

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:2729

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PROMOTION OF AGRICULTURAL MARKETS

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

- (a) whether the middlemen are the main beneficiaries in sale of agricultural products and farmers are deprived of their share;
- (b) if so, the details thereof along with the reaction of the Government thereto;
- (c) whether the Government has conducted any study in this regard;
- (d) if so, the details thereof; and
- (e) the various steps taken by the Government to strengthen the marketing system and to put a check on the middlemen in order to provide maximum benefit out of agricultural productions to the farmers?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE ( SHRI MOHANBHAI KUNDARIA )

(a) to (d): As per the Millennium Study conducted by Ministry of Agriculture (2004), the producer's share in the consumer's rupee varies from 56% to 89% for paddy, 77% to 88% for wheat, 72% to 86% for coarse grains, 79% to 86% for pulses, 40% to 85% in oilseeds and 30% to 68% in case of fruits, vegetables and flowers.

(e): Agri marketing is in the domain of the States. However, in order to strengthen the agri marketing sector, the Government has taken various measures from time to time including engaging with the States to reform their respective agri marketing sectors. These measures include formulation of Model Act in 2003 as a template for reform of the agri marketing regulations of the States/Union Territories (UTs). The Model Act inter-alia provides for promotion of alternate channels of marketing such as direct marketing of farmers' produce outside the market yard by processors, bulk buyers, exporters, contract farming, setting up of markets in private/cooperative sector, farmer consumer markets and e-marketing. Such channels, when implemented, will provide the farmer with many more options for sale of his produce at more remunerative price. Moreover, the recent Government advisory to States and UTs to deregulate fruits and vegetables outside the marketing yards is, if implemented, expected to promote more and more such channels. Such measures could help reduce the role of middle men especially where there is no value addition. Further, Small Farmers Agri Business Consortium (SFAC) is promoting formation of Farmer Producer Organizations (FPOs) to enable farmers to get the benefit of aggregation specially for market linkages.

Other measures are implementation of schemes for creation and strengthening of marketing infrastructure including scientific storage namely Agriculture Marketing Infrastructure (AMI) sub-scheme of Integrated Scheme for Agricultural Marketing (ISAM) and Market Research Information Network (MRIN) scheme, under which information on prices and arrivals of agri commodities is disseminated through Agmarknet portal to farmers to enable them to take more informed production and marketing related decisions.