

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2255

ANSWERED ON:08.08.2005

PROCUREMENT CENTRES IN PLACE OF AGRICULTURAL MANDIS

Chouhan Shri Shivraj Singh;Khan Shri Mohammad Tahir;Kushwaha Shri Narendra Kumar;Munshiram Shri ;Murmu Shri Hemlal;Shahid Shri Mohammed;Shiwankar Shri Maha Deo Rao

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government has allowed the private sector to set up procurement centers by doing away with the agricultural mandis;
- (b) if so, the reasons therefor;
- (c) whether all the States have given their consent to the said scheme;
- (d) if so, the details thereof;
- (e) if not, the reasons advanced by them for the same;
- (f) whether there is a possibility of price rise due to competition in the private and public sector agricultural mandis; and
- (g) if so, the corrective measures taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a) & (b): This Ministry has, as a measure of reform in the agricultural marketing sector, advised the State Governments to promote development of competitive markets in private and cooperative sectors and to allow direct marketing and contract farming programmes by suitably amending the Act dealing with Agricultural Markets (APMC Act). The aim is to encourage a regulated marketing regime, where there is fair competition, so that the farmers can gain from the options available, and take their produce to the centers that offer the best prices and services.

(c) to (e): The Ministry of Agriculture also formulated a model law on agricultural marketing for the implementation of the reforms and circulated it to the States for adoption. The Model law has been discussed with the State Governments at the National Conference of State Agriculture Ministers on 7th January, 2004 and again on 19th November, 2004. The States in general agreed to bring suggested changes in the APMC Act. Several States have since brought amendment to the APMC Act and allowed the private sector to operate procurement centers near to farmers' field. These procurement centers are to function in addition to the regulated markets (mandies) set up by the State.

(f) & (g): Competitive procurement of agricultural commodities would enable farmers to avoid intermediaries and obtain a larger share in the final price of his produce and it would also result in lower price to the consumer. Fair competition will not in any manner result in price rise.