

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:4265

ANSWERED ON:20.12.2011

FARM MARKETING

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Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government is aware of reports from various quarters that the Agricultural Produce Marketing Committee (APMC) Act hinders free movement of produce that is obstructing control of prices, removal of middlemen and growth of agriculture and food processing industry;

(b) if so, the details thereof;

(c) whether the Government has appointed any panel on farm marketing;

(d) if so, the details and the outcome thereof; and

(e) the remedial steps taken by the Government to provide remunerative prices to the farmers?

Answer

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

(a) & (b): Notified agricultural produce in States are traded through the network of APMCs in the country. However, in order to facilitate better price realization to the farmers through improved and alternative marketing channels, the Ministry of Agriculture prepared a model APMC Act and circulated it to all the States and Union Territories in 2003 for adoption. The model APMC Act, inter-alia, provides for direct marketing, contract farming, farmers/consumers markets setting up of markets in private and cooperative sector and e-trading, alternative competitive marketing channels to farmers and transparency in the system, while reducing intermediation.

(c) & (d): The Ministry of Agriculture has set up a Committee of State Ministers, in-charge of Agriculture Marketing in March, 2010, to provide market reform, investment in development of marketing infrastructure and barrier free movement of agricultural commodities. The Committee submitted its first report to the Government on 8th September, 2011 which has been circulated to all States and Union Territories.

(e): The model APMC Act guides the States, among other things, to adopt direct marketing and alternative marketing channels so as to reduce the transaction cost and ensure better price to farmers. The government also implements the Price Support Scheme to provide remunerative prices to the farmers.