

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:4074

ANSWERED ON:18.12.2012

MONOPOLY OF PRIVATE COMPANIES OVER FRUITS AND VEGETABLES

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

- (a) whether the Government is aware that controlling of fruits and vegetables business by private companies amount to overriding of interests of small farmers and livelihood of small vegetable sellers;
- (b) whether such a monopoly would lead to price hike of fruits and vegetables and other agri-products in future; and
- (c) if so, the policy the Government formulated/proposes to formulate in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FOOD PROCESSING INDUSTRIES (SHRI TARIQ ANWAR)

(a) to (c): The present marketing system of agricultural produce, including fruits and vegetables is characterized by long, fragmented supply chain with inadequate post-harvest infrastructure. It results in high wastages and transaction cost and reduces the farmers' share in consumer rupee and therefore requires alternative marketing channels and investment in development of marketing infrastructure. The Government has, therefore, undertaken reforms initiatives, by advising the States/UTs for amending their respective State APMC Act on the lines of Model Act circulated to them during 2003. This will provide avenues for promoting alternative marketing channels, direct marketing, contract farming and investments in development of marketing infrastructure, which facilitate direct procurement of the agricultural produce from the farmers, thereby reducing the transaction cost and post-harvest losses. This would lead to more competition which is in the interest of both the small farmers and the consumers and it does not affect livelihood of small fruit and vegetable sellers