



**STANDING COMMITTEE ON AGRICULTURE
(2019-2020)**

SEVENTEENTH LOK SABHA

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

”AGRICULTURE MARKETING AND ROLE OF WEEKLY GRAMIN HAATS”

**{Action Taken by the Government on the Observations/
Recommendations contained in the Sixty Second Report (Sixteenth Lok
Sabha) of the Standing Committee on Agriculture (2018-2019)}**

EIGHTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2019/Agrahayaha, 1941(Saka)

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

12.12.2019
12.12.2019



LOK SABHA SECRETARIAT
NEW DELHI

December 2019/Agrahayana, 1941 (Saka)

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<CONTENTS>

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
CHAPTER I Report	
CHAPTER II Observations/Recommendations which have been accepted by the Government	
CHAPTER III Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies	
CHAPTER IV Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee	
CHAPTER V Observations/Recommendations in respect of which final replies of the Government are still awaited	

ANNEXURE

- I. Minutes of the 13th Sitting of the Committee held on 09.12.2019

APPENDIX

Analysis of Action Taken by the Government on the
Recommendations contained in the Sixty Second Report
(Sixteenth Lok Sabha) of the Standing Committee on Agriculture
(2018-2019).

(i)

COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE (2019-20)

Shri Parvatagouda Chandanagouda Gaddigoudar- Chairperson

MEMBERS

LOK SABHA

2. Shri Afzal Ansari
3. Shri Horen Sing Bey
4. Shri Devendra Singh 'Bhole'
5. Shri A. Ganeshamurthi
6. Shri Kanakmal Katara
7. Shri Abu Taher Khan
8. Shri Bhagwanth Khuba
9. Dr. Amol Ramsing Kolhe
10. Shri Mohan Mandavi
11. Shri Devji Mansingram Patel
12. Smt. Shardaben Anilbhai Patel
13. Shri Bheemrao Baswanthrao Patil
14. Smt. Navneet Ravi Rana
15. Shri Vinayak Bhaurao Raut
16. Shri Pocha Brahmananda Reddy
17. Shri Mohammad Sadique
18. Shri Virendra Singh
19. Shri Vellalath Kochukrishnan Nair Sreekandan
20. Shri Mulayam Singh Yadav
21. Shri Ram Kripal Yadav

RAJYA SABHA

22. Shri Partap Singh Bajwa
23. Sardar Sukhdev Singh Dhindsa
24. Shri Narayan Rane
25. Shri Kailash Soni
26. Shri Ram Nath Thakur
27. Shri Vaiko
28. Shri R. Vaithilingam
29. Smt. Chhaya Verma
30. Dr. Chandrapal Singh Yadav
31. Shri Harnath Singh Yadav

SECRETARIAT

- | | | | |
|----|------------------------|---|-------------------------|
| 1. | Shri Shiv Kumar | - | Joint Secretary |
| 2. | Shri Arun K. Kaushik | - | Director |
| 3. | Shri Sumesh Kumar | - | Deputy Secretary |
| 4. | Shri S. Vijayaraghavan | - | Asst. Executive Officer |

INTRODUCTION

I, the Chairperson, Standing Committee on Agriculture (2019-20), having been authorized by the Committee to submit the Report on their behalf, present this Eighth Report on action taken by the Government on the Observations/Recommendations contained in the Sixty Second Report (Sixteenth Lok Sabha) of the Standing Committee on Agriculture (2018-19) 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 Sixty Second Report (Sixteenth Lok Sabha) of the Standing Committee on Agriculture (2018-19) 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) was presented to Lok Sabha and laid on the Table of Rajya Sabha on 03 January, 2019. The Action Taken Notes on the Report were received on 08.05.2019.

3. The Report was considered and adopted by the Committee at their Sitting held on 09.12.2019.

4. An analysis of the action taken by the Government on the Observations/Recommendations contained in the Sixty Second Report (Sixteenth Lok Sabha) of the Committee is given in **Appendix**.

NEW DELHI;
10 December, 2019
19 Agrahayana, 1941(Saka)

P.C. GADDIGOUDAR
Chairperson,
Standing Committee on Agriculture

CHAPTER-I

REPORT

This Report of the Standing Committee on Agriculture deals with the action taken by the Government on the Observations/Recommendations contained in the Sixty Second Report (Seventeenth Lok Sabha) of the Standing Committee on Agriculture (2018-2019) on Agriculture Marketing and Role of Weekly Gramin Haats" pertaining to the Ministry of Agriculture and Farmers Welfare (Department of Agriculture Cooperation and Farmers Welfare) which was presented to Lok Sabha and laid on the Table of Rajya Sabha on 03.01.2019

1.2 The Ministry of Agriculture and Farmers Welfare (Department of Agriculture Cooperation and Farmers Welfare) have furnished Action Taken Replies in respect of all the 12 Observations/Recommendations contained in the Report. These replies have been categorized as under:

- (i) Observations/Recommendations that have been accepted by the Government:

Recommendation No.	1,2,3,7,8,9,10,11 and 12	Chapter- II
		Total- 9

- (ii) Observations/Recommendations in respect of which the Committee do not desire to pursue in view of the Government's reply:

Recommendation No.	NIL	Chapter- III
		Total- 0

- (iii) Observations/Recommendations in respect of which action taken replies of the Government have not been accepted by the Committee:

Recommendation No.	5,6	Chapter- IV
		Total- 2

- (iv) Observations/Recommendations in respect of which final replies of the Government are still awaited:

Recommendation No.	4	Chapter- V
		Total- 01

1.3 The Committee trust that utmost importance would be given to implementation of the Observations/Recommendations accepted by the Government. In cases, where it is not possible for the Ministry to implement the Recommendations in letter and spirit for any reason, the matter should be reported to the Committee with the reasons for their non-implementation. The Committee desire that further Action Taken Notes on the Observations/Recommendations contained in Chapters - I and V of this Report be furnished to them at an early date.

1.4 The Committee will now deal with the action taken by the Government on some of the Recommendations in the succeeding paragraphs.

A. Reform In Agriculture Produce Marketing Committees (APMCs) Act 2003

RECOMMENDATION (PARA NO. 4)

1.5 The Committee had observed/ recommended as under:-

The Committee note that Agriculture Produce Marketing Committees Act (APMC Act) which was 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 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 farmer's 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 cannot 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.

1.6 The Ministry in its Action Taken Reply has stated:-

"An Empowered Committee of 10 State Agricultural Marketing Ministers to promote reforms and related issues was constituted on 2nd March, 2010, which submitted an exhaustive report to Ministry in 2013 for consideration. The Government constituted Committee to formulate Model Marketing Law considered almost all suggestions made in the report of 2013 and formulated in wide consultation with States and other stakeholders and released a Model APLM Act, 2017. Since, agricultural marketing is a State subject, Ministry of Agriculture & Farmers, Welfare, Government of India, is actively engaged with States/UTs for adoption of Model APLM Act, 2017 by them. The provisions suggested in the report by Standing Committee on Agriculture to do away with entry fee and other Cess levied on transaction of agriculture produce have already been incorporated in Model APLM Act, 2017. The Government at all level persuading rest of States to adopt the Model APLM Act, 2017. Due to constant and continuous persuasion and efforts made by Government of India with States, Arunachal Pradesh, Uttar Pradesh and Chhattisgarh have adopted the model APLM Act, 2017 while Punjab has adopted partially. Other States are at varied stages in the process of adoption."

**No. H -11017/03/2018-M-II (pt.)
Dated: 02.05.2019**

1.7 While observing the urgent need of reforms in APMC Act across the country and lukewarm response of the States in adoption of the Model APLM Act, 2017, the Committee had recommended the Government to constitute a Committee of Agriculture Ministers of all the States in order to arrive at a consensus and chalk out legal framework for marketing of the Agriculture Produce in Country. The Committee had also expressed the need to abolish provisions regarding Entry Fee and other Cess levied on transaction of Agriculture Produce in

APMC Markets. The Department in its ATR, apart from submitting the information already known to the Committee, has stated about constant and continuous persuasion and efforts being made by Government of India with States. The Department has also submitted that Arunachal Pradesh, Uttar Pradesh and Chhattisgarh have adopted the Model APLM Act, 2017 while Punjab has adopted it partially. Other States are at varied stages in the process of adoption. The Committee are anguished to note that despite their specific recommendation in the matter, the Department has not taken any step for constitution of 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 of view that unless urgent steps are not taken to reform platform for Agriculture Marketing and specifically APMC, farmers of our country will not able to get remunerative pricing for their produce. The Committee, therefore, once again reiterate their earlier recommendation and urge the Department to take initiative in this regard without any further delay.

B. Implementation of GrAMs Scheme

RECOMMENDATION (PARA NO. 5)

1.8 The Committee had observed/recommended:-

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 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 up gradation/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.

1.9 The Ministry in its Action Taken Reply has stated:-

The Government in Union Budget 2018-19, has announced development and upgradation of existing 22000 Village Haats to GrAMs. As per initial report, 11,811 Village Haats are under Rural Local Bodies/Panchayats, approximately 1274 Village haats are under Agriculture Produce Market Committees (APMCs) & other Government agencies while rest of Village haats (approximately 9856) are under private trusts etc.

DAC&FW through its attached office Directorate of Marketing & Inspection (DMI) is undertaking questionnaire based survey of these haats and so far survey of more than 11,000 rural haats have already been completed. The survey result shared with Ministry of Rural Development, Government of India, as requested by them for development of basic and supportive infrastructure through MGNREGS by States.

The Government has circulated Guidelines on 'Operation and Management of GrAMs' to all States/UTs to facilitate and promote better management in GrAMs. Further, the Government has requested States to exempt the GrAMs from State APMC regulations. The Government has also circulated Scheme guidelines for AMIF to be set up with NABARD to all States/UTs to guide them to avail loan at concessional rate of interest. Apart from above, in order to identify the location, type and nature of haats, their periodicity, arrivals of produce etc.,

The issue of development of rural haat has already been taken up with the States during Rabi and Kharif campaign 2018 as well as Zaid Conference, 2019.

As far as allocation of financial resources is concerned, physical infrastructure is being strengthening through MGNREGA as coordinated by Ministry of Rural Development by States. The Government has approved an Agri-Market Infrastructure Fund (AMIF) with a corpus of Rs. 2000 crore with NABARD for

developing and upgrading agricultural marketing infrastructure in the 10,000 Gramin Haats and 585 Agriculture Produce Market Committee (APMC) Markets. The Scheme guidelines have been circulated to States for availing fund. Fund can also be availed from the existing schemes of Government like AMI sub-scheme of ISAM. States have been requested to exempt GrAMs from their State APMC regulations.

In addition to above, Agricultural Marketing Infrastructure (AMI) scheme provides for assistance of infrastructure in Gramin Haats including those Haats owned and managed by private entities. The AMI Scheme is demand driven.

No. H -11017/03/2018-M-II (pt.)

Dated: 02.05.2019

- 1.10 The Committee while lauding the Government for launching the 'GrAM' scheme with the purpose of modernization and strengthening the infrastructure in Rural Periodical Market had recommended 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 had also desired the Department to enhance the numbers of Gramin Haats being targeted for modernization under the GrAM Scheme and ensure presence of one Gramin Haat in each Panchayat of the Country. The Department in its Action Taken Reply has informed that they have prepared and circulated Operational Guidelines, approved an Agri-Market Infrastructure Fund (AMIF) with a corpus of Rs. 2000 crore with NABARD for availing funds, physical infrastructure is being strengthened through MGNREGA as coordinated by Ministry of Rural Development with the States. The Department has also requested State Governments to exempt GrAMs from their State APMC Regulations. However, the Department is silent on the need to enhance the number of Gramin Haats for modernization. The Committee are also**

astonished to know that none of revamped and modernized Gramin Haats has been inaugurated so far. The Committee are of view that Gramin Haat (Rural Periodical Markets) has potential to change the face of marketing of Agriculture Produce in the country and can significantly enhance the income of farmers. The Committee, therefore, desire the Department to take all the necessary steps to enhance the pace of modernization of Gramin Haats across the country and set a deadlines in each State so that the farmers are be benefitted as a result thereof.

C. AGRICULTURE MARKET INFRASTRUCTURE FUND (AMIF)
RECOMMENDATION (PARA NO. 6)

1.11 The Committee had observed/ recommended as under:-

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 up gradation 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.

1.12 The Ministry in its Action Taken Reply has stated as under:-

"The Government has already approved an Agri-Market Infrastructure Fund (AMIF) with a corpus of Rs. 2000 crore for developing and upgrading agricultural marketing infrastructure in the 22000 Gramin Haats and 585 Agriculture Produce Market Committee (APMC) Markets. States can avail loan at concessional rate of interest for development of marketing infrastructure in Gramin Haats and modernizing infrastructure in 585 APMCs. Fund can also be availed from the existing central sector schemes of Government like AMI sub-scheme of ISAM and central sponsored scheme such as RKVY- RAFTAAR and MIDH.

As per guidelines of AMI sub scheme of ISAM, circulated to States/UT, subsidy is provided @ 33.33% and 25% for infrastructure projects including development and upgradation of Rural Haats into GrAMs.

In addition to this, States have option to additionally use the fund to finance development of Gramin haats from Rashtriya Krishi Vikas Yojana-Remunerative Approaches for Agriculture and Allied sector Rejuvenation (RKVY-RAFTAAR) which is a Centrally Sponsored Scheme in the ratio of 60:40 (Government of India and State Share respectively) except in case of north eastern and hilly states where the sharing pattern is 90:10."

No. H -11017/03/2018-M-II (pt.)

Dated: 02.05.2019

1.13 While noting that the facility of Agriculture Market Infrastructure Fund (AMIF) has been proposed by the Department as Interest Free Credit facility for implementation of GrAM Scheme, the Committee had recommended the

Government to make 'GrAMs Scheme' as fully funded Central Scheme. The Department in its Action Taken Replies, apart from submitting the information to the Committee about Agriculture Market Infrastructure Fund, has informed that funds can also be availed from the existing Central Sector Schemes of Government like AMI sub-scheme of ISAM and Central Sponsored Scheme Such as RKVY- RAFTAAR and MIDH. The Committee are of considered view that availability of Central Government funds is necessary for expeditious completion of works under GrAM Scheme as indecisiveness of State Governments regarding financing of works for Gramin Haat will delay the ambitious project of modernization of Gramin Haats. The Committee, therefore, once again reiterate their earlier recommendation to make 'GrAMs Scheme' as the fully funded Central Scheme. The Committee would like to be apprized about steps taken by the Department in this regard at the earliest.

CHAPTER - II

OBSERVATIONS/RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

RECOMMENDATION SERIAL NO. 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 food grains, 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 food grain 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.

REPLY OF THE GOVERNMENT

The Government is focusing to bring qualitative and quantitative transformation in creating platform for agriculture marketing. The Government is advocating progressive reforms in the field of Agricultural Marketing. Department of Agriculture, Cooperation & Farmers' Welfare has formulated a new Model

Agricultural produce and Livestock Marketing (Promotion & Facilitation) Act, 2017 {Model APLM Act, 2017} and released to States/UTs in April, 2017 for adoption. The new model Act provides the farmers options for markets beyond the existing APMC regulated market yards. The provisions include inter alia for alternate marketing channels such as setting up of private markets, direct marketing, farmer-consumer markets, special commodity markets, declaring warehouses/silos/cold storages or such structures as market sub yards to facilitate farmers in marketing their produce at competitive and remunerative prices.

In order to optimize the use of scarce resources and mitigate the uncertainty in price and marketing, the Government has formulated and released a progressive and facilitative Model Act “The ---State/ UT Agricultural Produce & Livestock Contract Farming and Services (Promotion & Facilitation) Act, 2018” in May, 2018 for its adoption by the states/Union Territories (UTs). The aforesaid Model Contract Farming Act covers the entire value and supply chain from pre-production to post harvest marketing including services contract for the agricultural produce and livestock.

Government is implementing National Agriculture Market (e-NAM) scheme wherein online trading of agriculture commodities including horticulture commodities is carried out in transparent and competitive manner helping the farmers with better price discovery for their produce, while at the same time lowering transaction costs thereby stabilizing prices.

As per Union Budget Announcement, 2018-19, Government has announced to develop and upgrade existing 22,000 Gramin haats into Gramin Agricultural Markets (GrAMs) to work as centers of aggregation and for direct purchase of agricultural commodities from the farmers. In these GrAMs, physical infrastructure is being strengthening using MGNREGA and other Government Schemes. The Government has approved an Agri-Market Infrastructure Fund (AMIF) with a corpus of Rs. 2000 crore for developing and upgrading agricultural marketing infrastructure in the 22000 Gramin Haats and 585 Agriculture Produce Market Committee (APMC) Markets.

Model APLM Act, 2017 will provide farmers alternate marketing channels for his produce and Model Contract Farming Act, 2018 will integrate farmers including fruits and vegetable growers with agro-industries with the objectives to mitigate market and price uncertainties. e-NAM will provide transparency in APMC transactions and upgradation of Gramin Haats into GrAMs will provide farmers easy access to markets for selling their produce. These initiatives of the Government will enhance the economic conditions of the farmers.

No. H -11017/03/2018-M-II (pt.)
Dated: 02.05.2019

RECOMMENDATION SERIAL NO. 2

REFORM IN AGRICULTURE MARKETING FOR CREATION OF ALTERNATIVE MARKETING PLATFORMS OF AGRICULTURE PRODUCE

The Committee note that farmers of the country, through their hard work and ingenuity, has achieved tremendous success, enhancing food grain 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.

REPLY OF THE GOVERNMENT

The Government is actively engaged and consulting with the States/Union Territories (UTs) to reform their marketing laws and policies to create conducive ecosystem for emergence of multiple alternative marketing channels like direct marketing, establishment of private wholesale & farmer-consumer markets and contract farming. Based on Model Agricultural Produce Market Committee Act, 2003 (APMC Act, 2003), twenty two States/ UTs have amended their APMC Acts. In states like Maharashtra, Karnataka, Gujarat, Rajasthan and Madhya Pradesh, such alternative marketing channels such as private markets, direct marketing and farmer-consumer markets have already come up. The State wise number of such alternative channels is at **Annexure-I**. To make the reforms more farmers' friendly, the Government has released Model Agricultural produce and Livestock Marketing (Promotion & Facilitation) Act, 2017 (APLM Act, 2017). The essence of the Model APLM Act, 2017 is to provide complete freedom to the cultivators and livestock rearers to sell their produce, livestock and its product to the buyers and through the marketing channel of their choice offering the better bid. Apart from above, the Model Act, 2017 would attract the investment from private sector in developing post-harvest and marketing infrastructure. The model Act, *inter-alia*, provides for declaration of whole State as one unified market, warehouses/silos/ *cold storages* as market sub-yards, rationalization of market fee and commission charges. Arunachal Pradesh, Uttar Pradesh and Chhattisgarh have adopted the model APLM Act, 2017 while Punjab has adopted partially. Other States are at varied stages in the process of adoption.

The Government is implementing National Agriculture Market (e-NAM) scheme wherein the Government is providing an online trading platform to farmers for trading of agriculture commodities including horticulture commodities in transparent and competitive manner with better price discovery for their produce. This virtual trading e-NAM platform enhances the access of farmers to the market. Already 585 mandis are integrated to this platform in 16 States and 02 Union Territories towards forming a National Market.

Developing new regulated wholesale markets in large number may neither be feasible nor economically viable, therefore, existing periodical markets need to be adequately developed. The Government's proposal to develop and upgrade existing

22,000 Rural haats in to Gramin Agricultural Markets (GrAMs) would not only create the additional market facilities nearer to the farm gate but would ingrate farmers and end buyers with incidental benefit in reduction of losses.

Further, as far as promotion of investment in market infrastructure is concerned, the Government has been promoting such infrastructure through schemes of Rashtriya Krishi Vikas Yojana-Remunerative Approaches for Agriculture and Allied Sector Rejuvenation (RKVY-RAFTAAR), Agricultural Marketing Infrastructure (AMI) sub-scheme of Integrated Scheme for Agricultural Marketing (ISAM), Mission for Integrated Development of Horticulture (MIDH), Pradhan Mantri Kisan SAMPADA Yojana (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters) etc.

No. H -11017/03/2018-M-II (pt.)
Dated: 02.05.2019

RECOMMENDATION SERIAL NO. 3

MODERNIZATION OF APMC MARKETS IN THE COUNTRY

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, Damn& 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.

REPLY OF THE GOVERNMENT

In order to enhance the number of agriculture markets in the country, the Government is actively engaged and consulting with the States/Union Territories (UTs) to reform their marketing laws and policies to create conducive ecosystem for emergence of multiple alternative marketing channels like direct marketing, establishment of private wholesale & farmer-consumer markets and contract farming.

As per Union Budget Announcement, 2018-19, Government has announced to develop and upgrade existing 22,000 Gramin haats into Gramin Agricultural Markets (GrAMs) to work as centers of aggregation and for direct purchase of agricultural commodities from the farmers. This initiative of the Government will enhance the number of agriculture markets in the country.

The Government has approved an Agri-Market Infrastructure Fund (AMIF) with a corpus of Rs. 2000 crore for developing and upgrading agricultural marketing infrastructure in the 22000 Gramin Haats and 585 Agriculture Produce Market Committee (APMC) Markets.

The basic and support Infrastructure/facilities such as open raised, covered platform, toilets (Separate for women and Men), drinking water facility, drains, brick/stone

soling in the moving space, garbage pits at corner, office block, storage (small size), boundary wall/fencing with two gates(incoming and outgoing), parking space, drinking water facility for cattle are eligible in rural haats under MGNREGS.

Marketing infrastructure in GrAMs such as cleaning, sorting grading, washing, waxing, processing, packaging, pack house, low energy cool chamber / deep freezer / storage facility/mini reefer, vans/solar powered cold storage, freezer, IT infrastructure for integrating with e-NAM and for market information including electronic ticker board/ market information announcement system, electronic weighing scales/normal weighing scales, other Infrastructure such as value additions machines such as Mini Dal Mill / Mini Rice Huller / Mini Millet processing unit/ Mini Oil Expeller/Deshelling/Decorticator Machines including solar powered ones, bagging and stitching machines and facilities are eligible under AMIF.

Further, marketing and other supporting Infrastructure in APMC markets such as common auction system and drying platform/drying equipment, scientific warehouses including material handling and testing equipment, ripening chamber cold storages/ pack houses/ refrigeration deep freezer/reefer vans etc including solar powered and zero energy and with other technological innovations ones, cleaning, grading, washing, waxing, packaging and primary processing, electronic and normal weighing scale/ weigh bridge, computer & IT equipments and connectivity/POS devices for e-trading and market information system, assaying equipment and assaying laboratory, price display board (electronic/ non-electronic) and / or public announcement system, Mini dal mil/oil mil/ Mini Rice Huller/flour mill/deshelling/decorticator machine/mini oil expeller and refining facility/Cotton ginning / Mini millet processing unit and allied facilities/spice making and other value addition machines such as drying machines & required platform etc., bagging and stitching machines and facilities for packaging are eligible under AMIF.

The Government is already implementing a centrally sponsored Scheme namely Rashtriya Krishi Vikas Yojana-Remunerative Approaches for Agriculture and Allied Sector Rejuvenation (RKVY-RAFTAAR) to provide pre and post harvest required agri-infrastructure to States/UTs. Under the scheme, autonomy, flexibility is provided to States/UTs to plan and execute schemes as per local/ farmers" needs.

The Government has re-launched the Agricultural Marketing Infrastructure (AMI), sub scheme of Integrated Scheme for Agricultural Marketing (ISAM) recently with the objective to develop marketing infrastructure, promote Integrated Value Chains through minimal processing /value addition to make the produce more marketable, promote innovative and latest technologies in post-harvest and agricultural marketing infrastructure in APMCs along with other eligible beneficiaries.

APMCs may avail assistance for creation of infrastructure under other schemes of the Government such as MIDH. In addition to this, assistance up to Rs. 75.00 lakh per mandi is also provided to States/UTs under e-NAM scheme for IT and quality assaying related infrastructure, cleaning, grading and packing facilities in e-NAM APMCs. States like Bihar, Kerala, Manipur, Mizoram and Sikkim where APMC Markets do not exist can also avail assistance under RKVY- RAFTAAR.

No. H -11017/03/2018-M-II (pt.)
Dated: 02.05.2019

RECOMMENDATION SERIAL NO.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.

REPLY OF THE GOVERNMENT

To have precise and accurate figures of Gramin haats along with the available marketing infrastructure and amenities therein, DAC&FW through its attached office of Directorate of Marketing & Inspection is conducting a survey across the States. So far, survey of more than 11,000 rural haats has been completed. The result of the survey has already been shared with Ministry of Rural Development to help development of basic infrastructure of Gramin Haats through MGNREGS. The survey result has been shared with Ministry of Rural Development for planning for development through MGNREGS and the survey analysis has been used to develop the scheme of Agri-Market Infrastructure Fund (AMIF) which has been circulated after due approval.

In order to implement recommendation of the Standing Committee, the Government has already provided fund of Rs. one crore to DMI under Domestic Travelling Expenses (DTE) to complete the survey as early as possible. The survey is in progress through with officers of DMI sometimes with assistance of respective State agencies. If required, further fund and manpower will also be provided to DMI. Further, the Government has already requested States/UTs to exempt the GrAMs from State APMC regulations.

No. H -11017/03/2018-M-II (pt.)
Dated: 02.05.2019

RECOMMENDATION SERIAL NO.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 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.

REPLY OF THE GOVERNMENT

As desired by the Standing Committee, an Inter-Ministerial Coordination Committee under the chairmanship of Additional Secretary, In-charge of Agricultural Marketing, Department of Agriculture, Cooperation & Farmers Welfare, has been constituted. The Committee comprises Joint Secretaries dealing with the subject in M/o. Rural Development, M/o. Panchyati Raj, M/o. Tribal Affairs and D/o. Animal Husbandry, Dairying and Fisheries. The Inter-Ministerial Coordination Committee will facilitate the development of GrAMs in strategic and coordinated manner by pooling the existing financial and technical resources and also various Government schemes.

In addition to above, a coordination meeting was held on 23.05.2018 under the chairmanship of Secretary (AC&FW) which was attended by Secretary, M/o Rural Development, Secretary, M/o. Tribal Affairs, Joint Secretaries from PMO and Managing Director, Small Farmers Agri-business Consortium (SFAC). In the meeting, the activities for development and upgradation of Gramin haats were discussed.

Based on the outcome of the coordination meeting, Guidelines on 'Operation and Management of GrAMs' have been formulated, got approved and circulated to States/UTs. Further, Scheme Guidelines of Agri-market Infrastructure Fund (AMIF) for development and upgradation of agricultural marketing infrastructure in Gramin haats and APMC markets have also been formulated in consultation with M/o. Rural Development and circulated to States/UTs to guide them to avail loan at concessional rate of interest. DAC&FW has requested States to exempt the GrAMs from State APMC regulations.

Subsequently, Ministry of Rural Development had conducted coordination meeting with States for preparation of state-wise plan for development of Gramin haats through MGNREGS. In the meeting, officers from DAC&FW had participated.

DAC&FW along with M/o. Rural Development is persuading States to expedite the development and upgradation of basic infrastructure in Gramin haats through MGNREGS and agricultural marketing infrastructure through AMIF. Ministry of Rural Development and States are regularly been consulted for proper coordination in development and upgradation of Gramin haats. Further, DAC&FW has requested States to designate Nodal Department as well as Nodal Officer for the purpose of development and upgradation of Gramin haats.

No. H -11017/03/2018-M-II (pt.)

Dated: 02.05.2019

RECOMMENDATION SERIAL NO. 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/up gradation 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 up gradation 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.

REPLY OF THE GOVERNMENT

In the Scheme Guidelines of Agri-market Infrastructure Fund (AMIF) for development and upgradation of agricultural marketing infrastructure in existing Gramin haats and APMC markets, full flexibility has already been provided to State Governments to come up with the proposals of development of Gramin haats based of local need and requirements and local practices and cultural ethos. In the survey of existing Gramin Haats conducted by DAC&FW, Gramin haats under private sector have also been included. The result of the survey has already been shared with M/o.

Rural Development with a request to develop and upgrade the physical infrastructure in this Gramin haats under MGNREGS as locally necessitated.

The Government is ensuring to develop and upgrade only existing rural haats. The basic and support Infrastructure/facilities including civic amenities such as open raised, covered platform, toilets (Separate for women and Men), drinking water facility, drains, brick/stone soling in the moving space, garbage pits at corner, office block, storage (small size), boundary wall/fencing with two gates(incoming and outgoing), parking space, drinking water facility for cattle are eligible in rural haats under MGNREGS.

Marketing infrastructure in GrAMs such as cleaning, sorting grading, washing, waxing, processing, packaging, pack house, low energy cool chamber / deep freezer / storage facility/mini reefer, vans/solar powered cold storage, freezer, IT infrastructure for integrating with e-NAM and for market information including electronic ticker board/ market information announcement system, electronic weighing scales/normal weighing scales, other Infrastructure such as value additions machines such as Mini Dal Mill / Mini Rice Huller / Mini Millet processing unit/ Mini Oil Expeller/Deshelling/Decorticator Machines, bagging and stitching machines and facilities are eligible under AMIF. Solar energy based system can also be provided in village haats.

Further, marketing and other supporting Infrastructure in APMC markets such as common auction system and drying platform/drying equipment, scientific warehouses including material handling and testing equipment, ripening chamber cold storages/ pack houses/ refrigeration deep freezer/reefer vans etc including solar powered and zero energy and with other technological innovations ones, cleaning, grading, washing, waxing, packaging and primary processing, electronic and normal weighing scale/ weigh bridge, computer & IT equipments and connectivity/POS devices for e-trading and market information system, assaying equipment and assaying laboratory, price display board (electronic/ non-electronic) and / or public announcement system, Mini dal mil/oil mil/ Mini Rice Huller/flour mill/deshelling/decorticator machine/mini oil expeller and refining facility/Cotton ginning / Mini millet processing unit and allied facilities/spice making and other value addition machines such as drying machines & required platform etc., bagging and stitching machines and facilities for packaging are eligible under AMIF.

The provision has been made in AMI sub-scheme of ISAM started from 22nd October, 2018, to provide the assistance to private owned & operated Gramin Haats for developing the infrastructure.

Ministry of Rural Development, Government of India, has directed all States/UTs to visit at least 10 existing Rural Haats constructed on GP/Community land & managed

by local bodies. Ministry of Rural Development conducted a workshop on “Upgradation of existing Rural Haats under MGNREGS”. 26 States/UTs participated in the workshop and presented the procedure to be adopted for upgradation of existing Rural Haats under MGNREGS. During the discussion in Labour Budget 2019-20, meetings held from 15th February to 28th February, 2019, the States/UTs have informed Ministry of Rural Development that 2720 existing Rural Haats have been identified which may be taken for upgradation in Financial Year 2019-20 following the procedure under MGNREGS.

Further, Ministry of Panchyati Raj, Government of India has also issued advisories to all States requesting them to provide basic amenities/infrastructure like proper sanitation, hygienic conditions, all weather roads etc. in Grameen Haats.

No. H -11017/03/2018-M-II (pt.)
Dated: 02.05.2019

RECOMMENDATION SERIAL NO.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.

REPLY OF THE GOVERNMENT

The suggestion of the committee regarding using Gramin Haats as a primary platform for dissemination of information and implementation of schemes related to agriculture sector is welcomed. Already schemes such as AMIF and AMI scheme, provisions exist for computer, IT equipments, information boards and electronic ticker boards for village haats development keeping in view need for dissemination of market information in village haats as basic unit for market extension services.

No. H -11017/03/2018-M-II (pt.)
Dated: 02.05.2019

RECOMMENDATION SERIAL NO.11

IMPLEMENTATION OF e-NAM SCHEME

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 program 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.

REPLY OF THE GOVERNMENT

e-NAM is a reformed linked scheme. States/Union Territories are required to carry out following reforms in their APMC Act for integrating their mandis with e-NAM platform:

- i) Single point levy of market fee in State
- ii) Provision of Unified trade license valid across all e-NAM mandis
- iii) Provision of Electronic Trading as a mode of Price discovery

As per operational guidelines of e-NAM Scheme, States/ UTs which either do not have marketing regulation or have one which is not in force, in order to integrate with e-NAM portal and avail grants under the scheme, must identify some institution/ organisation and frame appropriate legally enforceable guidelines. The entity so identified may develop the appropriate physical infrastructure required for e-trading on e-NAM at back end and provide required logistic support.

The Government is continuously pursuing States, where APMC wholesale markets are not in existence, to identify some institution/organisation and frame appropriate legally enforceable guidelines in order to integrate with e-NAM platform and avail grants under the scheme. Recently 06 mandis of Kerala, where there is no APMC Act, have been approved for integration with e-NAM platform.

The Government is already conducting intensive training programmes to the farmers on e-NAM Portal. A self e-learning module has been provided for farmers and other stakeholders on e-NAM portal. Under e-NAM, 828 training programmes to educate farmers about e-NAM have been completed. In addition to this, training programmes of farmers in 3481 Gram Sabha for spreading awareness about e-NAM have been conducted.

Small Farmers Agri-business Consortium (SFAC), lead implementing agency for e-NAM scheme, has engaged M/s Ernst & Young as a transaction advisor to give specialist advice on the roadmap of development of e-NAM.

No. H -11017/03/2018-M-II (pt.)
Dated: 02.05.2019

RECOMMENDATION SERIAL NO.12

PARTICIPATION OF PRIVATE SECTOR AND PROMOTION OF AGRI- STARTUP IN MARKETING OF AGRICULTURE PRODUCE

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.

REPLY OF THE GOVERNMENT

The Government is implementing Rashtriya Krishi Vikas Yojana-Remunerative Approaches for Agriculture and Allied Sector Rejuvenation (RKVY-RAFTAAR) to incentivize States to increase expenditure on agriculture and allied sectors to achieve and sustain desired growth in agriculture and allied sectors. The extant guidelines of the Scheme provides complete flexibility and authority to States

for selection, planning, approval and execution of projects under the scheme as per their needs, priorities and agro-climatic requirements and empower the states to approve their annual action plan accordingly for the development of agriculture and allied sectors. RKVY-RAFTAAR provides for development Public Private Partnership for Integrated Agriculture Development (PPPIAD) projects under which private sector encouraged PPP mode to collectively promote farmers in handholding including provided extension services to them for development PPPIAD projects.

RKVY Scheme has provision for earmarking 8% of the scheme funds for innovation and agri-entrepreneur development to promote innovative startups to convert innovative idea into a marketable product. The suggested focus areas includes Agri-Biotech; Agriculture/Horticulture/Natural Resource Management; Sustainable Agriculture/Organic farming; Animal Husbandry, Dairying, Fishery; Agri-Input tools and technologies, Micro Irrigation, Farm Mechanization and Agri Engineering, Precision Farming; Harvesting and Post-Harvest Processing; Food Processing; Supply Chain Management, Farm Retailing; Agri Extension Education; Internet of Things (IoT), ICT and Artificial Intelligence in Agriculture; Waste to Wealth, Secondary Agriculture; Agri Clinics & Farm Health Services etc. The benefits can be availed by farmers and agricultural students also.

No. H -11017/03/2018-M-II (pt.)
Dated: 02.05.2019

CHAPTER III

**OBSERVATION/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT
DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S ACTION TAKEN
REPLY**

NIL

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH ACTION TAKEN REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

RECOMMENDATION SERIAL NO.5

IMPLEMENTATION OF GrAMS SCHEME

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 up gradation/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.

REPLY OF THE GOVERNMENT

The Government in Union Budget 2018-19, has announced development and upgradation of existing 22000 Village Haats to GrAMs. As per initial report, 11,811 Village Haats are under Rural Local Bodies/Panchayats, approximately 1274 Village haats are under Agriculture Produce Market Committees (APMCs) & other Government agencies while rest of Village haats (approximately 9856) are under private trusts etc.

DAC&FW through its attached office Directorate of Marketing & Inspection (DMI) is undertaking questionnaire based survey of these haats and so far survey of more than 11,000 rural haats have already been completed. The survey result shared with Ministry of Rural Development, Government of India, as requested by them for development of basic and supportive infrastructure through MGNREGS by States.

The Government has circulated Guidelines on 'Operation and Management of GrAMs' to all States/UTs to facilitate and promote better management in GrAMs. Further, the Government has requested States to exempt the GrAMs from State APMC regulations. The Government has also circulated Scheme guidelines for AMIF to be set up with NABARD to all States/UTs to guide them to avail loan at concessional rate of interest. Apart from above, in order to identify the location, type and nature of haats, their periodicity, arrivals of produce etc.,

The issue of development of rural haat has already been taken up with the States during Rabi and Kharif campaign 2018 as well as Zaid Conference, 2019.

As far as allocation of financial resources is concerned, physical infrastructure is being strengthening through MGNREGA as coordinated by Ministry of Rural Development by States. The Government has approved an Agri-Market Infrastructure Fund (AMIF) with a corpus of Rs. 2000 crore with NABARD for developing and upgrading agricultural marketing infrastructure in the 10,000 Gramin Haats and 585 Agriculture Produce Market Committee (APMC) Markets. The Scheme guidelines have been circulated to States for availing fund. Fund can also be availed from the existing schemes of Government like AMI sub-scheme of ISAM. States have been requested to exempt GrAMs from their State APMC regulations.

In addition to above, Agricultural Marketing Infrastructure (AMI) scheme provides for assistance of infrastructure in Gramin Haats including those Haats owned and managed by private entities. The AMI Scheme is demand driven.

No. H -11017/03/2018-M-II (pt.)
Dated: 02.05.2019

Comments of the Committee

For comments of the Committee please refer to Para No.1.10 of **Chapter - I** of this Report.

RECOMMENDATION SERIAL NO. 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 up gradation 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.

REPLY OF THE GOVERNMENT

The Government has already approved an Agri-Market Infrastructure Fund (AMIF) with a corpus of Rs. 2000 crore for developing and upgrading agricultural marketing infrastructure in the 22000 Gramin Haats and 585 Agriculture Produce Market Committee (APMC) Markets. States can avail loan at concessional rate of interest for development of marketing infrastructure in Gramin Haats and modernizing infrastructure in 585 APMCs. Fund can also be availed from the existing central sector schemes of Government like AMI sub-scheme of ISAM and central sponsored scheme such as RKVY- RAFTAAR and MIDH.

As per guidelines of AMI sub scheme of ISAM, circulated to States/UT, subsidy is provided @ 33.33% and 25% for infrastructure projects including development and upgradation of Rural Haats into GrAMs.

In addition to this, States have option to additionally use the fund to finance development of Gramin haats from Rashtriya Krishi Vikas Yojana- Remunerative Approaches for Agriculture and Allied sector Rejuvenation (RKVY-RAFTAAR) which is a Centrally Sponsored Scheme in the ratio of 60: 40 (Government of India and State Share respectively) except in case of north eastern and hilly states where the sharing pattern is 90:10).

No. H -11017/03/2018-M-II (pt.)
Dated: 02.05.2019

Comments of the Committee

For comments of the Committee please refer to Para No.1.13 of **Chapter - I** of this Report.

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

RECOMMENDATION SERIAL NO.4

REFORM IN AGRICULTURE PRODUCE MARKETING COMMITTEE (APMCs) ACTS

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 farmer's 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.

REPLY OF THE GOVERNMENT

An empowered Committee of 10 State Agricultural Marketing Ministers to promote reforms and related issues was constituted on 2nd March, 2010, which submitted an exhaustive report to Ministry in 2013 for consideration. The Government constituted Committee to formulate Model Marketing Law considered almost all suggestions made in the report of 2013 and formulated in wide consultation with States and other stakeholders and released a Model APLM Act, 2017. Since, agricultural marketing is a State subject, Ministry of Agriculture & Farmers, Welfare, Government of India, is actively engaged with States/UTs for adoption of Model APLM Act, 2017 by them. The provisions suggested in the report by Standing Committee on Agriculture to do away with entry fee and other Cess levied on transaction of agriculture produce have already been incorporated in Model APLM Act, 2017. The Government at all level persuading rest of States to adopt the Model APLM Act, 2017. Due to constant and continuous persuasion and efforts made by Government of India with States, Arunachal Pradesh, Uttar Pradesh and Chhattisgarh have adopted the model APLM Act, 2017 while Punjab has adopted partially. Other States are at varied stages in the process of adoption.

**No. H -11017/03/2018-M-II (pt.)
Dated: 02.05.2019**

Comments of the Committee

For comments of the Committee please refer to Para No.1.7 of **Chapter - I** of this Report.

NEW DELHI;
10 December, 2019
19 Agrahayana , 1941 (Saka)

SHRI P.C. GADDIGOUDAR
Chairperson,
Standing Committee on Agriculture

STANDING COMMITTEE ON AGRICULTURE

(2019-20)

MINUTES OF THE THIRTEENTH SITTING OF THE COMMITTEE

The Committee sat on Monday, the 09th December, 2019 from 1500 hrs. to 1530 hrs. in the Committee Room 'C', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Parvatagouda Chandanagouda Gaddigoudar– Chairperson

MEMBERS

LOK SABHA

2. Shri Afzal Ansari
3. Shri Horen Sing Bey
4. Shri Devendra Singh 'Bhole'
5. Shri Abu Taher Khan
6. Shri Bhagwanth Khuba
7. Dr. Amol Ramsing Kolhe
8. Shri Devji Mansingram Patel
9. Smt. Shardaben Anilbhai Patel
10. Shri Bheemrao Baswanthrao Patil
11. Smt. Navneet Ravi Rana

RAJYA SABHA

12. Shri Partap Singh Bajwa
13. Shri Kailash Soni
14. Shri Ram Nath Thakur
15. Smt. Chhaya Verma
16. Dr. Chandrapal Singh Yadav

SECRETARIAT

- | | | | |
|----|----------------------|---|---------------------|
| 1. | Shri Shiv Kumar | – | Joint Secretary |
| 2. | Shri Arun K. Kaushik | – | Director |
| 3. | Smt. Juby Amar | – | Additional Director |
| 4. | Shri Sumesh Kumar | – | Deputy Secretary |

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

- | | | | | |
|---------|------|------|------|------|
| * (i) | XXXX | XXXX | XXXX | XXXX |
| * (ii) | XXXX | XXXX | XXXX | XXXX |
| * (iii) | XXXX | XXXX | XXXX | XXXX |

(iv) Draft Report on the Action Taken by the Government on the Observations/Recommendations contained in the 62th Report (16th Lok Sabha) of the Standing Committee on Agriculture (2018-19) 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);

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

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|-----|------|------|------|------|
| *4. | XXXX | XXXX | XXXX | XXXX |
|-----|------|------|------|------|

The Committee then adjourned.

*Matter not related to this Report

APPENDIX

(Vide Para 4 of Introduction of the Report)

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE SIXTY SECOND REPORT OF STANDING COMMITTEE ON AGRICULTURE (17TH LOK SABHA)

(i)	Total number of Recommendations	07
(ii)	Recommendations/Observations which have been Accepted by the Government	
	Recommendation Nos.	1,2,3,7,8,9,10,11 and 12
	Total	09
	Percentage	75.0%
(iii)	Recommendations/Observations which the Committee Do not desire to pursue in view of the Government's replies	
	Recommendation Nos.	NIL
	Total	00
	Percentage	00.00%
(iv)	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee	
	Recommendation No.	5 and 6
	Total	2
	Percentage	16.66%
(v)	Recommendations/Observations in respect of which Final replies of the Government are still awaited	
	Recommendation No.	4
	Total	1
	Percentage	8.33%