

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:71

ANSWERED ON:27.11.2006

TERMINAL MARKETS

Gangwar Shri Santosh Kumar;Patle Shri Shishupal Natthu

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government has decided to set up terminal markets for agricultural produce with the private/co-operative sector participation in the country;
- (b) if so, the details and locations thereof;
- (c) the salient features of these terminal markets;
- (d) the funds released for the purpose; and
- (e) the time by which the said scheme is likely to be implemented?

Answer

THE MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHARAD PAWAR)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 71 DUE FOR REPLY ON 27TH NOVEMBER, 2006.

(a) to (e): The Ministry of Agriculture has decided to set up Modern Terminal Markets in the country. The market would provide storage infrastructure, logistic support including transport services & cool chain support and value addition service facilities such as cleaning, grading, sorting, packaging and palletisation of produce and advising the farmers on modern production techniques. Each of these services would be provided on payment of user charges.

2. The Terminal Markets would be built, owned and operated by a Corporate/Private/Co- operative entity (Private Enterprise) either on its own or through adoption of an outsourcing model. The private enterprise could be a consortium of entrepreneurs from agri-business, cold chain, logistics, warehousing, agri-infrastructure and related background. They would operate on a Hub-and-Spoke Format, wherein the Terminal Market (the hub) would be linked to a number of collection Centres (the spokes). The spokes would be conveniently located at key production centres to allow easy farmer access and the catchment area of each spoke would be based on meeting the convenient needs of the farmers, operational efficiency and effective capital utilization of the investment. The commodities to be covered by the markets include fruits, vegetables, flowers, aromatics, herbs, meat, poultry and other non-perishables.

3. The approved scheme is not location specific and State Governments can set up Terminal Markets by a competitive bidding process depending upon the requirement of production area and economic viability of the project. The scheme will be implemented in those States which undertake reforms in their laws dealing with Agricultural Marketing to provide direct marketing and setting up of markets in private/cooperative sector.

4. The State Governments would provide support for creation of a conducive regulatory and legal framework for establishment and operation of the project and provision of a level playing field to the private enterprise. The Central Government will lend its support to the initiative by providing financial support to the project by way of equity participation upto a maximum of 49% of project equity. The disinvestments of Government equity shall be done at an appropriate time at market/fair value.

5. An amount of Rs.150.00 crore has been earmarked under National Horticulture Mission for implementation of the scheme during 2006-07. The scheme has been approved by the Government on 2nd November, 2006. Private enterprise requiring least amount of equity will be selected, through competitive bidding process. So far, no funds have been released under the scheme. The above scheme will be implemented in Public Private Partnership during the remaining period of the Tenth Five Year Plan.

