit setting up of competitive markets in private and cooperative sectors. A Model APMC Act has also been circulated by this Ministry to all the States to guide them in implementation of the suggested reforms. The Model Act enable any person, grower and local authority to establish new market in any area, removes compulsion on growers to sell their produce through existing regulated markets, allows establishment of direct purchase centres and farmers markets for direct sale, promote public private partnership in management and development of markets, establish special markets for commodities like onion, fruits, vegetables, flowers etc. This matter was further discussed at the national conference of State Ministers on 19.11.2004. The State Governments have been requested to complete the process of amending their APMC Act within a period of three months in overall national/state interest and more so in the interest of farmers.