

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:2
ANSWERED ON:21.07.2015
National Agricultural Market
Radhakrishnan Shri T.;Udhayakumar Shri M.

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government proposes to bring regulated mandis across the country on the electronic platform and thereby set up national agricultural market in various States in the coming years;
- (b) if so, the details of the scheme and States identified for the purpose during the current financial year, State/UT-wise along with the time by which the national agricultural market is likely to be set up;
- (c) whether any criteria has been fixed for the States for availing funds under the scheme and if so, the details thereof; and
- (d) the various steps taken/being taken by the Government to modernize the existing mandis and strengthen the agricultural market infrastructure in the country including rural areas?

Answer

MINISTER OF AGRICULTURE
श्री राधा मोहन सिंह (SHRI RADHA MOHAN SINGH)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 2 DUE FOR REPLY ON 21ST JULY, 2015.

(a) & (b): Yes, Madam. The Government has recently approved the Central Sector scheme for Promotion of National Agriculture Market through Agri-Tech Infrastructure Fund (ATIF). The Scheme envisages implementation of the National Agriculture Market (NAM) by Department of Agriculture & Cooperation (DAC), through Small Farmers Agribusiness Consortium (SFAC) which is an autonomous organization under the DAC. It provides for a pan-India electronic trading portal which seeks to network the existing Agricultural Produce Market Committees (APMC) and other market yards to create a unified national market for agricultural commodities. NAM is a "virtual" market but it has a physical market (mandi) at the back end. The e-platform will be deployed in selected 585 regulated whole sale markets across the country during 2015-16 to 2017-18 with a budget of Rs. 200 crores.

SFAC will implement the national e-platform in 3 phases covering 250, 200 and 135 mandis during 2015-16, 2016-17 and 2017-18 respectively. DAC will meet expenses on software which will be offered to each mandi which agrees to join the national network free of cost and necessary customization will be undertaken to conform to the regulations of each State Mandi Act. DAC will also give grant as one time fixed cost subject to the ceiling of Rs.30.00 lakhs per Mandi for related equipment / infrastructure. Big private mandis will also be allowed access to the e-platform for purposes of price discovery; however they will not be supported with any funds for equipment / infrastructure. Provisions will also be made for establishing soil testing laboratories in the Mandis.

Contd. 2/-

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The integration of the regulated market with the common e-platform will be based on the Detailed Project Reports (DPRs) provided by the States that are desirous to join the e-platform and fulfillment of certain pre-requisites of reforms in their agri marketing laws. States will be identified accordingly. As far as the time by which the NAM is likely to be set up, SFAC is currently engaged in selecting a Transaction Adviser, who will help select a Service Provider and in setting up a dedicated Project Management Unit (PMU) which will anchor the roll out and launch NAM by December, 2015. The progress of NAM is ultimately dependent on the willingness of States/UTs to join the e-platform.

- (c): The States will undertake reforms of their Agri-marketing laws prior to seeking assistance under the scheme in respect of -
- (i) a single license to be valid across the State,
 - (ii) single point levy of market fee and
 - (iii) provision for electronic auction as a mode for price discovery.

Only those States/UTs that have completed these three pre-requisites will be eligible for assistance under the scheme.

(d): In order to modernize the existing mandis and strengthen the infrastructure of agricultural marketing in the entire country including rural areas, Government has been providing financial assistance through various central sector and centrally sponsored schemes which include inter-alia the sub-schemes of Integrated Scheme for Agricultural Marketing (ISAM) such as Agricultural Marketing Infrastructure (AMI), Venture Capital Assistance (VCA) and Market Research and Information Network (MRIN); the Rashtriya Krishi Vikas Yojana (RKVY); Mission for Integrated Development of Horticulture (MIDH);
Contdâ€'3/-

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Integrated Cold Chain, Value Addition and Preservation Infrastructure Scheme of Ministry of Food Processing Industries (MoFPI); and the Private Entrepreneur Guarantee (PEG) Scheme of Department of Food & Public Distribution. States also utilize Rural Infrastructure Development Fund (RIDF) and Warehouse Infrastructure Fund (WIF) being made available to them at concessional rate by National Bank for Agriculture and Rural Development (NABARD) for modernization and strengthening of marketing infrastructure including storage in rural areas.

Further, the Government has also been advocating to the States/ Union Territories to reform their agri-marketing laws to promote development of alternative marketing channels other than the APMC marketing yards and thereby promote private investment in development of marketing infrastructure.
