

62

**STANDING COMMITTEE ON
AGRICULTURE
(2018-2019)**

SIXTEENTH LOK SABHA

**MINISTRY OF AGRICULTURE AND FARMERS WELFARE
(DEPARTMENT OF AGRICULTURAL, COOPERATION AND
FARMERS WELFARE)**

**“AGRICULTURE MARKETING AND ROLE OF
WEEKLY GRAMIN HAATS”**

SIXTY-SECOND REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

January, 2019/Pausha, 1940 (Saka)

SIXTY-SECOND REPORT
STANDING COMMITTEE ON AGRICULTURE
(2018-2019)

(SIXTEENTH LOK SABHA)

MINISTRY OF AGRICULTURE AND FARMERS WELFARE
(DEPARTMENT OF AGRICULTURAL, COOPERATION AND
FARMERS WELFARE)

“AGRICULTURE MARKETING AND ROLE OF
WEEKLY GRAMIN HAATS”

Presented to Lok Sabha on 03.01.2019
Laid on the Table of Rajya Sabha on 03.01.2019



LOK SABHA SECRETARIAT
NEW DELHI

January, 2019/Pausha, 1940 (Saka)

COA No. 392

Price : ₹ 95.00

© 2019 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Fifteenth Edition) and printed by Anupam Art Printers, New Delhi.

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE (2016-17)	(iii)
COMPOSITION OF THE COMMITTEE (2017-18)	(v)
COMPOSITION OF THE COMMITTEE (2018-19)	(vii)
INTRODUCTION	(ix)

REPORT

PART I

Introduction	1
A. Procurement <i>vis-a-vis</i> Production of Agriculture Produce	1
B. Marketing Platform for Agriculture Produce.....	3
C. Functioning of Agriculture Produce Marketing Committee (APMC)	3
D. Reform in Agriculture Produce Marketing sector	18
E. Relevance of Gramin Haat as Platform for Agriculture Marketing.....	22
F. Implementation of GrAM Scheme.....	25
G. Implementation of e-NAM Scheme	33
H. Participation of Private Sector and Promotion....	36

PART II

Observations/Recommendations of the Committee	37
---	----

ANNEXURES

I. Status of Adoption of Marketing Reforms as on 18.06.2018	47
II. Major Recommendations of the Committee	49

APPENDICES

I. Minutes of the 24th Sitting of the Standing Committee on Agriculture (2016-17) held on 10.07.2017	53
--	----

(i)

	PAGE
II. Minutes of the 10th Sitting of the Standing Committee on Agriculture (2017-18) held on 07.02.2018	56
III. Minutes of the 24th Sitting of the Standing Committee on Agriculture (2017-18) held on 02.07.2018	58
IV. Minutes of the 09th Sitting of the Standing Committee on Agriculture (2018-19) held on 28.12.2018	62

COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE
(2016-2017)

Shri Hukmdev Narayan Yadav — *Chairperson*

MEMBERS

Lok Sabha

2. Prof. Ravindra Vishwanath Gaikwad
3. Shri Sanganna Karadi
4. Shri Nalin Kumar Kateel
5. Smt. Raksha Tai Khadse
6. Md. Badaruddoza Khan
7. Shri C. Mahendran
8. Dr. Tapas Mandal
9. Shri Janardan Mishra
10. Shri Devji Patel
11. Shri Nityanand Rai
12. Shri Mukesh Rajput
13. Shri Neiphiu Rio
14. Shri Konakalla Narayana Rao
15. Shri C.L. Ruala
16. Shri Arjun Charan Sethi
17. Shri Satyapal Singh (Sambhal)
18. Shri Virendra Singh
19. Shri Dharmendra Yadav
20. Shri Jai Prakash Narayan Yadav
21. Shri B.S. Yeddyurappa

Rajya Sabha

22. Shri Sambhaji Chhatrapati
23. Sardar Sukhdev Singh Dhindsa
24. Shri Janardan Dwivedi
25. Shri Meghraj Jain

26. Shri Vinay Katiyar
27. Shri Mohd. Ali Khan
28. Shri Ram Nath Thakur
29. Shri R. Vaithilingam
30. Shri Shankarbhai N. Vegad
31. Shri Darshan Singh Yadav

COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE
(2017-2018)

Shri Hukmdev Narayan Yadav — *Chairperson*

MEMBERS

Lok Sabha

2. Shri Sanjay Dhotre
3. Prof. Ravindra Vishwanath Gaikwad
4. Shri Sanganna Amarappa Karadi
5. Shri Nalin Kumar Kateel
6. Smt. Raksha Tai Khadase
7. Md. Badaruddoza Khan
8. Shri C. Mahendran
9. Dr. Tapas Mandal
10. Shri Janardan Mishra
- @11. Shri Praveen Kumar Nishad
12. Shri Devji M. Patel
13. Shri Nityanand Rai
14. Shri Mukesh Rajput
15. Shri Konakalla Narayana Rao
16. Shri C.L. Ruala
17. Shri Arjun Charan Sethi
18. Shri Virendra Singh
19. Shri Dharmendra Yadav
20. Shri Jai Prakash Narayan Yadav
- #21. Vacant

@ Shri Praveen Kumar Nishad, MP Lok Sabha nominated *vice* Shri Nephru Rio, MP Lok Sabha *w.e.f.* 27.04.2018 *vide* Bulletin Part-II No. 6866 dated 27.04.2018.

Vacant due to resignation of Shri B.S. Yeddyurappa from the Membership of Lok Sabha *w.e.f.* 18.05.2018 *vide* Bulletin Part-II Table Office (B) No. 6885 dated 19.05.2018.

Rajya Sabha

22. Sardar Sukhdev Singh Dhindsa
- *23. Shri Rajmani Patel
- *24. Shri Narayan Rane
- *25. Shri Kailash Soni
26. Shri Mohd. Ali Khan
27. Shri K.K. Ragesh
28. Shri Ram Nath Thakur
29. Shri R. Vaithilingam
- *30. Shri Harnath Singh Yadav
31. Dr. Chandrapal Singh Yadav

* vice Shri Janardan Dwivedi, Shri Meghraj Jain, Shri Vinay Katiyar and Shri Shankarbhai N. Vegad, who ceased to be the Member of the Committee on their retirement from Rajya Sabha on 27.01.2018, 02.04.2018, 02.04.2018 and 02.04.2018 respectively.

COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE
(2018-2019)

Shri Hukmdev Narayan Yadav — *Chairperson*

MEMBERS

Lok Sabha

2. Shri Bodhsingh Bhagat
3. Shri Sanjay Dhotre
4. Prof. Ravindra Vishwanath Gaikwad
5. Shri Sanganna Amarappa Karadi
6. Shri Nalin Kumar Kateel
7. Smt. Raksha Tai Khadase
8. Md. Badaruddoza Khan
9. Shri C. Mahendran
10. Dr. Tapas Mandal
11. Shri Janardan Mishra
12. Shri Praveen Kumar Nishad
13. Shri Devji M. Patel
14. Shri Mukesh Rajput
15. Shri Konakalla Narayana Rao
16. Shri C.L. Ruala
17. Shri Arjun Charan Sethi
18. Shri Virendra Singh
19. Shri Dharmendra Yadav
20. Shri Jai Prakash Narayan Yadav
21. Vacant

Rajya Sabha

22. Sardar Sukhdev Singh Dhindsa
23. Shri Rajmani Patel
24. Shri Narayan Rane
25. Shri Kailash Soni
26. Shri Mohd. Ali Khan

27. Shri K.K. Ragesh
28. Shri Ram Nath Thakur
29. Shri R. Vaithilingam
30. Shri Harnath Singh Yadav
31. Dr. Chandrapal Singh Yadav

SECRETARIAT

1. Shri Arun K. Kaushik — *Director*
2. Shri Sumesh Kumar — *Under Secretary*

INTRODUCTION

1, the Chairperson, Standing Committee on Agriculture (2018-2019) having been authorized by the Committee to submit the Report on their behalf, present this Sixty Second Report (Sixteenth Lok Sabha) on the subject “Agriculture Marketing and Role of Weekly Gramin Haats” pertaining to the Ministry of Agriculture and Farmers Welfare (Department of Agriculture, Cooperation and Farmers Welfare).

2. The Standing Committee on Agriculture had selected the subject for examination during 2016-17. As the examination of the subject could not be completed during 2016-17, the Committee again selected the Subject for examination during 2017-18 and 2018-19. The Committee took Briefing of the representatives of Ministry of Agriculture and Farmers Welfare (Department of Agriculture, Cooperation and Farmers Welfare) and Ministry of Rural Development (Department of Rural Development) on the subject in their Sittings held on 10.07.2017 and 07.02.2018 respectively. The Committee took evidence of the representatives of Ministry of Agriculture and Farmers Welfare (Department of Agriculture, Cooperation and Farmers Welfare) on the subject in their Sitting on 02.07.2018. The Report was considered and adopted by the Committee at their Sitting held on 28.12.2018.

3. For facility of reference, the observations/recommendations of the Committee have been printed in bold at Part-II of the Report.

4. The Committee wish to express their thanks to representatives of the Ministry of Agriculture and Farmers Welfare (Department of Agriculture, Cooperation and Farmers Welfare) and Ministry of Rural Development (Department of Rural Development) for furnishing requisite information to the Committee in connection with examination of the subject.

5. The Committee would also like to place on record their deep sense of appreciation for the invaluable assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee.

NEW DELHI;
02 January, 2019
12 Pausha, 1940 (Saka)

HUKMDEV NARAYAN YADAV,
Chairperson,
Standing Committee on Agriculture.

ABBREVIATIONS

A & N Islands	Andaman and Nicobar Islands
AMIF	Agri-Market Infrastructure Fund
APMC	Agriculture Produce Marketing Committee
APLM	Agriculture Produce and Livestock Marketing
CCEA	Cabinet Committee on Economic Affairs
D&N Haveli	Dadra & Nagar Haveli
DAC&FW	Department of Agriculture, Cooperation and Farmers Welfare
DoCA	Dept. of Consumer Affairs
DMI	Directorate of Marketing Inspection
EFC	Expenditure Finance Committee
e-NAM	Electronic-National Agriculture Market
FCI	Food Corporation of India
GrAMs	Gramin Agricultural Markets
ITC Ltd.	Imperial Tobacco Company of India Limited
MIDH	Mission for Integrated Development of Horticulture
J & K	Jammu and Kashmir
MACP	Maharashtra Agricultural Competitiveness Project
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MNI	Market yard(s) of National Importance
MoRD	Ministry of Rural Development
MSP	Minimum Support Prices
NABARD	National Bank for Agriculture and Rural Development
NAM	National Agriculture Market
NCF	National Commission on Farmers
PMYs	Principal Market Yards
RHMIP	Rural Haat Modernization and Improvement Programme
RKVY	Rashtriya Krishi Vikas Yojana
RPMs	Rural Periodical Markets
SMYs	Sub Market Yards
VFPCK	Vegetable Fruit Promotion Council Kerala
UTs	Union Territories

PART I

INTRODUCTION

1.1 Indian Agriculture has seen huge transformation since independence. Our Country had to depend upon import and foreign support. Through effective Government intervention, high yielding seed varieties, fertilizer, irrigation, agriculture extension support and most importantly with hard work of our farmers, we were able to quadruple the production of rice, wheat and other agricultural crops. India has achieved a remarkable growth in agriculture, increasing foodgrain production from 83 million tonnes in 1960-61 to about 275.68 million tonnes in 2017-18. It has enabled our country to not only achieve self sufficiency in production of foodgrain to meet food requirement of the country but also to export it and contribute towards foreign earning. However, despite this success, barring a small section, majority of Indian Farmers are not able to get benefits of bumper production due to limited marketing platforms and hegemony of middleman in Grain mandis that led to low prices for their produce. Our Country is yet to solve the 'riddle of agriculture marketing' to ensure remunerative prices to the farmers for their agriculture produce. Today, when the Government is committed to double the income of farmers in the Country, there is need to focus on bring qualitative and quantitative transformation in creating platform for agriculture marketing.

1.2 While the total production and productivity are being constantly augmented through various plan periods by strategic planning and mission mode schemes, it is essential to provide the farming community better remuneration for their produce by developing efficient and competitive marketing facilities with adequate marketing infrastructures to enable farmers to tide over situations of both bumper production leading to glut and abrupt price fall and also in case of less production resulting in availability of meager marketable surplus. Availability of transparent platform for marketing of agriculture produce is pre-requisite for discovery of fair price. Availability of accessible and efficient markets with transparent and better price discovery would entail in doubling farmers' income by 2022.

A. Procurement *vis-a-vis* Production of Agriculture Produce

1.3 Procurement of Wheat and Rice by the Food Corporation of India and other State Government agencies are one of the avenues

available to the farmers for sell of their agriculture produce at Minimum Support Price announced by the Government of India. However, it has often been seen that procurement by these agencies are much less than available surplus in the market. The Committee observed that Central/State agencies has made following procurement[@] of Wheat and Rice as against their production in the Country is:–

Sl. No.	Year	Production of Wheat (in million tonnes)	Procurement of Wheat for Central Pool by the Government agencies (in million tonnes)	Production of Rice (in million tonnes)	Procurement of Rice for Central Pool by the Government agencies (in million tonnes)
1.	2002-03	65.76	19.02	71.82	16.42
2.	2003-04	72.15	15.80	88.53	22.88
3.	2004-05	68.64	16.79	83.13	24.68
4.	2005-06	69.35	14.78	91.79	27.65
5.	2006-07	75.81	9.22	93.35	25.10
6.	2007-08	78.57	11.12	96.69	28.73
7.	2008-09	80.68	22.68	99.18	34.10
8.	2009-10	80.8	25.38	89.09	32.03
9.	2010-11	86.87	22.51	95.98	34.19
10.	2011-12	94.88	28.33	105.3	35.04
11.	2012-13	93.51	38.14	105.24	34.04
12.	2013-14	95.85	25.09	106.65	31.84
13.	2014-15	86.53	28.02	105.48	32.04
14.	2015-16	93.5	28.08	104.32	34.21
15.	2016-17	98.51	22.96	109.69	38.10
16.	2017-18	98.61	30.82	111.51	36.48*
	Total	1340.02	358.82	1557.75	487.60

#As on 31.10.2018

*As on 06.07.2018

@As per FCI website

B. Marketing Platform for Agriculture Produce

1.4 In our Country, traditionally, farmers used to sell away their surplus produce to the village moneylenders and traders at a very low price. The moneylender and traders buy independently or work as an agent of a bigger merchant of the nearby mandi. Secondly, farmers who have significant surplus agriculture produce, sell through mandis located in various small and large towns. Co-operative marketing Societies are another way whereby, farmers sell the output collectively to take the advantage of collective bargaining for obtaining a better price. Another popular platform for sell of agriculture produce are weekly village markets popularly known as haat, which is resorted to majority of small and marginal farmers. When asked about marketing infrastructures available for sale of agriculture produce in the Country, the DAC & FW of Agriculture, Cooperation and Farmers' Welfare (DAC & FW) stated as under:—

“The main marketing infrastructure for wholesale of agricultural produce in the country is being set up by the APMCs/RMCs. Under these APMCs/RMCs generally there exist Principal Market Yards, Sub-Market Yards and Purchase Centres also in some States. There also exist approx. 22,000 Gramin Haats across the country where trading mainly of retail (95%), wholesale (1%) and wholesale-cum-retail (4%) takes place as per the survey of over 9000 gramin haats. However, these rural haats as existing now are general purpose markets, where as all types of commodities are transacted.”

C. Functioning of Agriculture Produce Marketing Committee (APMCs)

1.5 When asked to furnish State-wise details of total number of regulated market Agriculture Produce Marketing Committee (APMCs) in the Country, the DAC & FW stated as under:—

“State-wise details of regulated markets including Principal Market Yards (PMYs), Sub Market Yards (SMYs) are as under:—

Sl. No.	Name of the State/UT	Area in Sq.km.	No. of APMC Markets (Regulated PMYs)	No. of APMC Markets (Regulated SMYs)	Total No. of APMC Markets (Regulated PMYs+SMYs) D+E
1	2	3	4	5	6
1.	Andhra Pradesh	162970	22	169	191
2.	A & N Islands	8249	No APMC Act		

1	2	3	4	5	6
3.	Arunachal Pradesh	83743	13	0	13
4.	Assam	78438	20	206	226
5.	Bihar	94163	0	0	0
6.	Chandigarh	114	1	0	1
7.	Chhattisgarh	136034	69	118	187
8.	Dadra & Nagar Haveli	491	No APMC Act		
9.	Daman & Diu	112	No APMC Act		
10.	Goa	3702	1	7	8
11.	Gujarat	196024	224	176	400
12.	Haryana	44212	108	173	281
13.	Himachal Pradesh	55673	10	46	56
14.	Jammu & Kashmir	222236	5	20	25
15.	Jharkhand	79714	17	173	190
16.	Karnataka	191791	162	351	513
17.	Kerala	38863	No APMC Act		
18.	Lakshadweep	32	No APMC Act		
19.	Madhya Pradesh	308144	257	288	545
20.	Maharashtra	307713	306	596	902
21.	Manipur	22327	0	0	0
22.	Meghalaya	22429	2	0	2
23.	Mizoram	21081	0	0	0
24.	Nagaland	16579	19	0	19
25.	Delhi	1484	7	2	9
26.	Odisha	155707	54	382	436
27.	Puducherry	562	3	5	8
28.	Punjab	50362	151	284	435

1	2	3	4	5	6
29.	Rajasthan	342240	139	315	454
30.	Sikkim	7096	No APMC Act		
31.	Tamil Nadu	130058	277	6	283
32.	Telangana	114840	150	110	260
33.	Tripura	10493	21	0	21
34.	Uttar Pradesh	240928	251	372	623
35.	Uttarakhand	53484	23	44	67
36.	West Bengal	88752	20	455	475
	Total	3290840	2332	4298	6630

1.6 On being enquired about the status of establishment of APMCs market in every State in the Country, the DAC & FW stated as under:—

“No. In States of Bihar, Kerala, Manipur, Mizoram and Sikkim, there is no APMC market. In addition, in UTs of Andaman & Nicobar Islands, Lakshadweep, Daman & Diu and D&N Haveli also, there is no APMC market.”

1.7 When asked about the average distance between two APMCs market in the States, the DAC & FW stated as under:—

“The State-wise details of average distance in radius between two APMC market yards is as under:—

Sl.No.	Name of the State/UT	Total No. of APMC Markets (Regulated PMYs+ SMYs) D+E	Distance between two APMC markets in Kms.
1	2	3	4
1.	Andhra Pradesh	191	16.48
2.	A & N Islands		0.00
3.	Arunachal Pradesh	13	45.29
4.	Assam	226	10.51
5.	Bihar	0	0.00

1	2	3	4
6.	Chandigarh	1	6.03
7.	Chhattisgarh	187	15.22
8.	Dadra & Nagar Haveli		0.00
9.	Daman & Diu		0.00
10.	Goa	8	12.14
11.	Gujarat	400	12.49
12.	Haryana	281	7.07
13.	Himachal Pradesh	56	17.79
14.	Jammu & Kashmir	25	53.21
15.	Jharkhand	190	11.57
16.	Karnataka	513	10.91
17.	Kerala		0.00
18.	Lakshadweep		0.00
19.	Madhya Pradesh	545	13.41
20.	Maharashtra	902	10.42
21.	Manipur	0	0.00
22.	Meghalaya	2	59.76
23.	Mizoram	0	0.00
24.	Nagaland	19	16.67
25.	Delhi	9	7.25
26.	Odisha	436	10.66
27.	Puducherry	8	0.00
28.	Punjab	435	6.08
29.	Rajasthan	454	15.50
30.	Sikkim		0.00
31.	Tamil Nadu	283	12.10
32.	Telangana	260	11.86
33.	Tripura	21	12.62
34.	Uttar Pradesh	623	11.10
35.	Uttarakhand	67	15.94
36.	West Bengal	475	7.72
	Total	6630	12

1.8 When asked to furnish the average area covered by the one APMCs market in the Country (State-wise) details, the DAC & FW stated as under:—

The State-wise details of average area (sq.km.) covered by one APMC Market yards is as under:—

Sl. No.	Name of the State/UT	Area in Sq.km.	Total No. of APMC Markets (Regulated PMYs+SMYs) D+E	Area served by one APMC Market in Sq.Km. C/F
1	2	3	4	5
1.	Andhra Pradesh	162970	191	853.25
2.	A & N Islands	8249		
3.	Arunachal Pradesh	83743	13	6442
4.	Assam	78438	226	347
5.	Bihar	94163	0	
6.	Chandigarh	114	1	114
7.	Chhattisgarh	136034	187	727
8.	Dadra & Nagar Haveli	491		
9.	Daman & Diu	112		
10.	Goa	3702	8	463
11.	Gujarat	196024	400	490
12.	Haryana	44212	281	157
13.	Himachal Pradesh	55673	56	994
14.	Jammu & Kashmir	222236	25	8889
15.	Jharkhand	79714	190	420
16.	Karnataka	191791	513	374
17.	Kerala	38863		
18.	Lakshadweep	32		
19.	Madhya Pradesh	308144	545	565
20.	Maharashtra	307713	902	341

1	2	3	4	5
21.	Manipur	22327	0	
22.	Meghalaya	22429	2	11215
23.	Mizoram	21081	0	
24.	Nagaland	16579	19	873
25.	Delhi	1484	9	165
26.	Odisha	155707	436	357
27.	Puducherry	562	8	
28.	Punjab	50362	435	116
29.	Rajasthan	342240	454	754
30.	Sikkim	7096		
31.	Tamil Nadu	130058	283	460
32.	Telangana	114840	260	442
33.	Tripura	10493	21	500
34.	Uttar Pradesh	240928	623	387
35.	Uttarakhand	53484	67	798
36.	West Bengal	88752	475	187
	Total	3290840	6630	496

1.9 On being asked about the kinds of marketing infrastructure exist for agriculture produce in the States where APMC Act is not in operation, the DAC & FW stated as under:—

“The marketing infrastructure for agricultural produce is not in good shape in the States/UTs where APMC Act is not in operation—

- (i) In Bihar the marketing and other ancillary infrastructures available in the mandis before repeal of their APMC Act in 2006 eroded with time.
- (ii) In Kerala private shops for collection of Agricultural Produce exists throughout the State at the vicinity of producing centres for e.g. there are coconut collection shops, rubber purchasing shops in producing centres. Cardamom is sold through auction at Puttadi auction centre in Idukki district and managed by Spices Board. Tea is sold through auction

at Tea auction centre, Kochi. There also exists Vegetable Fruit Promotion Council Kerala (VFPCK) markets which facilitate marketing of fruits & vegetables.

- (iii) In Sikkim marketing takes place in Kisan bazaar and Weekly Grameen Haat/Rural Periodical Markets.
- (iv) In Manipur & Mizoram there is no systematic marketing infrastructure exist for agricultural produce.
- (v) In case of Andaman & Nicobar Islands, most of the markets are very small with little infrastructure (flooring & roofing) as throughput of these markets are less, catering to a very small population.”

1.10 On being enquired about the rate of Cess/Taxes imposed by the APMCs on sale of agriculture produce in the APMC market and furnish State-wise details of Cess/Taxes collected by the APMCs during the last five years, the DAC & FW stated as under:—

State/UT-wise details of market fee/cess being collected by APMCs are as under:—

Sl. No.	Name of State/UT	Rate of Market Fee in percent <i>Ad Valorem</i>	Cess
1	2	3	4
1.	Andhra Pradesh	1.0 (except fish 0.5%, prawn 0.25%)	NIL
2.	Arunachal Pradesh	2.0	Nil
3.	Assam	1.0	Nil
4.	Bihar	Act Repealed	
5.	Chhattisgarh	Fruits and Vegetable—Nil Paddy-2.0 Other Commodities-1.0	Nil
6.	Goa	1.0	Nil
7.	Gujarat	Perishables 0.5-1.0 Food Grains 0.3-2.0	Nil
8.	Haryana	Fruits and Vegetables-Nil Other Commodities-2.0 Cotton 0.8	1% Rural Development Fund Cess 2 % Rural Development Fund Cess Auction fee-0.08 per hundred Rupees

1	2	3	4
9.	Himachal Pradesh	1.0%	Nil
10.	J & K	Nil	Market fee is not collected. However, gate entry fee is collected from the selected markets of Narwal, Parimpora, Sopore, Kulgram, Shopian and Pulwana
11.	Jharkhand	1.0	
12.	Karnataka	Perishables–1.0-1.5 as service charge Others–1.5%	Nil
13.	Kerala	No APMC Act	
14.	Madhya Pradesh	Market fee–2.0 (Except Orange and Banana-1.0)	Nirashrit Shulk–0.2% cess
15.	Maharashtra	0.5-1.0	0.05 Supervision Fee
16.	Manipur	No APMC Act	
17.	Meghalaya	1 %	Nil
18.	Mizoram	Ground rent–Rs. 5.0 per sq. ft.	Nil
19.	Nagaland	Market fee–Rs. 2 per quintal as service charge	Nil
20.	Odisha	Perishables–1.0 Food Grains (Paddy–2.0 and remaining–1.0)	Nil
21.	Punjab	Market Fee–2.0 Cotton–1.0 For primary trade-3%	Rural Development Cess–2.0%
22.	Rajasthan	F & V–user charge Jowar, Bajra, Maize, Isabgole, Cumin–1.0 Other Commodities–1.6	Nil
23.	Sikkim	Act not implemented	
24.	Tamil Nadu	1.0	Nil

1	2	3	4
25.	Telangana	1.0 (except fish 0.5%, prawn 0.25%)	Nil
26.	Tripura	2.0	Nil
27.	Uttar Pradesh	Market Fee–2.0	Development Cess–0.5%
28.	Uttarakhand	Fruits and Veg.–1.0 Others–2.0	Development Cess–0.5%
29.	West Bengal	Perishables–Nil Paddy–1.0, 6% for specific buyers Other than paddy–0.5	Nil
B. Union Territories			
30.	Andaman & Nicobar Islands	No APMC Act	
31.	Chandigarh	Market fee–2.0 on all agricultural produce except maize (1%)	Rural Development Cess–2.0%
32.	Dadra and Nagar Haveli	No APMC Act	
33.	Daman & Diu	No APMC Act	
34.	Delhi	1.0	Entry fee charged depending upon the type of vehicle
35.	Lakshadweep	No APMC Act	
36.	Puducherry	1.0	Nil

1.11 When asked about the facilities provided to the farmers at APMCs market in the Country, the DAC & FW stated as under:–

Infrastructure and facilities in the APMC market yards vary market to market and State to State. However, as per the questionnaire based sample survey conducted across the States by DMI in May,

2015, infrastructure and facilities status in APMC markets are as under—

Sl. No.	Name of Infrastructure/ Facility	Existed in Regulated Markets
1.	Godown facility	83%
2.	Cold storage facility	15%
3.	Covered platform	66%
4.	Grading facility	22%
5.	Drying platform	29%
6.	Weighing facility	49%
7.	Drinking water	76%
8.	Toilet facility	65%
9.	Farmers' Rest House	38%
10.	Canteen	32%
11.	Banking facility	7%
12.	Internet cafe	12%

1.12 On being enquired about limitations of primary/rural wholesale and secondary markets set up under Agricultural Produce Markets (Regulation) Acts in the Country, the DAC & FW stated as under:—

“There are reportedly following limitations in primary/rural wholesale and secondary markets set up under Agricultural Produce Markets (Regulation) Acts in the Country—

- (i) In primary wholesale markets infrastructure and facilities are very poor;
- (ii) Traders are limited in number resulting into poor buying competition;
- (iii) Some of the primary wholesale markets are located in the places where no sufficient surplus generates;
- (iv) In secondary wholesale markets, there is cartelization of traders and undue deductions in the name of vardana, etc. takes place; and

- (v) Market fee and commission charges in regulated wholesale markets are legally to be collected from buyers, but *de-facto*, same is deducted from the net proceed of farmers.”

1.13 On being asked about lacuna observed in the implementations of APMC Act in various States, the DAC & FW stated as under:—

“Commonly observed lacunae in implementation of APMC Act are as under—

- (i) Market Committees are reportedly democratic institution but in fact in most of the States, Chairperson and members are nominated or appointed and Committee is dominated by politicians and traders not by farmers as required;
- (ii) The provisions of the APMC Acts are not implemented in their true sense. For example, market fee and commission charges are legally to be levied on traders, however, same is collected from farmers by deducting the amount from farmers’ net proceed;
- (iii) In some of the States APMC Acts, market fee is levied even after trade-transaction taking place outside the market yard. Market fee is collected in some States even without actual trade-transaction has taken place and simply on landing the commodity at processing units. While in other States trade-transaction outside the market yard is illegal;
- (iv) Multiple licenses are required for trading in multiple APMC markets and also multiple time market fee on same commodity even within the State is collected; and
- (v) APMC Acts are highly restricted in promotion of multiple channels of marketing and competition in the system.”

1.14 On the above issue, the representative of Department has stated as under:—

“हमारे डिपार्टमेंट का यह मुख्य लक्ष्य है कि जैसे देश में प्रोडक्शन बढ़ाया है, अब इसको मॉनीटराइज करना है। यह हमारा मुख्य लक्ष्य है। मॉनीटराइजेशन के लिए यह जो मार्केटिंग एफिशिएंसी है, इस मार्केटिंग एफिशिएंसी को बढ़ाना है, इसलिए हमने कुछ महत्वपूर्ण कदम लिये हैं। पहले यह बात है कि जो हमारा पुराना एपीएमसी एक्ट था, वर्ष 2003 में एक मॉडल एपीएमसी एक्ट यहां ड्राफ्ट करके सब स्टेट्स को हमने भेज दिया था। उसको वर्ष 2016 में रिव्यू किया गया, विशेषकर नीति आयोग के द्वारा, स्टेट्स के सारे प्रिन्सिपल सेक्रेटरीज को बुलाया गया था, उस दिन रिव्यू करने के बाद यह पता चला कि सारे स्टेट में जितने जोर से उसको अडॉप्ट करना था, वैसे वह नहीं हुआ था। उसमें भी बहुत अन्तर था, हमने देखा कि सात

स्टेट्स ऐसे हैं, जहां एक भी मॉडल एक्ट नहीं, वहां मार्केटिंग एक्ट ही नहीं है। जहां था, वह सही स्थिति में नहीं था। पिछले साल प्रधानमंत्री जी ने घोषणा की थी कि भारत में एक यूनिफाइड एग्रीकल्चर मार्केट, नेशनल एग्रीकल्चर मार्केट को स्थापित करना है, तो यह जरूरी बना कि हम एक मॉडल या टेम्पलेट, एक नया टेम्पलेट बनाकर सब स्टेट्स को बांट दें ताकि वे नये एक्ट को अडॉप्ट कर सकें। इस कारण से हमारे मंत्रालय में एक कमेटी का गठन किया गया था। 24 अप्रैल को हमारे मंत्रालय के माननीय मंत्री जी ने सारे स्टेट्स के मंत्री जी को बुलाया था और एक नया कानून उनको दिया गया है। उसका नाम मॉडल एग्रीकल्चर प्रोड्यूस एंड लाइवस्टॉक मार्केटिंग (प्रमोशन एंड फैसिलिटेशन) एक्ट, 2017 है। इसकी कॉपी आपकी टेबल पर रखी गयी है। सारे स्टेट्स से पॉजिटिव रेस्पॉन्स आया है। हम उनसे अब यही अनुरोध कर रहे हैं कि इसको आप अडॉप्ट करें, ताकि देश में एक अच्छा सा मार्केट बन सके। यह जो नया मार्केटिंग एक्ट है, इसमें यही हमारा लक्ष्य है कि हम एक स्पर्धा बढ़ायें, क्योंकि आजकल जो एपीएमसीज हैं, एपीएमसीज में एक मोनोपली बनायी हुई है। इस मोनोपली को तोड़ना है, क्योंकि जो ट्रेडर्स हैं, उनका एक कार्टल बन रहा है और किसानों को जितना पैसा मिलना चाहिए, प्राइस डिस्कवरी होना चाहिए, वह नहीं हो रहा है। यह जो नया कानून है, इसमें अल्टरनेट मार्केटिंग चांस मतलब एपीएमसी मार्केट के साथ प्राइवेट सेक्टर में भी जैसे अलग-अलग प्रकार के मार्केट को स्थापित कर सकते हैं, इसके बारे में हमने यह कानून बनाया है। ये जो प्राइवेट सेक्टर में अल्टरनेट मार्केट्स हैं, क्योंकि जो स्वामीनाथन कमेटी की रिकमंडेशन थी, वहां भी यही कहा गया है कि हमारे देश में 462 वर्ग किलोमीटर में एक मार्केट है, मगर हमको एवरेज प्रति 80 वर्ग किलोमीटर में एक मार्केट की जरूरत है, ताकि किसानों को पास में ही एक मार्केट मिल सके। अगर इतने सारे मार्केट्स को बढ़ाना है, तो यह केवल गवर्नमेंट के माध्यम से नहीं होगा, अगर प्राइवेट सेक्टर को भी हम इतना मौका देंगे, तो गवर्नमेंट मार्केट होगा, प्राइवेट मार्केट होगा, इनमें एक प्रतियोगिता होगी और किसानों को इससे लाभ होगा। नए एक्ट में हमने इसका प्रावधान किया है। इसका दूसरा मुख्य बिन्दु नेशनल एग्रीकल्चर मार्केट को स्थापित करना है ताकि जो हमारे फ्रैगमेंटेड मार्केट्स हैं देश में, जितने एपीएमसी हैं और फ्रैगमेंट हुआ है, इन सबको जोड़ने का काम हमने किया है। 14 अप्रैल 2016 में इसको प्रधान मंत्री जी ने लांच किया था। अब तक 585 मार्केट्स का जो टारगेट है मार्च 2018 तक, आलरेडी हमने 455 मार्केट्स को ई-नाम जो प्लेटफार्म है-इलैक्ट्रॉनिक नेशनल एग्रीकल्चर मार्केट, एक आनलाइन प्लेटफार्म है, इस पर हमने आलरेडी जोर दिया है और 13 स्टेट्स और यूनियन टैरिटरीज इसमें भागीदार बने हैं। इस साल में जो और हमारे लक्ष्य हैं, उनको भी हम पूरा करेंगे। ई-नाम के माध्यम से मार्केट इंटीग्रेट होगा और एक नए मार्केट में बैठे हुए ट्रेडर्स दूसरे मार्केट में भी किसानों की जो कमोडिटी आती है, उसके लिए आनलाइन कोटेशन दे सकते हैं ताकि ई-मार्केट में ट्रेडर्स की एक काटैल या मोनोपली बनी है, उसको हम तोड़ सकते हैं। इसमें सक्सैस के लिए हमें थोड़ा समय चाहिए, लेकिन यह हो रहा है। इसके अलावा ई-नाम और जो नया मार्केटिंग एक्ट है, इसके अलावा जो रूरल पीरियाडिकल मार्केट्स हैं जिसके लिए आपने हमें बुलाया है, जैसे गांवों में होती है, सब टाउन लैवल पर होती है, इन पर ज्यादा

ध्यान देने की आवश्यकता है क्योंकि यह खाली हमारे मंत्रालय में नहीं है। यह पंचायती राज डिपार्टमेंट में है और म्यूनिसिपैलिटी के अंडर है लगभग 20000 ऐसे मार्केट्स देश में हैं और हमारे मंत्रालय में एपीएमसी के मैनेजमेंट में लगभग 2000 मार्केट्स हैं। उसके बारे में हम आपको डीटेल्स देंगे। यही हमारा फ्रेमवर्क है और हम कोशिश कर रहे हैं कि प्राइस डिसकवरी अच्छी हो और इलेक्ट्रॉनिक हो ताकि ट्रांसपेरेंट माध्यम से प्राइस डिसकवरी हो सकती है और किसानों को अच्छा रेट मिल सकता है।”

1.15 On the issue of lacuna in existing Laws/Rules related to agriculture marketing and steps being taken by the Government to rectify these, the representative of the DAC & FW has stated as under:—

“हम आपके सुझाव से सहमत हैं कि इस व्यवस्था में सुधार लाने की बहुत जरूरत है। मैं स्पष्ट करना चाहता हूँ कि दो तरह की मार्केट होती है। एक होल सेल मार्केट होती है और दूसरी रिटेल मार्केट होती है। हमने जो कानून बनाया है, वह प्राइमरी एग्रीकल्चर होल सेल मार्केट के लिए है। यह जो रूरल मार्केट्स के बारे में चर्चा हो रही है, वह रिटेल मार्केट है। इसके लिए कानून अभी नहीं बनाया गया है। महोदय, जब इस कानून को ड्राफ्ट करने के लिए जब कमेटी का गठन किया गया था, हमने देखा कि पुराने एक्ट में क्या-क्या कमियाँ हैं। जहाँ तक होल सेल मार्केट के मामले में किसानों को लाभ पहुंचा सकते हैं, उन सब बिन्दुओं को हम यहाँ लाए हैं। रिटेल मार्केट के बारे में मैं अलग से आपको बताऊंगा। होल सेल मार्केट एक्ट किसानों के हित को ध्यान में रखते हुए लाया गया है। जैसा मैंने कहा कि मार्केट्स कम हैं और किसानों को साठ-सत्तर किलोमीटर दूर जाना पड़ता है। हमारा लक्ष्य है कि इसे कैसे डीसेंट्रलाइज कैसे किया जाए।”

1.16 Further elaborating on the issue, the representative stated as under:—

“महोदय, मार्केटिंग स्टेट सब्जेक्ट है। केन्द्र सरकार मॉडल एक्ट बनाकर सुविधाएं दे सकती है। आज साठ साल बाद भी छह हजार मार्केट्स ही हैं और इसमें भी प्रिंसिपल मार्केट्स याड्स 2700 हैं। सब मार्केट याड्स में जिन सुविधाओं की जरूरत है, वे नहीं हैं। जैसा एमपी साहब ने ट्रेडर्स की मोनोपली की बात कही है, वे किसानों को रेट नहीं देते हैं। हम चाहते हैं कि देश में मार्केट्स की संख्या बढ़े। हमें राज्य सरकारों द्वारा मार्केट्स की संख्या बढ़ानी चाहिए। इसलिए इस कानून में प्रोविजन किया गया है कि प्राइवेट सेक्टर में भी मार्केट हो और गवर्नमेंट सेक्टर में भी मार्केट हो। किसानों के हित को ध्यान में रखते हुए, कुछ प्रावधान किये गये हैं। उनके तहत मार्केट शुल्क पर कैप लगाया गया है। मैक्सिमम दो पर्सेंट मार्केट शुल्क रहना चाहिए। अब तो कुछ ऐसे राज्य भी हैं, जहाँ मार्केट शुल्क दो पर्सेंट से ज्यादा है।”

1.17 On being enquired about restrictions imposed on Intra-State and Inter-State movement of foodgrains and other unprocessed agriculture produce in the Country, the DAC & FW stated as under:—

“As per the reply received from most of the States, there is no restriction on Intra-State and Inter-State movement of foodgrains and other unprocessed agriculture produce in the Country. It is learnt from Dept. of Consumer Affairs (DoCA) that as per the provisions in the order “removal of licensing requirements, stock limits and movements restriction on specified food stuff order 2016” the movement restriction are removed in respect of wheat, paddy, rice, coarse grains, gur, oil seeds, pulses, onion and potato.

However, DAC&FW is promoting reforms in agricultural marketing with States in respect of following areas of reforms for improving the marketing efficiency and smooth movement of agricultural produce. The table below provides the list of States having APMC Acts and have adopted the reforms:—

Area of Reforms	Name of the States/UTs, which have adopted reforms
1	2
Direct wholesale purchase of agricultural produce from agriculturists (Direct marketing)	Andhra Pradesh, Arunachal Pradesh, Assam, Chhattisgarh, Gujarat, Goa, Haryana (for specified crop through establishment of Collection Centres) Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Mizoram, Nagaland, Rajasthan, Sikkim, Telangana, Tripura, Punjab, UT of Chandigarh Jharkhand, Uttarakhand, Uttar Pradesh and West Bengal.
Provision for e-trading	Andhra Pradesh, Chhattisgarh , Gujarat, Jharkhand , Haryana, H.P., Karnataka, Rajasthan, Sikkim, Goa, Madhya Pradesh, Maharashtra, Mizoram, Telangana, Uttarakhand, Uttar Pradesh, Chandigarh (UT- in Bye-laws) Tamil Nadu, Punjab, Odisha.
Single point levy of market fee across the State/UT	Andhra Pradesh, Rajasthan, Gujarat (for processor, grader, packer, value addition and exporter), Goa, Haryana, Himachal Pradesh, Chhattisgarh, Karnataka, Madhya Pradesh, Maharashtra, Nagaland, Jharkhand, Sikkim, UT of Chandigarh (rules), Punjab , Mizoram, Telangana, Uttar Pradesh, Uttarakhand, Tamil Nadu and Odisha.

1	2
Unified single trading licence for State/UT	Andhra Pradesh, Goa, Gujarat, Haryana, Himachal Pradesh, Karnataka, Rajasthan, Chhattisgarh, West Bengal, Madhya Pradesh, Maharashtra, Jharkhand, Mizoram, Nagaland, Telangana, Sikkim, Uttar Pradesh, Tamil Nadu, Uttarakhand (in rules for e-trading only), Punjab and Odisha.
De-regulation of marketing of fruits and vegetables	Madhya Pradesh, NCT of Delhi, Haryana, Assam, Odisha, Gujarat, Himachal Pradesh, Maharashtra, Karnataka, Nagaland, West Bengal, Rajasthan, Meghalaya, Chhattisgarh.

(Note- States have made this change in varied legal forms and impacts.)

1.18 When asked whether APMC Rules prohibit sale of agriculture produce in places other than APMC regulated market, the DAC&FW stated as under:—

“APMC Acts/Rules, if otherwise not provided, prohibit sale of agriculture produce in places other than APMC regulated market yards.”

1.19 When asked to explain steps being taken by the Government to modify the laws for agriculture marketing which prohibit sale of agriculture produce in places other than APMC regulated market, the representative of DAC&FW stated as under:—

“एक माननीय सदस्य कह रहे थे कि यदि कोई किसान एक मार्केट से दूसरा मार्केट जाना चाहता है, यदि कहीं अच्छे दाम मिलते हों, तो उनको रोक दिया जाता है। एक कानून के तहत यह प्रावधान है कि पूरा राज्य ही एक मार्केट बनेगा। यानी जो एपीएमसी नोटिफाइड एरियाज हैं, यदि एक नोटिफाइड एरिया से दूसरे नोटिफाइड एरिया में किसानों को जाना है। चूंकि यह स्टेट सब्जेक्ट है। जब स्टेट कोई कानून बनाएगा, तो वह केवल स्टेट के लिए बना सकता है। अब हमने नोटिफाइड एरिया और डिलीनिटिड एरिया का कांसेप्ट लाया है। इसका मतलब है कि अब पूरा राज्य एक नोटिफाइड मार्केट बनेगा। राज्य में पांच सौ या छः सौ मार्केट भी बन सकते हैं और किसानों को वहां जाने से कोई नहीं रोक सकता है। किसान जिस मार्केट में भी जाना चाहता है, वह जा सकता है। हमने अलग-अलग प्रकार के मार्केट का प्रावधान किया है। एक डायरेक्ट मार्केटिंग है। फार्मर्स अपने उत्पाद को वहां सीधे कंज्यूमर्स को बेच सकते हैं।”

1.20 Further elaborating on the issue, the representative stated as under:—

“सर, इस कानून में हमने उसके लिए प्रावधान किया है। यदि किसान मार्केट के बाहर अपने उत्पाद को बेचना चाहते हैं, जैसा कि आपने कहा कि यदि किसान मार्केट को बाहर भी रहते हैं, तो मार्केट वाले आकर उनसे कहते हैं कि आप यहां नहीं बैठ सकते हैं। हम आपको अलाऊ नहीं करेंगे। आपको शुल्क देना पड़ेगा। हमने प्रावधान किया है कि यदि कोई किसान कंज्यूमर्स को डायरेक्टली बेचना चाहते हैं तो वे बेच सकते हैं। मार्केट वाले उनको नहीं रोक सकते हैं। ऐसे बहुत-से बिन्दुओं के बारे में प्रावधान किया गया है, जो किसानों के लिए लाभदायक होगा।

होल सेल मार्केट की संख्या को बढ़ाना होगा। देश में 480 वर्ग किलोमीटर पर एक मार्केट है। यह देश में मार्केट का एवरेज है। कुछ ऐसे भी स्टेट्स हैं, जहां मार्केट के लिए बहुत दूर जाना पड़ता है। इसे बनाने के लिए एक कमेटी का गठन किया गया था। रिटेल मार्केट में क्या किया जाएगा। प्राइमरी एग्रीकल्चर मार्केट के एक्ट को रिटेल एग्रीकल्चर मार्केट के बाहर ही रखना होगा। इसलिए वर्ष 2014-15 में एक बेसिक डेटा कलेक्ट किया था, उससे पहले कोई डेटा भी नहीं था। डीएमआई के द्वारा हमने प्राइमरी डेटा कलेक्ट किया था। देश में लगभग 20 हजार प्राइमरी मार्केट्स हैं, उनका ऑनरशिप किसके पास है क्योंकि वे स्टेट गवर्नमेंट के अंतर्गत भी नहीं हैं। बहुत-से मार्केट्स एपीएमसी के अंतर्गत हैं, ग्राम पंचायतों के अंतर्गत हैं, तो उन सभी के लिए एक कॉमन गाइडलाइंस बनाना होगा क्योंकि छोटे-छोटे किसानों का मार्केट सरप्लस बहुत कम होता है। वे पहले रिटेल मार्केट के लिए ही जाएंगे। इसलिए हमने इस कानून में डायरेक्ट मार्केटिंग को लाया ताकि रिटेल मार्केट और रूरल पिरीयोडिकल मार्केट्स में कोई उनको न रोक सके। इसलिए डायरेक्ट मार्केटिंग से आरपीएम को बढ़ाने में सुविधा मिलेगी। हमने जो डेटा कलेक्ट किया है, उसे ध्यान में रखते हुए एक गाइडलाइंस बनाएंगे। जैसा कि आपने सुझाव दिया हम उसका एक बार और सर्वे करेंगे।”

D. Reform in Agriculture Produce Marketing sector

1.21 After independence, with the basic objectives to ensure an environment for fair play for supply and demand forces thereby resulting in an effective price discovery for farm produce, regulate market practices and attain transparency in transactions, most of the States enacted their respective Agricultural Produce Markets (Regulation) Act during sixties and seventies and put these in operation. All primary wholesale assembling markets were brought under the ambit of these Acts. Well laid out market yards and submarket yards were constructed and for each market area, an Agricultural Produce Market Committee (APMC) was constituted to enforce the rules and regulation on agricultural marketing. Thus, the organized agricultural marketing came into existence through regulated markets. However, Over time, these markets have become restrictive and monopolistic and failed to achieve

fully the basic objectives of setting up of network of physical markets. Some of the major challenges in present day agricultural marketing system are as under:–

- Insufficient number of regulated markets.
- Inadequate marketing infrastructure in regulated markets.
- Fragmentation of markets.
- Requirement of multiple licenses for trading.
- Multiple point levy of market Fee.
- Existence of opaque/semi-transparent processes of bidding.
- Lack of market information/information asymmetry.
- Farmers limited access to market.
- Need to physically bring the produce to Mandi.
- Lack of emergence of alternative channels of marketing.
- High incidence of market Fee/charges.
- Less remuneration to the farmers and high intermediation cost.

1.22 There should be robust markets adequately equipped with participation of private sector in order to overcome the limitations and constraints of present agricultural marketing system and to develop a competitive, transparent and barrier free markets with the choices to the farmers to sell their produce in the markets and to the buyers offering better price to them in transparent manner. There should be robust markets adequately equipped with participation of private sector. This created the felt need among all stakeholders including Government to reform APMC Acts. When asked about the steps being taken by the Government to bring reform in agriculture marketing sector and APMC Act, the Department has submitted as under:–

“With the economic liberalization in the country during nineties, Government felt need to reform the agricultural marketing sector also so as to ensure better and competitive price realization to the farmers and encourage capital formation in the sector. The initiative of the Ministry in 1999 led to the appointment of an Expert Committee in 2000. The Ministry of Agriculture & FW, thus, appointed an Expert Committee on 19th December, 2000 to review the present system of agricultural marketing in the country and to recommend measures to make the system more efficient and competitive. The Committee in its report dated 29th June, 2001

had suggested various Legislative Reforms as well as the re-orientation of the policies and programmes for development and strengthening of agricultural marketing in the country. Further, with a view to examine the findings and recommendations of the Expert Committee and to suggest measures to implement them, the Ministry of Agriculture and FW constituted an “Inter-Ministerial Task Force on 04.07.2001”, which submitted its report in 2002. Based on the views expressed by State Governments in the conference as well as in the Standing Committee of State Ministers that the reforms in agricultural marketing sector were necessary to move away from a regime of control to competition, Ministry of Agriculture & FW set up a Committee to formulate a Model Act (The State Agricultural Produce Marketing (Development & Regulation) Act, 2003. Further, department formulated Model Rules in 2007. Model Act and Rules were circulated to the States/UTs in 2003 & 2007 respectively for their guidance on the matter of legal reforms in APMC Acts/Rules. Department has since been engaging with the States for more than fourteen years to implement reforms in the sector based on Model Act/Rules. State-wise progress of marketing reforms is given at an Annexure-I.”

1.23 Further elaborating on the issue, the Department submitted as under:—

“With a view to persuade the various States/UTs to implement the reforms in agricultural marketing through adoption of Model APMC Act and Rules, to suggest further reforms necessary to provide a barrier free national market for benefit of farmers and consumers and to suggest measures to effectively disseminate market information, Ministry of Agriculture & FW constituted an Empowered Committee of 10 State Ministers, in-charge of Agriculture Marketing on 2nd March, 2010. The Committee deliberated upon different issues related to market reforms, simplification of procedure of contract farming, investment in development of post-harvest infrastructures, alternative channels of marketing, barrier free national markets, waiving off of market fee on fruits and vegetables, compensation of losses on account of waiving off of market fee on fruits and vegetables, etc. with States and other stakeholders including farmers by holding nine meetings in different States. The Committee submitted its report on policy recommendations on 2nd July, 2013 to the Govt. of India. A copy of report was circulated to the States/UTs for comments on its policy recommendations and further for compliance of the recommendations but no input was received. Salient recommendations of the Committee are at Annexure-II.”

1.24 When asked about the salient features of Agriculture Produce and Livestock Marketing (Promotion and Facilitation) Act, 2017, the DAC & FW stated as under:—

“Salient features of Agriculture Produce and livestock Marketing (Promotion and Facilitation) Act, 2017 are under:—

- (i) Abolition of fragmentation of market within the State/UT by removing the concept of notified market area in so far as enforcement of regulation by Agricultural Produce and Livestock Market Committee (APLMC) is concerned (State/UT level single market).
- (ii) Full democratization of Market Committee and State/UT Marketing Board.
- (iii) Disintermediation of food supply chain by integration of farmers with processors, exporters, bulk retailers and consumers.
- (iv) Clear demarcation of the powers and functions between Director of Agricultural Marketing and Managing Director of State/UT Agricultural Marketing Board with the objective that the former will have to largely carry out regulatory functions, while the latter will be mandated with developmental responsibilities under the Act.
- (v) Creation of a conducive environment for setting up and operating private wholesale market yards and farmer consumer market yards, so as to enhance competition among different markets and market players for the farmers produce, to the advantage of the latter.
- (vi) Promotion of direct interface between farmers and processors/exporters/bulk-buyers/end users so as to reduce the price spread bringing advantage to both the producers & the consumers.
- (vii) Enabling declaration of warehouses/silos/cold storages and other structures/space as market sub-yard to provide better market access/linkages to the farmers.
- (viii) Giving freedom to the agriculturalists to sell their produce to the buyers and at the place & time of their choice, to whom so ever and wherever they get better prices.
- (ix) Promotion of e-trading to enhance transparency in trade operations and integration of markets across geographies.

- (x) Provisions for single point levy of market fee across the State and unified single trading license to realise cost-effective transactions.
- (xi) Promotion of national market for agriculture produce through provisioning of Inter-State trading license, grading and standardization and quality certification.
- (xii) Rationalization of market fee & commission charges. Market fee is kept at 2% *ad valorem* in case of non-perishables while 1% *ad valorem* in case of perishables and live starts.
- (xiii) Provision for Special Commodity Market yard(s) and Market yard(s) of National Importance (MNI).
- (xiv) Providing a level playing field to the licensees of private market yard, private market sub-yard, electronic trading and direct marketing *vis-a-vis* the APLMCs and removing the conflict of interest that the latter are likely to practise, if both development and regulatory functions are centred in the same authority.
- (xv) A separate fund in the name of “Revolving Marketing Development Fund” to be maintained by Director of Agriculture Marketing has been proposed to promote pledge financing, human resource development, etc.

1.25 On being asked about the States that have adopted Agriculture Produce and Livestock Marketing (Promotion and Facilitation) Act, 2017, the DAC & FW stated as under:—

“Punjab and Uttar Pradesh have so far adopted Model APLM Act, 2017 but not in entirety.”

E. Relevance of Gramin Haat as Platform for Agriculture Marketing

1.26 It may be observed from preceding paragraphs that existing mechanism available to the majority of small and marginal farmers are inadequate for sell of their surplus agriculture produce. Various factors such as distance to the nearest APMC market, dominance of middleman in APMCs, lack of transportation facilities etc. are major deterrents which propel majority of small and marginal farmers to use the services of local middleman or shops to dispose of their surplus agriculture produce much below the Minimum Support Prices (MSPs) announced by the Government. In this scenario, Gramin Haat or Rural Periodical Markets may emerge as viable alternative for agriculture marketing if these are provided with adequate infrastructure facilities. These Rural

Periodical Markets, being ingrained in the cultural ethos of rural India, are ubiquitous and are known as haats, shandies, painths and fairs in different parts of the Country. While explaining the importance of Gramin Haat, the DAC&FW in their written submission before the Committee has stated as under:—

“Rural Haats, known by varied names like Rural Periodical Markets, haats, shandies, painths and fairs, etc., are estimated to be numbering more than 22,000 in the country. These are located in rural and interior areas and serve as focal points to a great majority of the farmers - mostly small and marginal ones, contributing more than 86% of the total landholdings with their 41% contribution in total marketable surpluses. The small and marginal farmers with uneconomical size of their marketable surpluses have been finding it difficult to travel to distant APMC market yards and participate in price discovery auction system. Further, it is estimated that 90 per cent of the total marketable surplus in the remote areas is sold through these markets. These big chunk of marginalized group of farmers use these markets for not only marketing of their farm produce and but also for purchase of articles their daily needs. Further, it is the village traders, who have mostly been serving as aggregators and transporting the lot to the APMCs. This intermediation has naturally been depriving the farmer-producers of optimal price realization. Hence, the need for aggregation of farmers produce at decentralized Gramin Haats. Such markets have the ability to deepen the market structure and broad base direct participation of farmers.

These markets are located in rural and interior areas and serve as first meeting points to a large number of farmers to sell their small marketable surpluses. Since, these markets are located in the Panchayats or in the town-areas nearer to the production centers, bringing the farm produce by farmers to these markets not only reduces the transportation cost but transit and other losses also. These periodical gram in haats function as primary assembling markets, wherein village merchants or aggregators buy the produce and sell in the secondary markets.

Mostly, small and marginal farmers, who constitute about 85% of the total landholdings in the country with around 40% contribution in the total marketable surpluses, use these markets for marketing of their farm produce. In view of the above, these markets are of paramount importance and need to be adequately developed. It is well understood that small and marginal farmers after selling their

produce in these periodical markets also purchase consumables for their daily needs. Hence, it is all the more important that these markets are properly developed.”

1.27 Further, while stressing on need to improve infrastructure, the DAC&FW stated as under:–

“Improving efficiency of this grass root level market outlets will facilitate proper price formation, minimize costs and pave way for introduction of innovations. Number of studies has shown that the efficiency of Gramin Haats is poor due to high degree of congestion in the market, existence of less number of traders and non-availability of supporting facilities and services. The efficiency of Gramin Haats, as a link in the marketing chain, has positive impact on types of crops to be grown and resource allocation by agricultural producers. Therefore, there is urgent need to develop and upgrade these markets on priority, which may considerably improve marketing efficiency, reduce transportation cost and may also prove as start up for rural people and rural artisans. In addition, since the nature and conduct of markets are changing, therefore, there is demanding need to bring professional management of these markets for their efficient functioning through development/ strengthening of infrastructural facilities and putting in place a professionally management body.”

1.28 While explaining about regulating agencies concerned to the management of Gramin Haat in the Country, the Department stated as under:–

“As per the preliminary survey report being conducted by Directorate of Marketing and Inspection, an attached office of Department of Agriculture, Co-operation & Farmers Welfare (DAC&FW), Gramin Haats are owned and managed by local bodies including Panchayats, municipalities, councils, State Agriculture/Horticulture Departments, State Agricultural Marketing Boards/Agriculture Produce Market Committees, Cooperatives, Trusts, Worship places and the private Individuals, who are interested in collection of ground rent/fee/cess, etc. and no fund are diverted for the development of infrastructure/facilities in these markets.”

1.29 Further elaborating on the above issue, the DAC&FW in their written submission before the Committee stated as under:–

“There is a huge variation in the density of regulated markets in different parts of the country, which varies from 118.78 sq. km.

in Punjab to 11215 sq. km. in Meghalaya. The all-India average area served by a regulated market is 487 sq. km., against recommendation of National Commission on Farmers (2006) that a regulated market should be available to farmers within a radius of 5 Km (corresponding market area of about 80 sq. km.). Data indicate that to meet the norm as suggested by NCF, there is a need to have about 41000 markets in the country in place of existing 6746 regulated markets. Developing new markets may neither be feasible nor economically viable, therefore, these existing periodical markets need to be adequately developed by Panchayati Raj and Rural Development Ministries in planned and time bound manner to bridge up this gap.”

F. Implementation of GrAM Scheme

1.30 The Government of India has announced the scheme for development and upgradation of Rural Haats as Gramin Agricultural Markets (GrAMs) in Union Budget for 2018-19. The Government will develop and upgrade existing 22,000 rural *haats* into Gramin Agricultural Markets (GrAMs). In these GrAMs, physical infrastructure will be strengthened using MGNREGA and other Government schemes. These GrAMs, electronically linked to e-NAM and exempted from regulations of APMCs, will provide farmers facility to make direct sale to consumers and bulk purchasers. When asked about the status of implementation of GrAM Scheme as announced by the Government in Budget 2018-19, the DAC&FW stated as under:—

“Ministry of Rural Development (MoRD) has developed framework for developing rural haats under MGNREGA. So far, MoRD has received proposals for 5002 Rural Haats for development. As per budget announcement, DAC&FW is taking up with the States to deregulate rural haats to be developed as Gramin Agriculture Markets (GrAMs) from APMC Acts. DAC&FW is also in the process of formulation of EFC for interest subvention for the fund to be utilized under Agri-Market Infrastructure Fund (AMIF) of Rs. 2,000 crore proposed to be set up by NABARD from market borrowings. DAC&FW is also in the process of formulating guidelines for development, operation and management of GrAMs.”

1.31 On the above issue, the representative of DAC&FW stated as under:—

“सर, आपको याद होगा कि हमें इस समिति का जो मार्गदर्शन मिला, उसी मार्गदर्शन के आधार पर हमने अपनी रिकमेंडेशन दी। उनके आधार पर बजट में यह अनाउंस

हुआ कि जो ग्रामीण हाट है, उनमें हम इंफ्रास्ट्रक्चर डेवलप करे और उसे बड़े पैमाने पर अर्बन सेंटर और आई.बी.एम.सी. जैसे अन्य मार्केट्स के साथ जोड़े। आप बिलकुल सही बता रहे हैं कि हम दोनों डिपार्टमेंट्स मिलकर इसका डेवलपमेंट करें।”

1.32 On being enquired about the formulation of Operational Guidelines for implementation of GrAM Scheme, the DAC&FW stated as under:—

“DAC&FW is in the process of formulating guidelines for development, operation and management of GrAMs.”

1.33 On the query of the Committee regarding fund allocation to the DAC&FW for implementation of GrAM Scheme, the DAC&FW stated as under:—

“As per the announcement in the budget 2018-19, NABARD has proposed to set up Agri-Market Infrastructure Fund (AMIF) for Rs. 2000 crore from market borrowings. DAC&FW is in the process of formulation of EFC for interest subvention for the fund to be utilized under AMIF of Rs. 2000 crore as proposed by NABARD. This will be utilized for development of GrAMs (Rs. 1000 crore) and strengthening/promotion of e-NAM (Rs. 1000 crore).”

1.34 On the issue of fund allocation for creation of infrastructure in Gramin Haats as announced by the Government, the representative of DAC&FW stated as under:—

“आप जिस रूरल हाट की बात कह रहे हैं, उन्हीं में हम इसे शुरू करेंगे क्योंकि उनमें दो तरह की मार्केटिंग होती है—एक है ट्रांजेक्शन मार्केटिंग। इसमें किसान कुछ बेचने के लिए आते हैं और कुछ खरीदकर ले जाते हैं। यह एक एग्रीगेशन पॉइंट भी बन सकता है। ट्रेडर्स वहां भी जाकर और खरीदकर ला सकते हैं। जो सुविधाएं होनी चाहिए, जैसे रास्ता, प्लेटफॉर्म, स्टोरेज, टॉयलेट आदि की व्यवस्था के लिए गाइडलाइंस में ही प्रावधान किया जाएगा। गांव के वैसे छोटे किसान, जो वहां कुछ खरीदने के लिए आते हैं, उन सभी के लिए व्यवस्था की जानी चाहिए। इसके लिए हमने कहा कि मनरेगा फण्ड, आरकेवीवाई या मार्केटिंग के फण्ड को एक गाइडलाइंस बनाकर इस्तेमाल करने के लिए प्रोत्साहन देंगे।”

1.35 When asked to furnish clarification about limitation in use of funds available under MGNREGA for infrastructure creation in Gramin Haat, the representative of DAC&FW stated as under:—

“आप जो कह रहे हैं, वह सही है, लेकिन काम के एलोकेशन के हिसाब से हाट रूरल डेवलपमेंट में ही आता है। एपीएमसी कृषि मंत्रालय के तहत आता है। ग्रामीण

स्तर पर हम हाट का इंफ्रास्ट्रक्चर किस तरह से इम्पूव कर सकते हैं, आप जैसे बता रहे हैं कि उसे अवाइड करने के लिए दोनों विभागों ने मिल-जुलकर एक एक्शन तैयार किया है। 22 हजार ग्रामीण हाटों को भी हमने आइडेंटिफाई कर दिया है। इस साल हम 4600 ग्रामीण हाटों को जरूर डेवेलप करेंगे।”

1.36 When asked about consultation being with other Government Agencies and State Government for implementation of GrAM Scheme, the DAC&FW stated as under:

“DAC&FW has held various meetings with stakeholder Central Govt. Ministries/DAC & FWs including RD, Panchayati Raj and Tribal Affairs. DAC&FW has also been consulting with the States on various fora.”

1.37 On the query of the Committee regarding monitoring of the GrAM scheme, the representative of the DAC&FW has stated as under:—

“सर, मार्किट को रन पंचायत करेगी। उसकी मॉनिटरिंग रूरल डेवलपमेंट विभाग करेगा और राष्ट्रीय स्तर पर दोनों की मिलीजुली कमेटी होगी, जो मॉनिटर करेगी। एक पोर्टल भी होगा जहां जो भी काम होगा, वह उसमें उपलब्ध होगा।”

1.38 When asked about facilities being envisaged in Gramin Haats under GrAM scheme, the representative of the Department of Rural development stated as under:—

“हमने दो तरह के डिजाइन प्लान किये हैं, जिनमें फैसिलिटी शामिल करने की बात की जा रही है। उसमें आफिस युक्त रूम और गोदाम होगा। हम लोगों ने दो तरह के ऐस्टीमेट प्लान किया है, जिसमें एक कंस्ट्रक्शन ऑफ ओपन रूफ में है। इसमें प्लेटफार्म खुला होगा, उसके ऊपर छत नहीं बनानी होगी। सर, जिसकी जो रिक्वायरमेंट होगी, उसके हिसाब से काम होगा। हमें स्टेट ने अलग-अलग तरह के बताए हैं, जैसे मछली वाले सेक्टर में फिश के लिए प्लेटफार्म बनाना पड़ेगा, सब्जी व अनाज रखने के लिए बनाना पड़ेगा। रिक्वायरमेंट के हिसाब से योजना बन रही है।”

1.39 Further, elaborating on the above issue, the representative of the Department submitted as under:

“सर, ड्रेनेज के लिए नाली की व्यवस्था की जाएगी, ताकि वहां पानी ठीक से निकल जाए और साफ-सुथरा बना रहे। इन सब चीजों को ध्यान में रखते हुए दो तरह से अलग-अलग ऐस्टीमेट बनाकर प्रपोज किया गया है। लगभग 12 लाख और 17 लाख के बीच में इसका अलग-अलग ऐस्टीमेट बनेगा। ग्रामीण विकास विभाग ने अपनी तरफ से एक डिजाइन भी प्लान किया है। हाट में जब सारी चीजें होंगी तो वह किस तरह से कहां-कहां होना चाहिए और हो सकता है, उस डिजाइन

के लिए हम लोगों ने अभी एक संस्थान से संपर्क किया है। वह तकनीकी तौर पर देखे कि इस तरह से इसमें और सुधार करना है या तकनीकी रूप से उसका क्या उचित मॉडल हो सकता है। वह बनाने के लिए हम लोग उसके साथ संपर्क में हैं। यह बनाने के साथ ही हम लोगों ने जब राज्य सरकार से पूछा था तो उन्होंने 5002 ग्रामीण हाट्स बनाने के बारे में अपना विचार व्यक्त किया था। 24 राज्यों ने अलग-अलग बताया था। हम लोग महात्मा गांधी नरेगा के तहत 5002 ग्रामीण हाट्स बनाने शुरू करेंगे। इसमें एग्रीकल्चर से चर्चा करेंगे। जहां पर थोड़ा इंफ्रास्ट्रक्चर उपलब्ध है, वहां उसके अलावा और सारी चीजें जल्दी से लाकर किस तरह से संपन्न किया जाए, इस बारे में हम लोगों का प्रयास चल रहा है।”

1.40 On the query of the Committee regarding survey being undertaken by the Government to ascertain the total number of Weekly Gramin Haats or Rural Periodical Markets (RPMs) operating in the country, the DAC&FW stated as under:—

“DAC&FW through its an attached office of Directorate of Marketing & Inspection has been conducting a questionnaire-cum visit based survey. Of the tentative number of 22,000 rural haats, 9,477 rural haats have been surveyed. Details are as under:-

Sl.No.	State/UT	No. of Haats as per State Government/ State Agricultural Marketing Board	No. of Haats Surveyed
1	2	3	4
1.	Andhra Pradesh	0	676
2.	Andaman & Nicobar Islands	23	NR
3.	Arunachal Pradesh	256	31
4.	Assam	1319	118
5.	Bihar	1794	136
6.	Chandigarh	0	Nil
7.	Chhattisgarh	1132	1152
8.	Dadra & Nagar Haveli	0	Nil
9.	Daman & Diu	0	Nil

1	2	3	4
10.	Goa	0	Nil
11.	Gujarat	0	100
12.	Haryana	0	Nil
13.	Himachal Pradesh	0	NR
14.	Jammu & Kashmir	8	NR
15.	Jharkhand	602	341
16.	Karnataka	730	681
17.	Kerala	1106	186
18.	Lakshadweep	0	Nil
19.	Madhya Pradesh	2550	97
20.	Maharashtra	3500	842
21.	Manipur	119	16
22.	Meghalaya	124	86
23.	Mizoram	220	121
24.	Nagaland	174	NR
25.	NCT of Delhi	0	Nil
26.	Odisha	1548	1025
27.	Puducherry	0	Nil
28.	Punjab	Nil	Nil
29.	Rajasthan	0	34
30.	Sikkim	0	40
31.	Tamil Nadu	501	1391
32.	Telangana	261	351
33.	Tripura	554	32
34.	Uttar Pradesh	3464	1660
35.	Uttarakhand	56	112
36.	West Bengal	2900	249
	Total	22941	9477

1.41 When asked to furnish State-wise details of Rural Gramm Haats being operated under Municipalities/Gram Panchayat in the Country, the DAC&FW state as under:—

“As per the data made available by State Agricultural Marketing DAC&FW/Board, State-wise and ownership-wise details of rural haats are as follows:—

Sl.No.	State/UT	Total No. of Rural Haats			Total
		Under APMC	Under Panchayati Raj	Under Others	
1	2	3	4	5	6
1.	Andhra Pradesh	0	0	0	0
2.	Andaman & Nicobar Islands	0	23	0	23
3.	Arunachal Pradesh	66	175	15	256
4.	Assam	405	908	6	1319
5.	Bihar	325	-	1469	1794
6.	Chandigarh	Nil	Nil	Nil	0
7.	Chhattisgarh	Nil	1132	Nil	1132
8.	Dadra & Nagar Haveli	Nil	Nil	Nil	0
9.	Daman & Diu	Nil	Nil	Nil	0
10.	Goa	Nil	Nil	Nil	0
11.	Gujarat	Nil	Nil	Nil	0
12.	Haryana	Nil	Nil	Nil	0
13.	Himachal Pradesh	Nil	Nil	Nil	0
14.	Jammu & Kashmir	Nil	8	Nil	8
15.	Jharkhand	Nil	602	Nil	602
16.	Karnataka	Nil	730	Nil	730
17.	Kerala	Nil	6	1100	1106
18.	Lakshadweep	Nil	Nil	Nil	0
19.	Madhya Pradesh	Nil	Nil	2550	2550
20.	Maharashtra	Nil	Nil	3500	3500

1	2	3	4	5	6
21.	Manipur	Nil	95	24	119
22.	Meghalaya	35	89	Nil	124
23.	Mizoram	24	196	Nil	220
24.	Nagaland	Nil	Nil	174	174
25.	NCT of Delhi	Nil	Nil	Nil	0
26.	Odisha	398	132	1018	1548
27.	Puducherry	Nil	Nil	Nil	0
28.	Punjab	Nil	Nil	Nil	Nil
29.	Rajasthan	Nil	Nil	Nil	0
30.	Sikkim	Nil	Nil	Nil	0
31.	Tamil Nadu	Nil	501	Nil	501
32.	Telangana	Nil	261	Nil	261
33.	Tripura	21	533	Nil	554
34.	Uttar Pradesh	Nil	3464	Nil	3464
35.	Uttarakhand	Nil	56	Nil	56
36.	West Bengal	Nil	2900	Nil	2900
Total		1274	11811	9856	22941

Note—The preliminary survey report is indicating variation in ownership than what mention in table above.

1.42 When pointed about discrepancies in the data submitted by the State Government and those observed during the survey being conducted by the Department, the representative of DAC& FW submitted as under:—

“सर, मैं इसके लिए माफी चाहता हूँ, हमने ये आंकड़े स्टेट्स से लिए थे। अभी सर्वे में पूरे एक्जैक्ट नंबर आ जाएंगे, मैनेजमेंट भी पूरा आ जाएगा। हम अभी 9400 सर्वे खत्म कर चुके हैं और एंटायरली पूरे 22 हजार कम्पलीट करेंगे।”

1.43 Further, elaborating on the above issue, the representative of the Department submitted as under:

“सर, मैं क्षमा प्रार्थना करता हूँ, लेकिन आप मेरी एक बात सुनिए कि जब यह मामला आया, तब हम ग्रामीण हाट हम लोग नहीं देख रहे थे। पहले यह हमारे

बिजनेस में नहीं था। जब बजट में यह एनाउंस हुआ कि ग्रामीण हाट को जोड़ना चाहिए, ग्रामीण हाट रूरल डेवलपमेंट का हिस्सा है। फिर हमने क्या किया, जैसे आर्किटेक्चर हमने बनाया कि कुछ चीज हम करेंगे, कुछ चीज वे करेंगे तो हम सही सर्वे करके कि कितने ग्रामीण हाट देश में हैं, वह काम अभी चल रहा है। हमने अभी जो आंकड़े समिति के सामने रखे हैं, बेसिकली हमको स्टेट गवर्नमेंट्स से क्या इनफार्मेशन आई, हमारे कृषि मंत्रालय की तरफ से जो सर्वे होकर आया है, वह क्या है और ग्रामीण हाट मनरेगा के अंडर वे लोग भी कर रहे हैं, जैसे हरिहर बाजार का एक प्रस्ताव पहले था, वह कर रहे थे। हमने उनका आंकड़ा अलग से मनरेगा के सोर्स से दिया है। मनरेगा से उन्होंने 5002 आइडेंटिफाई किया है। इसमें आंकड़ा जो राज्य सरकार से आया है, जो हम लोगों ने तय किया है और जो ग्रामीण विकास है, उसमें भिन्ता है। हम यही बताना चाहते हैं।”

1.44 When enquired about the availability of facilities in these Rural Gramin Haats in the country, the DAC & FW stated as under:—

“As per the preliminary survey data for more than 9000 rural haats, the facilities available are given in the table below:

Facilities	Available in the Rural Haats (%)
Boundary wall/Fencing	10% (9% boundary wall and 1% fencing)
Godown facility	Negligible
Raised platform with/without shed or shed only without raised platform	14%
Pucca internal road	15%
Connected to road head	Almost all
Drinking water	50%
Toilet facilities	3%
Electricity	26%
Parking	31%
Garbage disposal system	9% (primitive)

1.45 On being enquired about schemes, if any, formulated by State Governments for strengthening the infrastructure in Rural Gramin Haats, the DAC & FW stated as under:—

“As reported by the States, there are no specific schemes in operation for strengthening the infrastructure in Rural Gramin Haats.

However in Maharashtra a scheme named Rural Haat Modernization and Improvement Programme (RHMIP) exists under ‘Maharashtra Agricultural Competitiveness Project’ (MACP). Under this Programme 397 rural haats have been strengthened against the target of 468 and work is still under progress for the remaining 71 haats. Further, in the State of Kerala the DAC & FW of Agriculture has launched a scheme for the development of 400 rural markets in association with Kudambashree (Women Self Help Group) under Local Self Government DAC & FW.”

G. Implementation of e-NAM scheme

1.46 National Agriculture Market (NAM) is a pan-India electronic trading portal which networks the existing APMC mandis to create a unified national market for agricultural commodities. The NAM Portal intends to provide a single window service for all APMC related information and services. This includes commodity arrivals & prices, buy & sell trade offers, provision to respond to trade offers, among other services. While material flow (agriculture produce) continues to happen through mandis, an online market reduces transaction costs and information asymmetry.

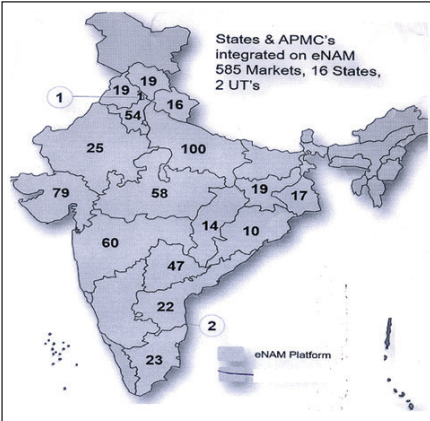
1.47 Agriculture marketing is administered by the States as per their agri-marketing regulations, under which, the State is divided into several market areas, each of which is administered by a separate Agricultural Produce Marketing Committee (APMC) which imposes its own marketing regulation (including fees). This fragmentation of markets, even within the State, hinders free flow of agri commodities from one market area to another and multiple handling of agri-produce and multiple levels of mandi charges ends up escalating the prices for the consumers without commensurate benefit to the farmer. NAM addresses these challenges by creating a unified market through online trading platform, both, at State and National level and promotes uniformity, streamlining of procedures across the integrated markets, removes information asymmetry between buyers and sellers and promotes real time price discovery, based on actual demand and supply, promotes transparency in auction process, and access to a nationwide market for the farmer, with prices commensurate with quality of his produce and online payment and availability of better quality produce and at more reasonable prices to the consumer. When asked about the Status of implementation of e-NAM in the country, the DAC & FW stated as under:—

“The Cabinet Committee on Economic Affairs (CCEA) approved the Central Sector Scheme for promotion of National Agriculture Market

(NAM) for implementation in selected 585 regulated wholesale markets during 2015-16 to 2017-18 in States across the country on 01st July, 2015.

NAM portal was launched on Pilot basis in 21 regulated wholesale markets of 8 States on 14th April 2014 with 25 Commodities. Under the scheme, a web based portal has been deployed across 585 regulated markets to promote online trading, digitization of entire functioning of markets including gate entry, lot management, bidding, generation of e-sale agreement and e-payment etc. and enhance accessibility to markets across the country. Further to facilitate assaying of commodities for trading on e-NAM, common tradable parameters have been developed and notified for 90 agriculture commodities which can be seen on the e-NAM website www.enam.gov.in

e-NAM coverage : as on 31st March 2018:

	State	Integrated Mandis
	Andhra Pradesh	22
	Chandigarh	1
	Chhattisgarh	14
	Gujarat	79
	Haryana	54
	Himachal Pradesh	19
	Jharkhand	19
	Madhya Pradesh	58
	Maharashtra	60
	Odisha	10
	Puducherry	2
	Punjab	19
	Rajasthan	25
	Tamil Nadu	23
	Telangana	47
	Uttar Pradesh	100
	Uttarakhand	16
	West Bengal	17
	Total	585

1.48 When asked about the number of farmers who have been benefited from the implementation of e-NAM, the DAC & FW stated as under:—

“Since inception till 17th June, 2018 total 1.05 crore farmers, have been registered on the e-NAM portal out of which 45.25 lakh farmers have been benefited by trading on e-NAM. State-wise break up is furnished below:

Sl. No.	State	Markets Integrated	Farmers Regd.	Farmers Participated in trade on e-NAM
1.	Andhra Pradesh	22	741164	536701
2.	Chandigarh	1	2483	1812
3.	Chhattisgarh	14	92982	76817
4.	Gujarat	79	620563	330954
5.	Haryana	54	2133288	1412225
6.	Himachal Pradesh	19	75322	52166
7.	Jharkhand	19	16963	1419
8.	Madhya Pradesh	58	1371473	360343
9.	Maharashtra	60	421241	78738
10.	Odisha	10	37372	5867
11.	Puducherry*	2	801	677
12.	Punjab*	19	2900	887
13.	Rajasthan	25	747605	265259
14.	Tamil Nadu	23	101741	15119
15.	Telangana	47	1295569	1006087
16.	Uttar Pradesh	100	2852161	373486
17.	Uttarakhand	16	15674	6662
18.	West Bengal*	17	2295	151
Total		585	10531597	4525370”

*Markets integrated recently in March 2018

H. Participation of Private sector and promotion of Agri- Startup in Marketing of Agriculture Produce

1.49 When enquired about policy of the Government to encourage farmers/agriculture student/Agri-entrepreneurs for innovation in the field of Agriculture Marketing, the DAC & FW stated as under:–

“Government of India is promoting farmers/agriculture student/ Agri-entrepreneurs for innovation in Agri. value chain through various schemes like Credit Guarantee and Equity Grant Fund, Venture Capital Scheme, Mission for Integrated Development of Horticulture (MIDH), RKVY-RAFTAAR, etc.”

1.50 When asked about analysis done by the DAC & FW regarding initiatives being taken by the private sector companies such as ITC for procurement of agriculture produce that enabled them to establish a successful platform for procurement and marketing of agriculture produce, the DAC & FW stated as under:–

“Government of India has been in closed touch with working methods of purchase of agriculture produce by private sector like ITC by establishing e-chaupal near the production center to undertake direct purchase from farmers. The system involves the participation of the local people and provides prices around 10% over and above the modal price of previous day in the nearest mandi. However, detailed study is required to enable to develop some ideal model.”

1.51 On being enquired about policy of Government of India for involvement of private sector in procurement and marketing of agriculture produce in the country, the DAC & FW stated as under:–

“Government of India has been promoting participation of private sector in establishment of private markets, direct purchase and contract farming through persuasion with the States to amend their APMC Acts. The objective of such promotion is to develop multiple channel of marketing, create competition and efficiency in the marketing system so as to ensure better and competitive prices to the farmers.”

PART II

OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

1. Availability of a transparent, easily accessible and efficient marketing platform is pre-requisite for sale of surplus agriculture produce and to ensure farmers remunerative prices for their hard work and investment in agriculture operation. Post Independence, our country was dependent upon other countries to feed the teeming millions. The country was able to overcome this difficult period and achieved self sufficiency in the production of foodgrains, through the dedicated and planned intervention in agriculture sector known as “Green Revolution”. It has enabled our country to not only achieve self sufficiency in production of foodgrain to meet food requirement of the country but also to export it and contribute towards foreign earning. However, despite this success, barring a small section, majority of Indian Farmers are not able to get benefits of bumper production due to limited marketing platforms and hegemony of middleman in Grain mandis that led to realization of low prices for their produce. Our country is yet to solve the ‘Riddle of Agriculture Marketing’ to ensure remunerative prices to the farmers for their agriculture produce. Today, when the Government is committed to double the income of farmers in the country, there is need to focus on bring qualitative and quantitative transformation in creating platform for agriculture marketing. The Committee, in succeeding paragraphs, has analyzed the issues regarding agriculture marketing and given their recommendations which if given attention, would help to ameliorate the economic condition of farmers of the country to a great extent.

Reform in Agriculture Marketing for creation of alternative marketing platforms of Agriculture Produce

2. The Committee note that farmers of the country, through their hard work and ingenuity, has achieved tremendous success, enhancing foodgrain production from 83 million tonnes in 1960-61 to about 275.68 million tonnes in 2017-18. However, despite the success of the farmers in ensuring food security of the country, they were not able to get remunerative pricing for their produce. The Committee further note that the procurement of rice and wheat by the Government agencies (FCI and State Government agencies) are one of the main platforms available to the farmers for sale of

agriculture produce. However, the Committee note that the Government were able to procure only 358.82 million tonnes of wheat as against production of 1340.02 million tonnes (26.77 %) and 487.60 million tonnes of rice as against production of 1557.75 million tonnes (31.30%) during the period of 2002-03 to 2017-18. Further, the Committee observe that small and marginal farmers, which, constitute the majority of farming community in the country, lack access to Government Procurement facilities for agriculture produce due to various reasons such as small agriculture surplus, distance to the procurement centre, delay in payment, cumbersome bureaucratic procedure etc. These factors and lack of alternative marketing platform lead to a situation where farmers do not have any option but to sell their produce to middlemen with a very little and no profit at all. The Committee are of opinion that failure of the Central and State Governments to ensure a transparent and easily accessible marketing platforms for agriculture produce is one of the reasons for poor financial condition of the majority of farmers of the country. There is need to create platforms for marketing of agriculture produce so that access of farmers to the end consumers may be enhanced. This will help to ensure remunerative pricing for agriculture produce and therefore increase the income of farmers. The Committee are of view that there is need for creation of alternative marketing platforms which could be easily accessible to the majority of farmers of the country. The Committee, therefore, recommend the Government to take this issue on priority and initiate consultation among all stakeholders such as farmers and State Governments for reform in this sector. The Committee also desire the Government to enhance allocation for this sector so that requisite investment may be made to create requisite marketing platforms in the country.

Modernization of APMC Markets in the Country

3. Principal Market Yards (PMYs) and Sub Market Yards (SMYs) set up by Agriculture Produce Marketing Committee (APMCs) in various States are main marketing infrastructure for agricultural produce in the country. The Committee note that there are 6630 APMC Markets in 23 States and 5 Union Territories. The Committee were informed that there is no APMC Market in the States of Bihar, Kerala, Manipur, Mizoram and Sikkim. Further, there is no APMC market in UTs of Andaman & Nicobar Islands, Lakshadweep, Daman & Diu and D&N Haveli. The Committee also note that there is a huge variation in the density of regulated markets in different parts of the country varying from 116 sq. km. in Punjab to 11215 sq. km.

in Meghalaya. The all-India average area served by a regulated market is 496 sq. km. as against recommendation of National Commission on Farmers (2006) that a regulated market should be available to farmers within a radius of 5 km. (corresponding market area of about 80 sq. kms.). The Committee were informed that there will be need of 41000 markets in the country to meet the norm as suggested by National Commission on Farmers.

The Committee further note that status of infrastructure and other civic facilities in APMC Markets varies widely across the country and only 65% market have facility of Toilets whereas only 38% markets have Farmers Rest House. The Committee further note that only 15% APMC Market has cold storage facility whereas weighing facility is available in only 49% Markets. These APMC market also fare poorly in banking, internet connectivity and drying facility. The Committee have also been informed that civic infrastructure at most of the APMC Markets are in very bad shape causing inconvenience to the farmers. The Committee, therefore, recommend the Government to initiate consultation with the State Government concerned to enhance the number of agriculture markets in the country and for improvement of civic infrastructure, banking facility, digital connectivity and other facilities in APMC markets. The Committee desire the Government to devise a Centrally sponsored scheme for modernization of APMC Markets in the country. The Committee also desire the Government to create marketing infrastructure in States like Bihar, Kerala, Manipur, Mizoram and Sikkim where APMC Markets do not exist. The Committee would like to be apprised about the steps taken in this regard within three months of presentation of the report.

Reform in Agriculture Produce Marketing Committee (APMCs) Acts

4. The Committee note that Agriculture Produce Market Acts (APMC Act) which were enacted in various State Governments with the objectives to ensure an environment to for fair play for supply and demand forces thereby resulting in an effective price discovery for farm produce, regulate market practices and attain transparency in transactions has become hotbed of politics, corruption and monopoly of traders and middleman. The Committee observe that APMC market across the country are not working in the interest of farmers due to various reasons such as limited numbers of traders in APMCs markets thereby reducing competition, cartelization of traders, undue deduction in the name of market fee, commission charges etc. The Committee were also informed that provisions of

the APMC Acts are not implemented in their true sense. Market fee and commission charges are legally to be levied on traders, however, the same is collected from farmers by deducting the amount from farmers net' proceed.

The Committee also note that provisions in APMC Act in some of States are so restrictive to the interest of farmers that market fee is levied even when sale of agriculture produce takes place outside the market yard. The Committee were informed that Market fee is collected in some States even without actual trade-transaction has taken place and simply on landing the commodity at processing units and some States treat-transaction outside the market yard as illegal. Multiple licenses are required for trading in multiple APMC markets and also multiple time market fee on same commodity even within the State is collected. The Committee further note that APMC Acts are highly restrictive in promotion of multiple channels of marketing and competition in the system.

The Committee note that the Central Government is continuously pursuing the State Governments for reform in APMC acts. The Government has formulated and circulated Model Act The..... State Agricultural Produce Marketing (Development & Regulation) Act, 2003 and Model Rules in 2007. The Committee were informed that Department has since been engaging with the States for more than fourteen years to implement reforms in the sector based on Model Act/Rules and various State Governments has brought changes in their State APMC Act. However, despite these changes, a need was felt for further reform in APMC Act and recognizing this, the Ministry of Agriculture & Farmers, Welfare formulated a model 'Agricultural Produce and Livestock Market Committee' Act (APLM Act) in 2017. Further the Ministry has also formulated a Model 'Agricultural Produce & Livestock Contract Farming and Services (Promotion & Facilitation) Act, 2018' in order to integrate fruits and vegetable growers with agro-processing units for better price realization and reduction of post-harvest losses and to create job opportunities in the rural areas. The Committee note that model APLM Act intend to create a single market in State/UTs level, provisions for single point levy of market fee across the State and unified single trading license to realize cost-effective transactions, full democratization of Market Committee and State/UT Marketing Board, promotion to private wholesale market yards and farmer consumer market yards in order to enhance competition among different markets and market players for the farmers produce, promotion of direct interface between farmers and processors/exporters/bulk-buyers/end users so as to

reduce the price spread bringing advantage to both the producers & the consumers, freedom to the agriculturalists to sell their produce to the buyers and at the place & time of their choice etc. The Committee were informed that only two States namely Uttar Pradesh and Punjab have so far adopted Model APLM Act, 2017 till now.

The Committee observe that there is urgent need for radical reform in APMC Act in the country, if we intend to provide justice to the farmers. Remunerative pricing for the farmers can not be ensured unless number of marketing platforms for farm produce are enhanced and functioning of APMC markets is made democratic and transparent. The Committee appreciate efforts of the Government for reforms in APMC market. However, the Committee are surprised to note the lukewarm response of the State Governments towards reforms in APMC market. The Committee are of view that there is need to involve all the stakeholders especially the State Governments in the process of reforms in the APMC Act. The Committee, therefore, recommend the Government to constitute a Committee of Agriculture Ministers of all States in order to arrive at a consensus and chalk out legal framework for marketing of agriculture Produce in the Country. The Committee are also of the opinion that provisions regarding entry fee and other Cess levied on transaction of agriculture produce should be done away with as it will help to reduce corruption and malpractices prevalent in APMC Markets. The Committee would like the Government to hold discussion with the State Governments to abolish entry fee and other cess in APMC Markets. The Committee would like to be apprized about steps taken in this direction within three months of presentation of Report.

Implementation of GrAMs Scheme

5. The Committee note that existing marketing platforms available to the majority of small and marginal farmers are inadequate to sell surplus agriculture produce and ensuring remunerative prices for their investment. Various factors such as distance to the nearest APMC market, dominance of middleman in APMCs, lack of transportation facilities etc. are the major factors which propel majority of small and marginal farmers to use the services of local middleman or shops to dispose of their surplus agriculture produce much below the Minimum Support Prices (MSP) announced by the Government. In this scenario, Gramin Haat or Rural Periodical Markets may emerge as viable alternative for agriculture marketing if these are provided with adequate infrastructure facilities. The Committee are happy to note that the Government in their endeavor to double

the income of farmers of the country has decided to launch 'GrAM Scheme' to improve the infrastructure and civic facilities in Gramin Haats being operated across the country. The Committee were informed that the Government will develop and upgrade 4600 out of existing 22,000 Gramin Haats. In these GrAMs, physical infrastructure will be strengthened using MGNREGA and other Government schemes. These GrAMs, electronically linked to e-NAM and exempted from regulations of APMCs, will provide farmers facility of direct sale to consumers and bulk purchasers. The Committee are of view that Gramin Haats, being ingrained in the cultural ethos of rural India and their proximity to the farmers, may emerge as alternative agriculture marketing platform and can help in ensuring remunerative prices for agriculture produces due to direct access to the Consumers and less transportation cost. The Committee are of opinion that upgradation/creation of infrastructure in existing Gramin Haats such as sheds, storage facilities for agriculture produce, connectivity through roads, civic facilities such as toilet, drinking water etc. will help in making these as viable and vibrant marketing platforms for agriculture produce and help in doubling the income of farmers. The Committee, therefore, recommend the Government to finalize the procedural formalities such as preparation of Operational Guidelines, consultation with State Governments, allocation of financial resources etc. for early implementation of the 'GrAM Scheme'. The Committee are also of the view that target of modernization of 4600 Gramin Haats is too low a number in a country of more than 6 lakh villages. The Committee, therefore, desire the Department to enhance the numbers of Gramin Haats being targetted for modernization under the GrAM scheme and ensure presence of one Gramin Haat in each Panchayat of the country. The Committee would like to be apprised about the steps taken in this direction within three months of presentation of the Report.

6. The Committee note that Government propose to set up Agriculture Market Infrastructure Fund (AMIF) of Rs. 2000 crore. This fund will be utilized for development of GrAMs (Rs. 1000 crore) and strengthening/promotion of e-NAM (Rs. 1000 crore). The Committee were informed that NABARD has been authorized to set up AMIF from market borrowings and Department is in the process of formulation of EFC for interest subvention for the fund to be utilized under AMIF. The Committee are of view that creation of platforms for marketing of agriculture produce is one of the sectors that has long been ignored by the various Governments resulting in preventing the Gramin Haats to emerge as viable platform for agriculture marketing thereby, depriving the farmers the opportunity

to direct access to the end consumers. There is an urgent need for fund infusion in this sector for creation and upgradation of infrastructure and civic facilities in Gramin Haats for their modernization and enhancing the reach of farmers to the end consumers. However, the Committee note that framework proposed for funding of 'GrAM Scheme' does not take into account the need of huge investment required for modernization of traditional 'Gramin Haats' existing in the country. The Committee are of opinion that availability of funds as a loan to the States for implementation of 'GrAM Scheme' may not help to expedite the implementation of the Scheme. The Committee, therefore, while appreciating the praiseworthy initiative for modernization of 'Gramin Haat' would like the Central Government to make this scheme as fully funded Central Scheme. They, therefore, recommend the Government to make 'GrAMs scheme' as fully funded Central Scheme.

7. The Committee note that Gramin Haats play an important role in providing avenue for agriculture marketing for small and marginal farmers of the country. However, despite their significant contribution in sustaining agriculture based rural economy, Gramin Haats were ignored in development dynamics of the country. The Committee are surprised to note that none of the Government agencies at Central and State level maintains relevant information regarding Gramin Haats such as their numbers in State/UTs, controlling administrative agencies, facilities available at Gramin Haats etc. The Committee were informed that State Governments have forwarded them information about 22941 Agriculture Markets under the administrative control of APMC, Panchayati Raj Institutions and other agencies. However, survey being undertaken by the Directorate of Marketing Inspection (DMI), an administrative agency under the control of Department of Agriculture, Cooperation and Farmers welfare, reveal inconsistency in data furnished by the various State Government Agencies. The Committee were informed that DMI has surveyed 9477 Gramin Haats till now and it aims to compile relevant details of all Gramin Haats in the country after ground verification by the field Offices of DMI. The Committee appreciate the Department to take steps for undertaking the survey about the Gramin Haats across the country. The Committee are of view that the details obtained from this survey will be very useful for proper implementation of the scheme. The Committee, desire the Government to provide adequate funds and manpower to the DMI in order to complete the survey in minimum possible time. Further, the Committee also desire the Government to hold discussion with the State Governments to keep Gramin Haats out of the ambit of APMC Act.

8. The Committee note that since, implementation of 'GrAMs Scheme' envisage use of funds available under MGNREGA and other Government schemes, there will be need of inter-ministerial coordination between various Ministries at the Central and State level. In this regard, the Committee were assured by the Secretary, DAC&FW that a Monitoring Committee involving various agencies will be formed at the Central level for implementation of the scheme. The Committee desire the Government to form such Monitoring Committee without any further delay as not only implementation but formulation of contour of the Scheme will also require effective coordination between various agencies for time bound implementation of the scheme.

9. The Committee note that the Department is in the process of formulation of Operational Guidelines for the implementation of 'GrAMs Scheme'. The Committee were also informed that the Department of Rural Development has prepared two designs for Creation/upgradation of infrastructure to be created under 'GrAMs Scheme' which envisage facilities such as Office, Godown, toilets, platform, connecting roads etc. and are in the process for further improvement of design in consultation with a professional agency. The Committee are of the view that any steps for improvement of facilities in Gramin Haats should be according to the specific geographic, climatic and economic requirements of rural economy of the respective States and Government should encourage local design rather than 'one size fit all' design pattern. The Committee, therefore, desire the Government to encourage area specific pattern reflecting local cultural ethos of rural economy. Further, the Committee are also of the view that there is need to encourage organic development of existing Gramin Haats rather than construction of new Gramin haats cut off from the mainstream of village life. The Committee, therefore, recommend the Government to take up upgradation and creation of infrastructure and other civic facilities in existing Gramin Haats spread across the country. The Committee also desire the Department to ensure electric supply based on solar energy in all Gramin Haats being upgraded under the GrAM Scheme. The Committee are also of the view that proper infrastructure and civic amenities should be available in Gramin Haats being operated by the private person. The Committee, therefore, desire the Department to incorporate such provisions in operational guidelines for implementation of GrAM scheme.

10. The Committee are of opinion that Gramin Haats spread across the country not only function as market place but also a

medium where bulk of small and marginal farmers finds a platform to sell their surplus agriculture produce. These Gramin Haats are also a medium of women empowerment as most of the participants are women farmers, who apart from selling their agriculture produce also purchase groceries and other materials of their daily needs. These Gramin Haats also function as a cultural space providing rural folks avenue for entertainment. These characteristics of Gramin Haats, if properly being taken into account during planning procedure for implementation of GrAM scheme, could be effectively utilized for providing agriculture extension services to the farmers and implementation of other schemes related to agriculture. The Committee, therefore, desire the Government to use Gramin Haats as a primary platform for dissemination of information and implementation of schemes related to agriculture sector. The Committee would like the Department to integrate agriculture sector schemes in GrAM scheme.

Implementation of e-NAM Scheme

11. The Committee note that Electronic-National Agriculture Market (e-NAM) is a pan-India electronic trading portal which networks the existing APMC mandis to create a unified national market for agricultural commodities. The Committee note that NAM Portal intends to provide a single window service for all APMC related information and services. The Committee were informed that 585 regulated wholesale markets in 18 States/UTs have been connected through a web based portal under e-NAM scheme till 31 March, 2018. The Committee were further informed that 1.05 crore farmers have been registered on the e-NAM portal till 17th June, 2018 out of which 45.25 lakh farmers have been benefited by trading on e-NAM. The Committee appreciate the Government for taking the initiative for implementation of e-NAM schemes for promotion of transparency in agriculture trading in organized Wholesale Market under APMCs in the Country. The Committee hope that this will be able to help the farmers in realizing more remunerative prices for their produce. However, the Committee desire the Government to enhance the coverage of the e-NAM facility to the States where APMCs wholesale market are not in existence. Further, there is need to enhance digital literacy among farmers in order to enhance their participation. The Committee, therefore, recommend the Government to start training programme for farmers on e-NAM portal. The Committee also desire the Government to sponsor a project to study impact of e-NAM platform on agriculture trading and benefits accrued to farmers as a result thereof.

Participation of Private sector and promotion of Agri-Startup in Marketing of Agriculture Produce

12. The Committee feel that scarcity of marketing platforms for agriculture produce and mismanagement and corruption in APMC markets have created a situation where farmers are being deprived of fruits of their hard earned labour leading to low price realization for farm produce. The Committee further observe that barring few exceptions, there is lack of participation of private sector in organized marketing of agriculture Produce. The Committee note that some private sector companies such as ITC Ltd. achieved success in establishing a successful platform for procurement and marketing of agriculture produce. The Committee were informed that ITC Ltd. has established e-chaupal near the production center to undertake direct purchase from farmers. The system involves the participation of the local people and provides prices around 10% over and above the modal price of previous day in the nearest mandi. The Committee are of view that there is need to create alternative platform for marketing of agriculture produce near the production centre so that farmers can get remunerative prices for their produce. These Marketing platforms may also provide them agriculture extension services to the farmers which will further help them to lower the input cost for farming. Such an experiment can be a win-win situation for the farmers as well as entrepreneurs. The Committee, therefore, recommend the Government to devise a specific policy for promotion of experiments/enterprise in agriculture marketing sector which aims to integrate the Agriculture Extension Services and procurement of agriculture produce. The Committee desire the Government to allocate adequate funds for Agri-Startups in this sector. The Government should also provide preference to farmers and agriculture students in allocation of funds for Agri-Startups.

NEW DELHI;
02 January, 2019
12 Pausha, 1940 (Saka)

HUKMDEV NARAYAN YADAV,
Chairperson,
Standing Committee on Agriculture.

ANNEXURE I

STATUS OF ADOPTION MARKETING REFORMS AS ON 18.06.2018

Sl.No.	Area of Reforms	Name of the States/UTs, which have adopted reforms
1	2	3
1.	Establishment of private market	Andhra Pradesh, Arunachal Pradesh, Assam, Chhattisgarh, Gujarat, Goa, Himachal Pradesh, Karnataka, Maharashtra, Mizoram, Nagaland, Odisha Rajasthan, Sikkim, Telangana, Tripura, Punjab, UT of Chandigarh, Jharkhand, Uttarakhand, West Bengal, Uttar Pradesh.
2.	Direct wholesale purchase of agricultural produce from agriculturists (Direct marketing)	Andhra Pradesh, Arunachal Pradesh, Assam, Chhattisgarh, Gujarat, Goa, Haryana, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Mizoram, Nagaland, Rajasthan, Sikkim, Telangana, Tripura, Punjab, UT of Chandigarh, Jharkhand, Uttarakhand, Uttar Pradesh and West Bengal.
3.	Establishment of farmer-consumer market in private sector (Direct sale by the producer to the consumer in retail)	Arunachal Pradesh, Assam, Chhattisgarh, Gujarat, Goa, Himachal Pradesh, Karnataka, Maharashtra, Mizoram, Nagaland, Rajasthan, Sikkim, Tripura, Jharkhand, Uttarakhand, Uttar Pradesh and West Bengal.
4.	Contract Farming	Andhra Pradesh, Assam, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Maharashtra, Madhya Pradesh, Mizoram, Nagaland, Odisha, Punjab (separate Act), Rajasthan, Sikkim, Telangana, Tripura, Uttarakhand.
5.	Provision for e-trading,	Andhra Pradesh, Arunachal Pradesh, Chhattisgarh, Gujarat, Jharkhand, Haryana, H.P., Karnataka, Rajasthan, Sikkim, Goa, Madhya Pradesh, Maharashtra, Mizoram, Telangana, Uttarakhand, Uttar Pradesh, Chandigarh, Tamil Nadu, Punjab, Odisha
6.	Single point levy of market fee across the State/UT	Andhra Pradesh, Arunachal Pradesh, Rajasthan, Gujarat (for processor, grader, packer, value addition and exporter), Goa, Haryana, Himachal Pradesh, Chhattisgarh, Karnataka, Madhya Pradesh, Maharashtra, Nagaland, Jharkhand, Sikkim, UT of Chandigarh, Punjab, Mizoram, Telangana, Uttar Pradesh, Uttarakhand, Tamil Nadu, West Bengal and Odisha

1	2	3
7.	Unified single trading licence for State/UT	Andhra Pradesh, Arunachal Pradesh, Goa, Gujarat, Haryana, Himachal Pradesh, Karnataka, Rajasthan, Chhattisgarh, West Bengal, Madhya Pradesh, Maharashtra, Jharkhand, Mizoram, Nagaland, Telangana, Sikkim, Uttar Pradesh, Tamil Nadu, Uttarakhand, Punjab and Odisha.
8.	De-regulation of marketing of fruits and vegetables	Madhya Pradesh, NCT of Delhi, Haryana, Assam, Odisha, Gujarat, Himachal Pradesh, Maharashtra, Karnataka, Nagaland, Arunachal Pradesh, West Bengal, Rajasthan, Meghalaya, Chhattisgarh. (Note-States have made this change in varied legal forms and impacts.)

MAJOR RECOMMENDATIONS OF THE COMMITTEE

A. Reforms to Agriculture Markets

- (i) The States should amend their APMC Acts on the lines of Model Act and the reforming States may also notify Rules, and States may complete the process early;
- (ii) The present system of Licensing of Traders/Commission Agents must be substituted with a modern and progressive system of Registration with open and transparent criteria for Registration;
- (iii) The amended APMC Act and Rules should specify clearly the provisions for setting up of Private Wholesale Markets and Terminal Market Complex (TMC) for smooth development of infrastructure;
- (iv) In order to simplify the procedure and promote private sector investment in development of Wholesale and Terminal Market Complex in the country, there should be a Unified Single Registration for main market (Hub) and the Collection Centers (Spokes). The Collection Centers may be treated as sub-yard under the Act to provide for a unified Registration system;
- (v) There is a need for independent regulator for market operation for which the post of Director of Marketing as regulator may be separated from the post of Managing Director of State Agricultural Marketing Board as the Operator/Service provider;
- (vi) States may de-link the provisions of compulsory requirement of shop for registration of traders/market functionaries for increasing the competition;
- (vii) The private markets should be treated at par with the existing APMCs.

B. Promotion of Investment in Marketing Infrastructure Development

- (viii) Under Essential Commodities Act, there is a need to have distinction between genuine service providers and black

marketeers/hoarders to encourage investment and better service delivery to the farmers. It is recommended that Contract Farming Sponsors and Direct Marketing licensees may be exempted from the stock limits up to six months of their requirement in the interest of trade and facilitating long term investment;

- (ix) States/Union Territories should waive off the market fee on fruits and vegetables and Government of India may also consider compensating the losses of revenue during initial period to the States on this account;
- (x) Investment in marketing infrastructure under RKVY may be increased to minimum 10-15% of State RKVY spending in reformed States;
- (xi) States may promote PPP Model for infrastructure development and exempt market fee on trade transaction taking place inside the private market yard. However, States can levy minimum user charges (in lieu of market fee) for developing general infrastructures like connecting/rural roads, etc. preferably not exceeding 0.5 % of the value of produce;
- (xii) The requirement of marketing infrastructure in the North-Eastern region and Hilly areas is different than rest of the country. Government of India should constitute a corpus fund for development of marketing infrastructure in their areas. A separate agricultural marketing strategy for North Eastern Region and Hilly areas may be adopted.

C. Rationalization of Market Fee/Commission Charges

- (xiii) Market fee/cess including Rural Development Fund, Social Development Fund and Purchase tax, etc. should be maximum 2% of the value of the produce and the Commission charges should be not more than 2% for food grains/oilseeds and 4% for fruits and vegetables;
- (xiv) If the direct marketing entrepreneur provides minimum specified infrastructure facility to the farmers, the concerned State/APMC should waive off market fee on such direct marketing;
- (xv) If a person has already paid mandi fee in a State where it procures agriculture produce and brings the same to another State for processing, no mandi fee should be charged;

- (xvi) Mandi fee should be levied on Primary Agricultural Produce only and not on Secondary Agriculture Produce (processed agricultural produce) like Besan, Maida and Ghee etc. However, user charges can be levied based on the use of infrastructure and services.

D. Contract Farming

- (xvii) To encourage contracting parties and simplifying and rationalizing the registration process:
 - (a) District level authority may be set up for Registration of Contract Farming and no market fee should be levied under it. The APMC should not be the authority for registration/dispute settlement under Contract Farming; and
 - (b) The disputes may be settled within fifteen days and the decretal amount of appeal should not be more than 10% of the amount of goods purchased under Contract Farming. Appeal should be disposed off within 15 days. No solvency certificate/Bank guarantee may be required from private sponsor/operator, if payment is made to the farmers on the same day of procurement of their produce;
- (xviii) States should promote small and marginal Farmers' Groups/Associations or their Company/Society to encourage Contract Farming in the States. Successful template of Contract Farming may be developed after studying the successful Models adopted in other countries.

E. Barrier Free Markets

- (xix) In order to move towards barrier free National market, market Fee/Cess may be levied only for first transaction between the farmer and trader and in subsequent sales between trader to trader/consumer, there may be only service charge related to services provided in the State and no market fee be levied for subsequent transaction;
- (xx) In some of the States, there are check-gates for recovery of market fee, which hinder smooth movement of agricultural commodities and leads to wastages especially in perishables like fruits and vegetables. States should take initiative to remove such physical barriers, if any;

- (xxi) Proposed Agricultural Produce Inter-State Trade and Commerce (Development & Regulation), Bill may, to start with, be applied for a few perishable agriculture commodities and it may be expanded for other commodities depending upon the experience of its working.

APPENDIX I

STANDING COMMITTEE ON AGRICULTURE
(2016-17)

MINUTES OF THE TWENTY FOURTH SITTING OF THE COMMITTEE

The Committee sat on Monday, the 10th July, 2017 from 1100 hours to 1310 hours in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Hukmdev Narayan Yadav – *Chairperson*

MEMBERS

Lok Sabha

2. Prof. Ravindra Vishwanath Gaikwad
3. Smt. Rakshatai Khadse
4. Md. Badaruddoza Khan
5. Dr. Tapas Mandal
6. Shri Devji Patel
7. Shri Nityanand Rai
8. Shri Mukesh Rajput
9. Shri C.L. Ruala

Rajya Sabha

10. Shri Janardan Dwivedi
11. Shri Vinay Katiyar
12. Shri Mohd. Ali Khan
13. Shri Ram Nath Thakur
14. Shri Shankarbhai N. Vegad

SECRETARIAT

1. Shri D.S. Malha – *Joint Secretary*
2. Smt. Juby Amar – *Additional Director*

LIST OF WITNESSES

MINISTRY OF AGRICULTURE AND FARMERS WELFARE
(DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS
WELFARE)

- | | |
|------------------------|-----------------------------|
| 1. Dr. Ashok Dalwai | Additional Secretary |
| 2. Dr. Alka Bhargava | Joint Secretary (Marketing) |
| 3. Smt. A Neerja | Joint Secretary (RKVY) |
| 4. Dr. P. Shakil Ahmed | Joint Secretary (MIDH) |

MINISTRY OF RURAL DEVELOPMENT & PANCHAYATI RAJ

- | | |
|--------------------------|---|
| 1. Shri Atal Dulloo | Joint Secretary (RL) |
| 2. Shri Sanjeeb Patjoshi | Joint Secretary (PR),
D/o Panchayati Raj |

2. At the outset the Chairperson welcomed the members to the Sitting of the Committee. Thereafter, the representatives of the Ministry of Agriculture and Farmers Welfare (Department of Agriculture, Cooperation and Farmers Welfare) and the representatives from the Ministry of Rural Development and Ministry of Panchayati Raj were ushered in. The Chairperson welcomed them and apprised all that the meeting has been called to have a Briefing on the Subject "Agriculture Marketing and Role of Weekly Gramin Haats". He also brought to their attention that the discussion of the briefing be treated as confidential and not to be made public.

3. After the introduction Dr. Ashok Dalwai, Additional Secretary, and Dr. Alka Bhargava, Joint Secretary (Marketing) initiated the Briefing on the subject with a power point presentation covering *inter alia* the following Points:

- (i) Food grain Production and Regulated Markets.
- (ii) System in place to ensure price support to farmers.
- (iii) Development of regulatory marketing in India.
- (iv) Agricultural Marketing in India—Weakness and Constraints.
- (v) Model Agricultural Produce and Livestock Marketing (Promotion and Facilitation) Act, 2017.
- (vi) National Agriculture Market (e-NAM).
- (vii) Market Infrastructure created under RKVY and MIDH.

- (viii) Rural Periodical Markets (RPMs) in the Country.
- (ix) Roadmap for strengthening existing and new periodical Gramin Markets.
- (x) Need for Strengthening of marketing infrastructure to bring an end to monopoly traders in some plans.

4. Thereafter, the Chairperson initiated the discussion which was taken forward by the representatives of the Department and the Members of the Standing Committee. The Committee raised several issues/points which have been briefly mentioned below and sought opinion of the Department on the same:-

- (i) Conducting of survey of APMC market in the Country and study of their functioning.
- (ii) Serving of Rural Gramin Haats and the Conditions of Rural Primary Markets in the Country.
- (iii) Harassment of farmers by APMC officials.
- (iv) Prevalence of road side sale-points of farmers on highways.
- (v) Market infrastructure for farmers at Panchayat level.
- (vi) Marketing infrastructure for farmers in states which have not enacted APMC Act and accessibility of APMC markets to farmers, especially small farmers.
- (vii) Single-window-selling Point system for agricultural produces.
- (viii) Inadequacy of procurement centers under MSP mechanism.
- (ix) Difficulties faced by Farmer at procurement centers due to quality specifications.
- (x) Functional area of APMC Mandis and eligibility rules for undertaking trading activities in the APMC Mandis.
- (xi) Setting up of storage facilities in Rural Primary Markets.

5. The Representatives of the Department responded to most of the queries raised by the Members. The Chairperson then thanked the witnesses for sharing valuable information with the Committee on the subject and directed them to send, in writing, the requisite information in points/items, which was not readily available with them to the Secretariat of the Committee at his earliest.

A copy of the verbatim proceedings of the sitting has been kept separately.

The Committee then adjourned.

APPENDIX II

STANDING COMMITTEE ON AGRICULTURE (2017-18)

MINUTES OF THE TENTH SITTING OF THE COMMITTEE

The Committee sat on Wednesday, the 07th February, 2018 from 1500 hours to 1610 hours in Committee Room No. D, (Ground Floor) Parliament House Annexe, New Delhi.

PRESENT

Shri Hukmdev Narayan Yadav – *Chairperson*

MEMBERS

Lok Sabha

2. Shri Sanjay Dhotre
3. Shri Nalin Kumar Kateel
4. Smt. Rakshatai Khadse
5. Md. Badaruddoza Khan
6. Shri C. Mahendran
7. Shri Janardan Mishra
8. Shri Arjun Charan Sethi

Rajya Sabha

9. Shri Mohd. Ali Khan
10. Shri K.K. Ragesh
11. Shri Ram Nath Thakur

SECRETARIAT

1. Shri D.S. Malha – *Joint Secretary*
2. Shri Arun K. Kaushik – *Director*
3. Smt. Juby Amar – *Additional Director*

LIST OF WITNESSES

MINISTRY OF RURAL DEVELOPMENT DEPARTMENT OF RURAL DEVELOPMENT

1. Shri Amarjeet Sinha – *Secretary*
2. Shri Atal Dulloo – *Joint Secretary (RL)*

MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT
(MGNREGA)

Shri Raghvendra Pratap Singh – Director

2. At the outset, the Chairperson welcomed the Members and representatives of the Ministry of Food Processing Industries to the meeting convened for Briefing on the Subject “Agriculture Marketing & Role of Weekly Gramin Haats”. He then apprised the representatives of Dir.–55(1) of Directions by the Speaker.

3. After the introduction, one of the representatives of the Ministry made a power point presentation on the Subject. Thereafter, the Chairperson initiated the discussion which was taken forward by the representatives of the Ministry of Food Processing Industries and members of the Standing Committee. The Committee raised various queries relating to the subject.

4. The Representatives of the Ministry responded to most of the queries raised by the Members. The Chairperson then thanked the witnesses for sharing valuable information with the Committee on the subject and directed them to send, in writing, the requisite information in points/items, which was not readily available with them, to the Committee Secretariat at the earliest.

(A copy of the verbatim proceedings of the Sitting has been kept separately)

The Committee then adjourned.

APPENDIX III

STANDING COMMITTEE ON AGRICULTURE (2017-18)

MINUTES OF THE TWENTY-FOURTH SITTING OF THE COMMITTEE

The Committee sat on Monday, the 02nd July, 2018 from 1100 hours to 1310 hours in Committee Room 'C', G/F Parliament House Annexe, New Delhi.

PRESENT

Shri Hukmdev Narayan Yadav – *Chairperson*

MEMBERS

Lok Sabha

2. Md. Badaruddoza Khan
3. Shri Janardan Mishra
4. Shri Nityanand Rai
5. Shri Mukesh Rajput
6. Shri Konakalla Narayana Rao
7. Shri C.L. Ruala
8. Shri Jai Prakash Narayan Yadav

Rajya Sabha

9. Sardar Sukhdev Singh Dhindsa
10. Shri Rajmani Patel
11. Shri Narayan Rane
12. Shri Kailash Soni
13. Shri Ram Nath Thakur
14. Shri Harnath Singh Yadav
15. Dr. Chandrapal Singh Yadav

SECRETARIAT

1. Shri D.S. Malha — *Joint Secretary*
2. Shri Arun K. Kaushik — *Director*
3. Shri Sumesh Kumar — *Under Secretary*

LIST OF WITNESSES

MINISTRY OF AGRICULTURE AND FARMERS WELFARE
(DEPARTMENT OF AGRICULTURE, CO-OPERATION AND FARMERS
WELFARE)

1. Dr. S.K. Pattanayak – Secretary
2. Shri P.K. Swain – Joint Secretary (Marketing)
3. Ms. Chhavi Jha – Joint Secretary (RKVY)
4. Shri B. Rajender – Joint Secretary (Oilseed and Coops)

MINISTRY OF RURAL DEVELOPMENT
(MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT)

1. Ms. Nita Kejriwal – Joint Secretary
2. Shri Dharamvir Jha – Director

DEPARTMENT OF ANIMAL HUSBANDRY, DAIRYING AND FISHERIES

Shri P.K. Banerjee – Deputy Secretary (Parliament)

INDIAN COUNCIL OF AGRICULTURE RESEARCH (ICAR)

Shri Suresh Pal – Director

NATIONAL BANK FOR RURAL DEVELOPMENT (NABARD)

Shri Nilay D. Kapoor – General Manager

MINISTRY OF PANCHAYATI RAJ

Shri Sanjeeb Patjoshi – Joint Secretary

2. At the outset, the Chairperson welcomed the members and the representatives of the Ministry of Agriculture and Farmers Welfare (Department of Agriculture, Co-operation and Farmers Welfare) to the Sitting of the Committee and apprised them of the confidentiality of the proceedings. The Committee, then, took up the subject “Agriculture Marketing and Role of Weekly Gramin Haats” with the representatives of the Department of Agriculture, Co-operation and Farmers Welfare (DAC&FW)

3. After the introduction, the Chairperson initiated the discussion which was followed by a power point presentation by the representatives of the Department and the discussion was taken forward by them and the Members of the Standing Committee. The Committee raised several

issues/points as briefly mentioned below and sought clarification/ information from the Department:

- (i) Need for developing Grameen Haats by having proper infrastructure for buyers and sellers;
- (ii) Need for having proper strategy for overall Development of Grameen Haats;
- (iii) Need to incorporate Grameen Haats with urban centre and markets like IBMC;
- (iv) Need for a Department for Infrastructure Development;
- (v) Need to provide facilities to sellers and buyers in Grameen Haats;
- (vi) Need to isolate Grameen Haats from APMC to retain its importance and prevent receiving of commission by APMC officials;
- (vii) Grameen Haats should come fully under Panchayat;
- (viii) Need for creating a monitoring Department to monitor the progress of work of the Grameen Haats;
- (ix) Need to appoint a senior JS level officer from Ministry of Agriculture for monitoring of Grameen Haats and Physical Verification of Grameen Haats;
- (x) Need for building proper Road connectivity in the Grameen Haats;
- (xi) The Representatives from the Ministry should visit Grameen Haats and ask them the problems and the solutions for improvement of Grameen Haats;
- (xii) The laws applicable to private Haats;
- (xiii) Need to provide clear and accurate data;
- (xiv) Need for providing Grameen Haats only at village level;
- (xv) Need for utilizing the funds allocated;
- (xvi) Need for physical verification of Gramin Haats;
- (xvii) Farmers should be allowed to sell their produce in any parts of India;
- (xviii) Need to prevent unscrupulous persons exploiting poor farmers in Haats;
- (xix) No Tax should be imposed on farmers who are selling their produce in Haats;

- (xx) Middle man should be taxed not the farmers;
- (xxi) Need to empower women as 90% of buyers and sellers in Grameen Haats are women;
- (xxii) Need for proper road connectivity in interior parts of villages in Grameen Haats;
- (xxiii) Need for providing electrification facilities in all grameen Haats and other basic facilities;
- (xxiv) Need for providing dustbin facilities with regard to collection of waste products;
- (xxv) Need for formation of committee by including Officers from Agriculture, Rural Development, and ICAR for looking with the details/problems;
- (xxvi) Need for having proper water and other facilities in Grameen Haats;
- (xxvii) Need for forming of Committee to look into harassment by tenders of farmers;
- (xxviii) Need to look into the financial allocations where finance was allocated by the centre but no Haat Bazar is functioning;
- (xxix) Need to know about the details of number of Departments spending on Haats and the system being followed;
- (xxx) Need for having common system in all Haats.

4. The Representatives of the Ministry responded to most of the queries raised by the Members. The Chairperson then thanked the witnesses for sharing valuable information with the Committee on the subject and directed them to send, in writing, the requisite information in points/items, which was not readily available with them, to the Committee Secretariat at the earliest.

(A copy of the verbatim proceedings of the Sitting has been kept separately.)

The Committee, then adjourned.

APPENDIX IV

STANDING COMMITTEE ON AGRICULTURE (2018-19)

MINUTES OF THE NINTH SITTING OF THE COMMITTEE

The Committee sat on Friday, the 28th December, 2018 from 1000 hrs. to 1050 hrs. in the Chamber of the Hon'ble Chairperson, Standing Committee on Agriculture, Room No. 138 (Third Floor), Parliament House, New Delhi.

PRESENT

Shri Hukmdev Narayan Yadav – *Chairperson*

MEMBERS

Lok Sabha

2. Shri Nalin Kumar Kateel
3. Shri C. Mahendran
4. Dr. Tapas Mandal
5. Shri Janardan Mishra
6. Shri Praveen Kumar Nishad
7. Shri Devji Patel
8. Shri Mukesh Rajput

Rajya Sabha

9. Sardar Sukhdev Singh Dhindsa
10. Shri Kailash Soni
11. Shri Mohd. Ali Khan
12. Shri Ram Nath Thakur
13. Shri R. Vaithilingam
14. Shri Harnath Singh Yadav

SECRETARIAT

1. Shri V.K. Tripathi – *Joint Secretary*
2. Shri Arun K. Kaushik – *Director*
3. Smt. Juby Amar – *Additional Director*
4. Shri Sumesh Kumar – *Under Secretary*

2. At the outset, Chairperson welcomed the Members to the Sitting of the Committee. Thereafter, the Committee took up for consideration the followings draft Reports:

(i) Draft Report on the Subject “Agriculture Marketing and Role of Weekly Gramin Haats” of the Ministry of Agriculture and Farmers Welfare (Department of Agriculture, Cooperation and Farmers Welfare).

*(ii) XXXX XXXX XXXX XXXX XXXX

3. After some deliberations, the Committee adopted the draft Reports without any modifications and authorized the Chairperson to finalize and present these Reports to Parliament.

The Committee, then adjourned.

*Matter not related to this Report.