

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3089

ANSWERED ON:13.12.2011

REMOVAL OF HORTICULTURE ITEMS FROM APMC ACT

Viswanathan Shri P.

Will the Minister of AGRICULTURE be pleased to state:

(a) whether horticulture items are likely to be removed from the ambit of the Agriculture Produce Marketing Committee (APMC) Act to check the volatile prices of fruits and vegetables to ensure that the farmers get their best price in the open market;

(b) if so, the details thereof;

(c) whether the Union Government has taken any steps to persuade the State Governments to remove the mandatory sale of horticulture products to APMC;

(d) if so, whether the Union Government is considering to market such products through NAFED or through Fair Price Shops to weed out the middlemen; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE, FOOD PROCESSING INDUSTRIES AND PARLIAMENTARY AFFAIRS (SHRI HARISH RAWAT)

(a) to (e): The prices of agriculture produce, including fruits and vegetables, depends on many factors, such as demand, supply, weather conditions, cost of transportation and storage, transaction cost, income level of consumers, consumer preferences, international prices, etc. Agriculture marketing is a 'State' subject under the Constitution of India and, therefore, decision to keep any 'agriculture produce' within the ambit of APMC Act is taken by the States by provisions in their respective APMC Acts. However, the model APMC-Act, 2003 framed by the Government of India for marketing reforms has been circulated to all States and Union Territories for its adoption. It provides for competitive alternative choice to farmers for sale of their produce at remunerative prices. The Ministry of Agriculture is pursuing with State Governments to waive off the market fee on fruits and vegetables and encourage investment for development of agriculture marketing infrastructure and levy service charges as required. The assistance for the projects for creation of market infrastructure promoted by the State Government agencies including APMCs under Development/Strengthening of Agriculture Marketing Infrastructure, Grading and Standardization Scheme and National Horticulture Mission are now sanctioned only to those States/UTs which have waived market fees at least in respect of perishable horticulture commodities and have permitted direct marketing by farmers to consumers, processing units, bulk buyers, providers of cold chain facilities/storage/contract farming etc. in order to encourage adequate investment in the sector. The Government has also constituted a Committee of State Ministers in-charge of Agricultural Marketing on 2nd March, 2010 to promote market reforms. The 'First report' of the Committee has been submitted to the Ministry on 8th September, 2011 which has been circulated to all the States and Union Territories.