

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:163  
ANSWERED ON:20.02.2006  
AGRICULTURAL MARKETING REFORMS  
Reddy Shri Karunakara G.

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

- (a) whether the Government has urged the states to accelerate and urgently complete agricultural marketing reforms to ensure a legitimate share to the farmers in the final value of their produce;
- (b) if so, the guidelines issued by the Government to the States in this regard;
- (c) whether the Government has also urged the States to amend the Agricultural Produce Marketing Committee Act to ease the position; and
- (d) if so, the reaction of the States in this regard?

**Answer**

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

(a) to (d): Agriculture sector needs well functioning markets to drive growth, employment and economic prosperity in rural areas of the country. Large investments are required for the development of post harvest and cold chain infrastructure nearer to the farmers` field. A major portion of this investment is expected from the private sector, for which an appropriate regulatory and policy environment is necessary. Alongside, enabling policies need to be put in place to encourage procurement of agriculture commodities directly from farmers` field and to establish effective linkage between the farm production and the retail chain and food processing industries. State Governments have accordingly been advised to promote cooperative agricultural markets in private and cooperative sectors, direct marketing and contract farming programmes by amending the State Agricultural Produce Marketing Regulation Acts (APMC Act). The Ministry of Agriculture has formulated a model law on agricultural marketing for guidance and adoption by the States.

All States have in general agreed to bring changes in the APMC Act accordingly. The States of Andhra Pradesh, Madhya Pradesh, Himachal Pradesh, Punjab, Sikkim, Rajasthan and Nagaland have already amended their APMC Act and implemented the suggested reforms.