

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:838

ANSWERED ON:31.07.2006

PLAN FOR ENTRY OF PRIVATE FARM PRODUCE MARKET .

Reddy Shri Karunakara G.

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

(a) Whether the Government has evolved a plan for facilitating the entry of private farm produce markets to link the farmers directly with the consumer;

(b) If so, the details thereof; and

(c) The steps taken by the Government to implement the same? ANSWER

**Answer**

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

(a) & (b): 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 agricultural 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 competitive 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, Orissa, Chattisgarh, Punjab, Sikkim, Rajasthan, Arunachal Pradesh and Nagaland have already amended their APMC Act and implemented the suggested reforms.

(c): The following steps have been taken to persuade the States to bring changes in the APMC Act on the lines of the Model Act:

- i) National level meetings were organized with the State Governments at Delhi on 07.01.2004 and at Bangalore on 19.11.2004.
- ii) Follow up letter from Union Agriculture Minister sent to State Ministers In-charge of Agricultural Marketing for amending the APMC Act on 16th July, 2004 and again in February, 2005 and to the Chief Ministers on 25th May, 2005.

A new Central Sector Scheme to provide investment subsidy on market infrastructure development projects implemented in November, 2004. Central assistance under the scheme is to be provided to those States that amend the APMC Act on the lines of the Model Act. An amount of Rs.25 crore was also released to NABARD/ NCDC to provide investment subsidy to eligible projects through banks in March, 2005.