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Government of India

Ministry of Agriculture & Farmers' Welfare,  
Department of Agriculture & Farmers' Welfare  
(Agriculture Marketing Division)

"F" Wing, Shastri Bhawan, New Delhi

Dated: the 25<sup>th</sup> November, 2024

**OFFICE MEMORANDUM**

**Sub: Draft "National Policy Framework on Agricultural Marketing – public comments /suggestions regarding.**

Department of Agriculture and Farmers' Welfare (DA&FW), Ministry of Agriculture and FW, Govt. of India on 25<sup>th</sup> June, 2024 constituted a Drafting Committee under the chairmanship of Shri Faiz Ahmed Kidwai, IAS, Additional Secretary (Marketing), DA&FW. The Drafting Committee has prepared a draft "**National Policy Framework on Agricultural Marketing**", which is attached herewith.

2. A copy of aforesaid draft National Policy is uploaded on the website with the request to all those interested persons to kindly forward your comments/suggestions, which will help us to further improve it. A suggestive format is given below for sharing your comments /suggestions. The comments/suggestions on the enclosed "**National Policy Framework on Agricultural Marketing**" may reach within 15 days at email ID [surendrak.singh@nic.in](mailto:surendrak.singh@nic.in) .

**Suggestive Format**

| Provision-reference in the draft Policy | Changes suggested /commends made | Justification for comments and suggestions made |
|-----------------------------------------|----------------------------------|-------------------------------------------------|
|                                         |                                  |                                                 |
|                                         |                                  |                                                 |

This issues with the kind approval of the Addl. Secretary (Marketing) -cum- Chairman of the committee.

**Encl: As above**

**(Dr. S.K. Singh)**

Dy. Agriculture Marketing Adviser and  
Convener of Drafting Committee  
(Mob. 9958822288)

Copy to:

1. A copy of the draft is also shared herewith with the Principal Secretaries/Secretaries, in-charge of Agricultural Marketing and Directors / Managing Directors of State Agricultural Marketing Departments/Directorates/Boards of all the States/UTs with the request to kindly forward your valuable comments/suggestions on the draft at email id [surendrak.singh@nic.in](mailto:surendrak.singh@nic.in) within 15 days to enable us to further improve the same.
2. All the members of the Drafting Committee (copy of the constitution of the committee is enclosed) with the request to kindly share your further valuable comments/suggestions.
3. All the special members of the Drafting Committee (copy of the constitution of the committee is enclosed) with the request to kindly share your further valuable comments/suggestions.
4. PPS to AS(Marketing)-cum-Chairman of the Drafting Committee for kind favour please.



**NATIONAL POLICY FRAMEWORK  
ON  
AGRICULTURE MARKETING**

**Government of India  
Ministry of Agriculture and Farmers' Welfare  
Department of Agriculture and Farmers' Welfare**

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## NATIONAL POLICY FRAMEWORK ON AGRICULTURE MARKETING

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## Acronyms and Abbreviations

|             |                                                                   |
|-------------|-------------------------------------------------------------------|
| APMC        | Agricultural Produce Market Committee                             |
| AVC         | Agri. Value Chain                                                 |
| CF          | Contract Farming                                                  |
| CACMP       | Common Agribusiness Centre – cum – Market Place                   |
| CCS NIAM    | Ch. Charan Singh National Institute of Agriculture Marketing      |
| DA&FW       | Department of Agriculture & Farmers' Welfare, Government of India |
| DDM         | District Development Manager                                      |
| DMI         | Directorate of Marketing and Inspection                           |
| DPI         | Digital Public Infrastructure                                     |
| EEC Markets | European Economic Community Markets                               |
| eNAM        | Electronic National Agricultural Market                           |
| eNWR        | Electronic Negotiable Warehouse Receipt                           |
| eNWRS       | Electronic Negotiable Warehouse Receipt System                    |
| EoDA        | Ease of Doing Agritrade                                           |
| EPW         | Economic & Political Weekly                                       |
| FPO         | Farmer Producer Organisation                                      |
| HORTICORP   | Kerala State Horticultural Products Development Corporation       |
| IGAC        | Infrastructure Gap Analysis Committee                             |
| GrAMs       | Grameen Agricultural Markets                                      |
| NCDEX       | National Commodity and Derivatives Exchange Limited               |
| NCML        | National Commodities Management Services Limited                  |
| NeML        | NCDEX e Markets Limited                                           |
| NER         | North-Eastern Region                                              |
| PMFBY       | PM- Fasal Bima Yojana                                             |
| PoP         | Platform of Platforms                                             |
| PPP         | Public Private Partnership                                        |
| IRC         | Implementation Review Committee                                   |
| NCF         | National Commission on Farmers                                    |
| PMY         | Principal Market- Yard                                            |
| SAMB        | State Agricultural Marketing Board.                               |
| SCRA        | The Securities (Contracts) Regulation Act, 1956:                  |
| SEBI        | Securities and Exchange Board of India                            |
| SMY         | Sub-Market Yard                                                   |
| SUPPLYCO    | The Kerala State Civil Supplies Corporation                       |
| VCCI        | Value Chain Centric Infrastructure                                |
| VFPCK       | Vegetable and Fruit Promotion Council Keralam                     |

# NATIONAL POLICY FRAMEWORK ON AGRICULTURAL MARKETING

## Chapter 1: Introduction

- 1.1** Country's agriculture sector has shown its best performance in terms of growth in output and sectoral income over the last few years. From 2016-17 to 2022-23, agriculture witnessed an annual growth of 5 %, a level which was never achieved before for seven consecutive years consistently in independent India (Source: Ramesh Chand and Jashpal Singh, EPW, September 28, 2024). The food grain production has been estimated to touch new heights of 328.85 million MT, Oilseeds 39.59 million MT (3<sup>rd</sup> Advance Estimates, 2023-24); while horticultural production has outperformed, estimated to touch 352.23 million MT (2<sup>nd</sup> Advance Estimate, 2023-24). Thus, constantly increasing production level is not only indicative of self-sufficiency to meet food security requirements but bumper surplus creation has driven the much needed agricultural exports reaching all time high of US\$ 50.2 billion (Source: Economic Survey, 2023).
- 1.2** Though in the last 10 years agriculture income has increased annually @ 5.23 % against a growth rate of 6.24% in the non- agriculture sector and 5.80 % in the economy overall. Thus, the difference in the growth rate of income in the agriculture and non-agriculture sector is small. The data witnesses that the accelerated agricultural growth during last two decades has been a result of diversification towards horticultural crops, livestock and fisheries, as fisheries experienced the highest growth of 9.08 % in value of output followed by livestock sector at 5.76 % and the crop sector 2.34 % per year (Source: Ramesh Chand and Jashpal Singh, EPW, September 28, 2024). In spite of all this, this is a matter of concern that farmers, especially small and marginal ones are still not able to draw the benefit of bumper production and growth in agriculture sector and income as well. A substantial gap in rural and urban economy is still visible and a large section of farmers is still struggling for optimum income. Among the major reasons identified are high fragmented landholding, high cost of production, lack of demand driven production and accessibility to good markets and optimum realization of value for their produce. Integrated output management with application of digital public infrastructure like block-chain technology, use of innovations, capacity building through proper skilling and professionalism are the critical areas for consideration to improve farmers' income with transparency and ease. The policy identifies the pockets of satisfaction and areas for improvement as well and also modalities for improvement in possible uniform manner.

## Chapter 2 : Vision of National Policy Framework

*To build a vibrant marketing ecosystem in the country wherein farmers of all category find a market of their choice to realise best price for their produce, to be accomplished through improved efficiency, enhanced competition with multiple marketing channels & no monopsonic market structure, transparency, infrastructure*

*and adoption of innovative digital technology and also agri value chain based marketing.*

### Chapter 3: Mission of National Policy Framework

Being agricultural marketing a State subject under Entry 28 of List-II (State List) of the VII Schedule under article 246 of the Constitution, central and state governments and their agencies together with other stakeholders will have to work in coordination and tandem with the missionary zeal. To align with the “National Policy Framework” , states/UTs may also consider to frame and notify “State Policy Framework” on agricultural marketing, which have not yet notified . States /UTs those have notified such policy are required to tweak their policy framework to be by and large in consonance with the National Policy Framework to achieve the goal of making available “Best Possible Market and Price” to the farmers for their produce .

- 3.1 To assess the State/UT-wise marketing and auxiliary infrastructure gap with the States and their agencies. If needed, gap assessment may be undertaken at district level. Identified gaps may be bridged up.
- 3.2 To bring in efficiency and competition , development of multiple channels for marketing is to be promoted with involvement of public and private sector both . To achieve this, reforms in agricultural marketing laws and policies will be instrumental.
- 3.3 To engage with states to bring in “B-READY” atmosphere for agritarde including licensing /registration system and entire trade processes/ operations . As far as possible, states/UTs will be requested to make such processes digital through adoption of digital public infrastructure like block-chain technology and market –stack on the lines of agri-stack .
- 3.4 To engage with the States and other stakeholders to put in place a market information and intelligence system to reduce the information asymmetry in marketing of the produce and undertaking market driven production.
- 3.5 To put in place a mechanism to mitigate the uncertainties of Market and Price.
- 3.6 To examine existing one and redesign an all-inclusive value chain **based** a robust capacity building mechanism.

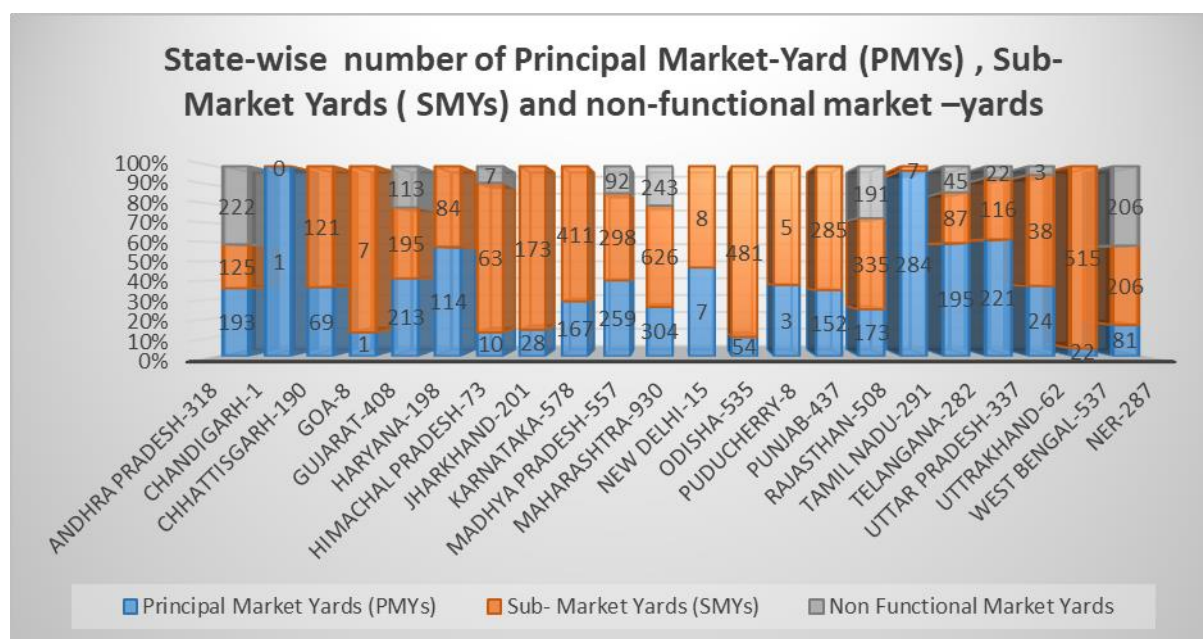
### Chapter 4: Market Architecture in the Country and Policy Intervention

#### 4.1 Situational Analysis:

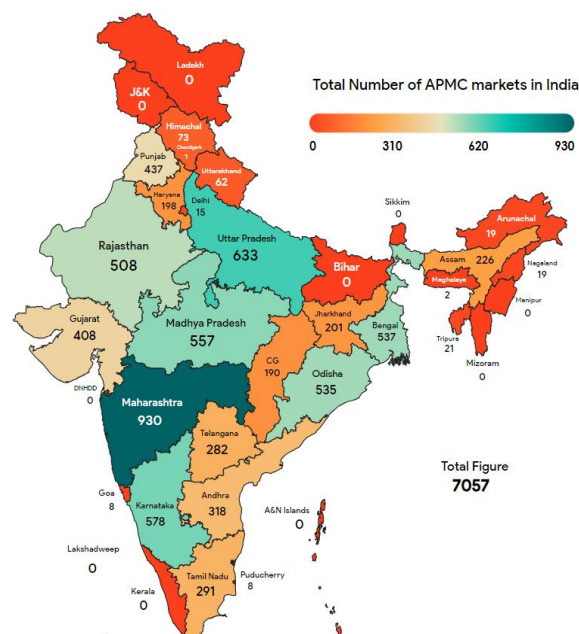
**4.1.1 Regulated wholesale markets:**-Organised wholesale marketing in the country is undertaken through 7057 regulated markets (2605 PMYs and 4452 SMYs), as on 31.03.2024, established under APMC Acts of States and UTs (in 27 States and 3 UTs APMC Acts are

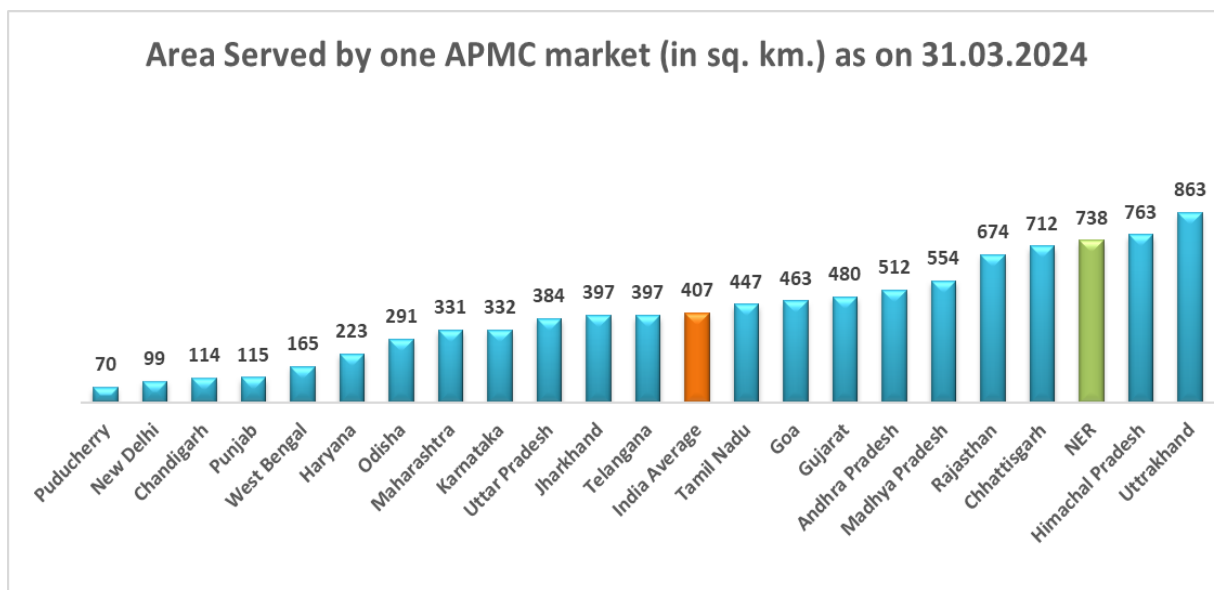
enacted, while in 3 States of NER, APMC Acts are not yet implemented, though APMC Acts have been enacted).

Density of these markets vary from State to State and taking country's average one regulated market serves 407 sqkm area against the norm of 80 sqkm (NCF, 2006). Worse is that more than 1100 markets are non-functional. State-wise number of Principal Market-Yard (PMYs) , Sub-Market Yards ( SMYs) and non-functional market –yards is given below in the table .



It is also understood that in many states market committees are notified but the market yards not yet established, which may be around 450 in numbers. In terms of infrastructures and facilities, there are many markets in states which are notified but there is no infrastructure at all. Market-density is critical for providing markets to farmers closer to their farm-gate/villages . State- wise market density is depicted below in bar-chart form.



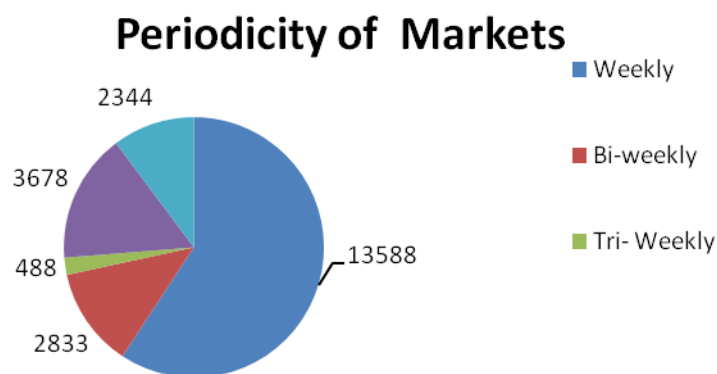


**4.1.2 Unregulated wholesale markets:** There is no authentic data with respect to number of wholesale unregulated markets in the country and status of infrastructure facilities in these markets. It is understood that there are more than 500 wholesale unregulated markets in the country and situation of infrastructure /facilities in most of these markets are very poor. Most of these wholesale unregulated markets are functional in those states/ UTs where either APMC Acts do not exist or are non-functional ( Kerala, Bihar, A&N Islands and NER States).

**4.1.3 Municipalities'/Councils' markets:** With respect to exact no. of wholesale markets under municipalities /councils also, there is no authentic data in the country. It is observed that they are actually place for collection of fees without providing any infrastructure and facility. There is a need to pay attention to these markets also.

**4.1.4 Grameen Haats :**These are located in rural and interior areas and serve as focal points to a great majority of the farmers. As per the recent survey, it was found that presently there are 22,931 grameen *haats* in the country. Out of this, 63.25 % is controlled by local bodies, 28.93 % by private, 2.11 % by APMCs and remaining 5.71 % by others. Periodicity of these markets is given below.

Chart on the right hand depicts periodicity of existing rural haats after survey.



Two pictures on the right hand are depicting the true condition of amenities and infrastructure of existing rural *haats*.



Developing these grameen *haats* into Grameen Agricultural Markets (GrAMs), as recommended in the Report of Doubling Farmers' Income and also as announced in the Union budget , 2018-19 will serve as one stop marketing solution to the farmers nearer to farm gate.

**4.1.5 Private wholesale markets:** In the country, there are about 125 wholesale private markets in the states of Maharashtra, Gujarat, Rajasthan, Karnataka and Uttar Pradesh. These markets have been promoted with the objectives of improving the farmer-market linkages and creating competition. So far, there is no independent study about functionality, benefits accruing from them and challenges being faced by private owners in operation and management of these markets.

**4.1.6 Farmer-Consumer Markets:** There are about 7,00 farmer-consumer markets in the country, wherein farmers directly sell their produce mostly perishables in retail to the consumers . These are in the name of Rythu Bazars in Andhra and Telangana; Uzhavar Sandhais in Tamil Nadu and Puducherry; ApniMandi/Janata Bazar in Haryana, Punjab and H.P.;Krushak Bazar in Odisha. These are important markets but suffer from lack of infrastructure and facilities.

#### **4.1.7 Electronic Trading Platforms/ Markets:**

**4.1.7.1 Private e -Markets :** They are the virtual market platforms owned and operated by private sector. These virtual platforms provide entire process of trade virtually. Trading through e-platforms improves transparency and price discovery to the farmers. There are 21 states providing provision in their APMC Acts for establishment and

operation of private e-trading platforms and of them 11 have notified rules . Major private e-platform operators in country are Star- Agri., Shree Shubham Logistics, NCDEX, NeML, NCML, Apnagodam and BHM Agrimart. They have established their eMarket platforms in Rajasthan, Telangana, M.P., Gujarat and Andhra Pradesh

**4.1.7.2 eNAM:** DA&FW launched on 14<sup>th</sup> April,2016 eNAM as Pan-India electronic trading (e-trading) portal with the core objective to enhance farmers` access digitally to multiple markets and buyers to receive the competitive prices for their produce in transparent manner. At present, there are 1389 markets spread in 23 states and 4 UTs integrated with the platform. Tradeable parameters for 219 agricultural commodities have been notified to provide the quality standards for trading on the eNAM platforms, which are constantly increasing. Keeping pace with the time and requirement, there have been many user friendly technological advances/innovations like integration of payment gateway feature, FPO module, eNWRs module , PoP,, Farm gate module , issuance of e permit and enabling commission agent and so on. There is a need for consolidation and expansion of eNAM even beyond APMC markets.

#### **4.1.8 Futures and Options Markets:**

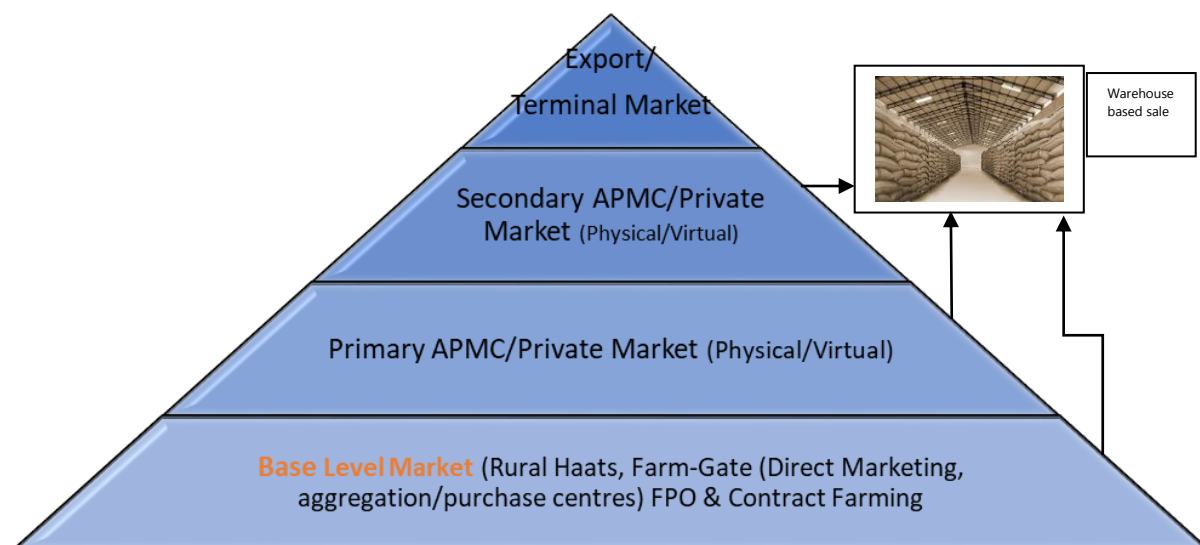
Futures and Options markets are tertiary markets regulated by statutory regulator SEBI in accordance with the provisions contained in the SCRA, 1956. Proponents of commodity markets (derivatives trade) consider it as an instrument for price discovery and price risk management. This helps in checking price slumps in post-harvest periods and smoothen out the price changes over the production cycle. As commodity exchanges are national online markets they ensure an integrated price structure across the country and also iron out the supply-demand imbalances throughout the year. These markets also act as a focal point for the collection and dissemination of price statistics that provide vital signals to all market players, policy makers and the government. While critics commodity markets (derivatives trade) allege that such markets are responsible for food inflation and excessive speculation without physical delivery taking place.

As far as farmers participation on the platform is concerned, they can participate through FPOs only . SEBI in January, 2020 permitted stock exchanges to launch a new derivative of “Options” in goods in derivative market. To give impetus to Options, SEBI in October, 2020 itself decided to forgo regulatory fee for National Commodity Exchanges in case such fee is used in incentivizing option premium

As far as FPOs participation on derivative exchanges is concerned, selected number of FPOs have already been participating on derivative exchanges even before the launch of Put Option. The new derivative of “Put Option” in commodity exchange trading gives option to the FPOs the choice to sell their produce either at the exchange platform at pre decided strike price by paying certain premium or at a higher prices in the spot market / mandi by squaring off the position on exchange at prevailing market price, thereby proving a better hedging tool for FPOs as they can lock in a price for

their produce at the time of sowing to ensure minimum income while they also retain upside benefits.

Ideal market architecture in the country should be in following pyramidal shape.



## 4.2 Policy Interventions:

In order to improve farmers' access to the market and market density in the states, DA&FW shall endeavour: -

- 4.2.1 From bar chart of the para 4.1.1 for area served by one APMC market, it is evident that there are large number of states which are below par the norm prescribed in report of NCF, 2004, which states that there should be minimum one market for 80 sq.km area. DA&FW will engage with the states to redefine the need of market density, state-wise considering the geographical area, production pattern, marketable surplus, transport facility and other logistics.
- 4.2.2 To improve the farmer – market linkages and farmers` accessibility, closer to farm-gate / villages, states may ensure to declare large number of need-based warehouses/cold storages as sub-market yards. It should also be ensured that at least in the beginning there should be one private market in every revenue division of the state which should subsequently be scaled up to be at least one in each district.
- 4.2.3 To promote development of more number of physical as well as virtual markets in private sector. DA&FW with states will undertake the study of private physical wholesale markets to assess the issues relating to their operation, sustainably viable business model and benefits accruing to farmers. Similar study will also be take up for private e-trading platforms.
- 4.2.4 To strengthen/develop 300 grameen haats into GrAMs annually. Fifty GrAMs may be developed in NER and hilly states; while two-hundred and fifty in remaining areas.

- 4.2.5** To take up matter with Department of Economic Affairs and coordinate with SEBI and Commodity Exchanges for regular policy on futures trade and possible integration of more number of FPOs with futures platforms for trading ( futures /options).
- 4.2.6** To integrate more number of markets, especially collection centres /aggregation points, private markets, deemed markets, Grams, CACMP/FPO premises , in addition to APMC markets, with eNAM portal .

## **Chapter 5: Strengthening and Modernization of Agri Value Chain and Marketing Infrastructure and Policy Intervention**

### **5.1 Situational Analysis:**

Over the years, DA&FW has been providing grants to State Agricultural Marketing Departments / Boards in the name of strengthening agricultural marketing infrastructure. Since 2000, this grant system has been replaced by subsidies of various magnitudes through formulation of schemes like Rural Godown Scheme, Development /Strengthening of Agricultural Marketing Infrastructure, Grading and Standardization (AMIGS), Agricultural Marketing Infrastructure (AMI), Rashtriya Kisan VikasYojana (RKVY), Mission for Integrated Development of Horticulture (MIDH) and Agricultural Infrastructure Fund (AIF). Now, in the changed marketing dynamics, there is a need for creation of end -to -end Value Chain Centric Infrastructure (VCCI) and Digital Infrastructure.

#### **5.1.1 Value Chain Centric Infrastructure:**

Agri Value Chain (AVC) normally refers to the whole range of goods and services necessary for an agricultural product to move from farm to its final customer. The “World Bank” describes the term “value chain” as “ *the full range of value adding activities required to bring a product or service through the different phases of production, including procurement of raw materials and other inputs*”.

Creation of need based VCCI in place of mere upgradation of existing infrastructure or developing it in isolation is essential for effective and transparent marketing delivery to reach the last mile of the farmer. VCCI will lead to integration of supply chains and reduction of transaction costs.

##### **5.1.1.1 Post-Harvest VCCI:-**

Post-harvest infrastructure, which are quite inadequate, causing marketing inefficiencies, need to be strengthened.

- i. At village/ GP levels or at small town level , post-harvest management and marketing infrastructures like collection centres, purchase centres, primary and secondary value addition facilities, drying facility, packaging facility, quality testing facility, CACMP for primary FPOs, small storage facility, deep freezer, etc need to be developed . Grameen *haats* should be transformed in GrAMs with aforementioned need based infrastructures /facilities.

- II. At district level or regional level, high level precision infrastructure/facilities oriented to processing and export should be developed. There may be cold chain facility linking to production on the back end and agro industries/market/consumer on the fore end, value addition, pack-houses, high standard quality assaying labs meeting the international standard, labelling, branding, etc.
- III. Infrastructure and facilities in APMC markets are quite inadequate in most of the markets. There are markets notified in the states for collection of market fees only, wherein no action is taken for development of any infrastructure/facility. Based on throughput in the market, nature of produce majorly arriving therein, common and functional infrastructure gap should be identified. States should consider to bridge the gap with private sector participation and preferably in PPP mode.

**5.1.2 Digital Infrastructure (DI):** DI is critical for improving marketing efficiency & transparency and maintaining digital data bank .Digital infrastructure may be developed by public sector or private sector or in PPP mode. Building digital public infrastructure, using block-chain technology, AI / ML etc for end-to-end operationalization of food commodity supply chain processes right from farm to storage, to the arrival at food processing centres may be of great help.

- I. eNAM may be consolidated and expanded beyond APMC markets to public & private collection/purchase centres, assembly markets, potential GrAMs, warehouses/cold storages declared as sub-market yards, FPOs' CSCMP to bring the market near to farm gate through developing DI. For the purpose, improvised version of e-NAM need to be developed. This Digital Marketing Portal (DMP) so developed should work on the principle of plug-in-plug out of other public and private DIs providing services relating to e-trading, quality assaying , packaging transportation with up-gradation of Kisanrath , logistics , finance, etc. Apart from above, there should be integration of technologies emerging from Agri. Start-ups, food- safety, traceability and end to end industry link. PACS' digital system may be integrated with such a portal. This DMP may be part of market-stack
- II. **Market Information System (MIS)** being implemented since March, 2000 as agmarknet needs to be upgraded. This upgraded portal may be the part of market-stack to provide real-time sowing as well as price information. Apart from this, DI relating to farmer level post-harvest management, market price prediction systems, market intelligence, trade infrastructure for domestic / exports/ imports operations and statistical modelling on demand supply estimations may also be thought of.
- III. **Financial infrastructure** –Working capital and pledge loan facilities may be created/ converged to assist active value chain partners. Integration of e-NWRS with the portal would add to its utility.
- IV. Farmers who wish to avail facility of digital marketing will have to register through Common Service Centres (CSC) / mobile apps and other service providers covering the services .

## **5.2 Policy Intervention:**

- 5.2.1** Output management and value chain infrastructure, physical and digital both, are quite inadequate, causing marketing inefficiencies. These need to be strengthened. Before taking any concrete action in this direction, there must be a gap analysis. For physical infrastructure gap analysis, depending upon the type and nature of infrastructure, gap analysis should be carried out at district level. For digital infrastructure gap analysis, it may be at state level.
- 5.2.2** Depending upon the farmers' demography , production pattern , etc , states may consider to undertake physical output & value chain infrastructure gap analysis at district level or at any other unit level state deems fit. For the purpose, states may constitute Infrastructure Gap Analysis Committee (IGAC) under the chairmanship of District Collector / Chief Development Officer with district level representatives of line departments , DDM of NABARD and other stakeholders state thinks appropriate at the district level, as members. There may be Managing Director / Chief Administrator /Administrator /Secretary, State Agricultural Marketing Board or Director, State Agricultural Marketing Department /Directorate state level nodal officer to guide , monitor and supervise the output management & value chain infrastructure gap analysis work. State may designate any other officer also, if so required, as state level nodal officer..
- 5.2.3** For digital output & value chain infrastructure gap analysis, similar Gap Analysis Committee i.e. IGAC may be constituted at state level with involvement of professionals and representative of central government .
- 5.2.4** Based gap analysis and functional requirements, DA&FW may consider to formulate a scheme in consultation with and involvement of states and other stakeholders. There are various schemes at central and state government level, which need to be popularised and conversed at state level.

## **Chapter 6: Professionalism of APMCs and their Orientation Towards New Dynamics of Markets and Policy Intervention**

### **6.1 Situational Analysis:**

APMCs are a statutory body constituted, as provisioned under States/ APMC Acts/ rules. As per the present system, they are enforcing provisions of APMC Act/ rules in the notified market area on all aspects of marketing and they are more engaged in collecting the market fee and other charges. In the changing scenario, they need to be professional and service oriented and promote value chain based marketing.

#### **6.1.1 Equipping APMC markets with specific infrastructure and services in PPP mode:**

APMCs are required to assess and endeavour to create infrastructure and facilities for cleaning, grading, sorting, packaging and also for food processing in PPP mode in the market -yard premises itself. The primary value addition infrastructure / facilities would help farmers to make their produce tradeable at higher prices on one hand and enhancing income to the APMCs on the other.

As far as rising food processing sector is concerned, the sector plays a vital role in reducing the wastage of perishable agricultural produce, enhancing the shelf -life of food products, ensuring value addition to agricultural produce. Sector also incentivises diversification & commercialisation of agriculture. As per the Economic Survey for 2023-24, the food processing industry in India is one of the largest employers in organised manufacturing , with a 12.02 per cent share in the total employment in the organised sector. The value of agri-food exports, including processed food exports, accounted for about 11.7 per cent of India's total exports (2022-23). Optimum development of the food processing sector will contribute significantly to tackling several developmental concerns such as disguised rural unemployment in agriculture, rural poverty, food security, food inflation, improved nutrition, prevention of wastage of food etc. Keeping above facts in mind, APMCs should promote food processing activities in the market yards in PPP mode.

#### **6.1.2 Commodity specific marketing with focus on millets:**

In the states, there are commodity specific markets like fruits and vegetable markets, onion markets, flower markets and cotton markets, etc. Considering nutritional value, climate- resilience, comparatively lesser cost of production, natural resources' friendly cultivation and alignment with several UN Sustainable Development Goals (SDGs), government has recently been focussing towards crop diversification to millets, also called as smart food, nutri-cereals and Shree Anna. These are also important by virtue of their mammoth potential to generate livelihood, increase farmers' income and ensure food & nutritional security all over the world. To attract the farmers to diversify towards millets, they are required to be provided a market with good return. Hence, in potential APMCs, dedicated space may be earmarked and also develop infrastructure/facilities for value chain based marketing of millets in PPP mode.

#### **6.1.3 Marketing for organic farming produce:**

Organic and natural farming provides chemical fertiliser and pesticide-free food grains and other crops. Organic farming preserves the reproductive and regenerative capacity of the soil, good plant nutrition and sound soil management and also produces nutritious food rich in vitality which has resistance to diseases. India ranks 2<sup>nd</sup> in terms of acreage and 1<sup>st</sup> in terms of number of organic farming cultivators in the World. As on 31<sup>st</sup> March 2024, total area under organic certification process is 7.3 million hectares (2023-24) with production of 3.6 million MT of certified organic products (2023-24). In terms of acreage, M.P. leads followed by Maharashtra, Rajasthan, Gujarat, Odisha, Sikkim, U.P. and Uttarakhand; while Maharashtra leads in terms of producers followed by M.P., Rajasthan, Karnataka and Gujarat (Source: APEDA

Website). Sikkim voluntarily adopted going organic, and the process of getting the total cultivable land of 58,168 hectares under organic farming commenced at ground level. Other States, including Tripura and Uttarakhand, have set similar targets. The government has been promoting organic farming by implementing two dedicated schemes, i.e., Paramparagat Krishi Vikas Yojana (PKVY) and Mission Organic Value Chain Development for North Eastern Region (MOVCDNER) since 2015 through cluster/ Farmer Producer Organisations (FPOs) formation. There is ample scope in overseas market also togetherwith domestic market . However, cultivators of organic and natural farming produce struggle with the issue of certification of being organic produce or produce of natural farming on the one hand and getting the market for the produce on the other. Consumers are willing to buy quality and safe produce but its availability and credibility of being it organic deter them to buy. Therefore, need is being felt to develop and promote a market for produce of organic farming and natural farming as well. APMCs may play their role through publicity , providing dedicated market and infrastructures/facilities.

## **6.2 Policy Intervention:**

- 6.2.1** States may endeavour to provide niche / dedicated spot in the potential APMC markets for marketing of produce of organic farming and natural farming as well. In earmarked niche, states may provide the requisite infrastructure and facilities.
- 6.2.2** In the changing dynamics of agricultural marketing, APMCs may not sustain long on merely enforcing the marketing regulation and collecting the market fee and other charges but they have to be service providers for agri-value chain services. APMCs may endeavour to develop infrastructure / facilities for providing the services for quality assaying, cleaning, sorting, grading, value addition / processing, etc. in the market- yard in PPP mode.
- 6.2.3** States may identify a few APMCs with potential to develop into a export market, wherein, commodity specific all the infrastructure facilities needed to make the produce exportable to the targeted country, may be developed. DA&FW may work with the states in this direction in terms of technical and financial support.
- 6.2.4** Secretaries of the market committees and their other technical staff should be professionally equipped to handle the services and activities relating to agri-value chain. Therefore, states should not only recruit the secretaries of desired qualification but also prepare a pool of those secretaries with professional training and acumen.

## **Chapter 7: Development of a Competitive, Transparent and Efficient Marketing Ecosystem with Focus to Develop Unified National Market and Policy Intervention.**

### **7.1 Situational Analysis:**

#### **7.1.1 Development of a Competitive, Transparent and Efficient Marketing:**

Agricultural marketing regulation has over the years been transforming showing its vividity and dynamism to follow the time and need of the market participants specifically farmers . The objective of market regulation during pre-independence era has been weaved around buyers . Slowly during the post-independence phase , the objective of regulation got transformed from buyer centric to farmer-seller centric regulation. The transformation and evolution of market regulation in post-liberalisation era starting from nineties could not maintain the pace of requirement of market participants . This is the era for an ecosystem wherein there should be an accessible markets with the choice to farmers to sell their produce through any channel of marketing ( APMC mandi, private market, direct marketing, online through e-trading platforms, tertiary markets through electronic commodity exchanges, etc) and also to any buyer offering the best bid for their produce . Application of digital technology in agricultural marketing is critical in improving the transparency and price discovery. This is to be achieved through reforms in states' agricultural marketing laws and policies

#### **7.1.2 Reform initiatives in agricultural marketing laws and policies:**

The reform initiatives in agriculture marketing started in the country truly in 2003 with the circulation of model Act “the State Agricultural Produce Marketing (Development & Regulation) Act, 2003” by DA&FW to states . Since then , there has been continuous engagement with the states through constitution of various committees, issuance of advisories , circulation of more liberalised and progressive model Act “ the Agricultural Produce and Livestock Marketing ( Promotion & Facilitation) Act, 2017 and holding workshops, meetings and seminars, etc.

#### **7.1.3 Recently , DA&FW has identified following 12 areas of reforms to take up with the states for not only making the enabling provisions in their APMC Acts but implementing on the ground level to make agricultural markets accessible to farmers with elements of competition and transparency.**

##### **7.1.3.1 Allowing setting up of private wholesale markets:** Private markets are required to create competition among them and with other channels of marketing including APMC markets .Establishing private markets improves farmers-market linkages. As a fulcrum , private markets would enhance the farmers' net income. Though majority of states have made enabling provision for setting up of private wholesale markets, yet private markets have come up in few states only like Maharashtra, Gujarat, Rajasthan, Karnataka and Uttar Pradesh . It is observed that

states have either not framed rules under the Act or have not provided an attractive business model for private entrepreneurs.

**7.1.3.2 Permitting wholesale direct purchase by processors, exporters, organised retailers, bulk buyers from farm -gate ( Direct marketing):** Through this reform induced marketing channel, buyers can reach closer to the farm gates/ villages of the farmers. In direct marketing, supply chain is squeezed and buyers directly buy the produce from framers, though the different forms of direct marketing are in practice. This reform, if actualised on the ground, enhances farmers' share in consumers' price and reduces supply chain losses. For this reform also, majority of states have made provision in their APMC Acts and it is happening also in the field but not at the required scale.

**7.1.3.3 Declaring warehouses/silos /cold storages as deemed market –yard:** This reform has multiple benefits and may prove instrumental in making the agricultural marketing remunerative. If the reform is truly actualised and translated on the ground, it would develop such a market ecosystem wherein market accessibility would be better than what is ideally recommended in NCF, Report ,2006 and habit of storing the surplus produce in warehouses among the farmers will be inculcated, which would additionally benefit through addressing distress sale and availing pledge finance. Further, to develop a landscape for a competitive online marketing in the country, this reform is of paramount importance. Though, enabling provision for this reform is made in majority of states but rules are notified in few like Andhra Pradesh, Telangana, Karnataka and Uttar Pradesh . Enabling provisions also need to be made in true spirits together with formulation of a non-restrictive , business oriented rules , which should be uniform across the states as far as possible.

**7.1.3.4 Allowing establishment and operation of private e-trading platform:** In the era of digitisation to improve the efficiency, transparency and discovery of price, trading of agriculture produce through e-platforms bears the great significance. Though, eNAM is in implementation in the country since 2016 , which appears to be expanded and consolidated on one hand and a competitive ecosystem with establishment and operation of multiple e-trading platforms with the involvement of private sector. Only limited states have allowed in their APMC Acts setting up and operation of private e-trading platforms. Such provisions need to be made urgently in the APMC Acts with a non-restrictive, business oriented uniform rules.

**7.1.3.5 Single time levy of market fees across the state:** Baring few State/UT like NCT of Delhi and Puducherry, this reform has been adopted in States/UTs.

**7.1.3.6 Single unified trading licence valid across the state:** This reform has been adopted by majority of states/UTs, though unevenly. Therefore, there is a need for uniform adoption of this provision and dispensing with the system of issuance of mandi-

wise trading licence as early as possible . Ease of issuance of licence has been dealt in respective chapter.

**7.1.3.7 Rationalization of market fee:** It has been dealt with in respective chapter.

**7.1.3.8 Rationalization of Commission charges:** It has been dealt with in respective chapter.

**7.1.3.9 Recognition of trading licenses of other state (reciprocity of trading licence):** Agriculture marketing being state subject at Entry 28-“Markets and Fair” of List-II of 7<sup>th</sup> Schedule of the Constitution, states may consider to make enabling provision to allow the trading licences of other states followed by entering into Memorandum of Understanding (MOU) with other states for procedural part. Few of the states have like Gujarat and NER states have made enabling provisions, but the reform yet to be grounded.

**7.1.3.10 De-regulation of perishables outside the market yard:** Being perishable commodities prone to quickly perish, they require different set of marketing system with specialised type of post-harvest management and handling infrastructures/ facilities including cold chain infrastructure. Considering this, there is a need for giving farmers and buyers a choice to trade in APMC market-yards under regulated atmosphere and outside the APMC market –yards without any regulation as well . This will enable to reduce the supply chain and wastages on one hand and encourage private sector to make investment in development of needed infrastructure/facility. Majority of the states have taken initiatives in this direction but in quite uneven manner.

**7.1.3.11 Exemption of market fee on direct sale by farmers / FPOs at processing units/factories:** Doubling of processing and export of agri. commodities has been policy of central government and many states as well. Sustainably improving the level of processing and export is proportionate to improvement of farmers' income. The strategy is bound to create employment. Share of food processing in employment in organised manufacturing sector is around 23 percent, which is on rise ( Economic Survey, 22. 7. 2024).

**7.1. 3.12. Exemption of market fee on produce brought from other state for processing:** Justification already explained at 7.1. 3.11.

**Status of adoption of reforms with respect to 12 identified areas and notification of rules thereunder provision-wise are given in the table below:**

| Sl. No. | Area of Reforms | State adopted the reform provision in Act                                                                                                                                                                                                                             | Notified the rules                                                                                                                                                |
|---------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | Private market  | A.P., Arunachal Pradesh, Assam, Chhattisgarh, Goa, Gujarat, Haryana, H.P., Jharkhand, Karnataka, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Tripura, U.P., Uttarakhand, W.B. and Chandigarh.....26 | A.P., Chhattisgarh, H.P., Karnataka, Maharashtra, Odisha, Punjab, Rajasthan, Sikkim, Telangana, Tripura, U.P., Uttarakhand, W.B. and Chandigarh .....15 states/UT |

|    |                                                                                                 |                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                            |
|----|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                                                                                                 | states/UT                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                            |
| 2  | Direct Marketing (wholesale purchase from farm gate outside the market - yard)                  | A.P., Arunachal Pradesh, Assam, Chhattisgarh, Goa, Gujarat, Haryana, H.P., Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Tripura, U.P., Uttarakhand, W.B. and Chandigarh.....26 states/UT         | A.P., Chhattisgarh, Haryana, H.P., Karnataka, M. P., Maharashtra, Punjab, Rajasthan, Sikkim, Telangana, U.P., W.B. and Chandigarh.....14 states/UT                                                         |
| 3  | Declaring warehouse/silo /cold storage as deemed market –yard                                   | A.P., Arunachal Pradesh, Assam, Gujarat, Haryana, Jharkhand, Karnataka, Manipur, Meghalaya, Nagaland, Tamil Nadu, Telangana, Tripura and U.P., ....14 states/UT                                                                                                                                 | A.P., Karnataka, Telangana and U.P.....4 states                                                                                                                                                            |
| 4  | e-trading platform                                                                              | A.P., Arunachal Pradesh, Assam, Goa, Gujarat, Haryana, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Nagaland, Punjab, Rajasthan, Tamil Nadu, Telangana, Tripura, U.P., W.B. and Chandigarh.....21 states/UT                                                           | A.P., Goa, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, , Telangana, U.P., W.B. and Chandigarh.....12 states/UT                                                                     |
| 5  | Single point levy of market fee                                                                 | A.P., Arunachal Pradesh, Assam, Chhattisgarh, Goa, Gujarat, Haryana, H.P., Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Tripura, U.P., Uttarakhand, W.B. and Chandigarh.....27 states/UT | A.P., Chhattisgarh, Goa, Gujarat, Haryana, H.P., Karnataka, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, U.P., Uttarakhand, W.B. and Chandigarh.....19 states/UT |
| 6  | Single Unified license                                                                          | A.P., Arunachal Pradesh, Assam, Chhattisgarh, Goa, Gujarat, Haryana, H.P., Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Tripura, U.P., Uttarakhand, W.B. and Chandigarh.....27 states/UT | A.P., Chhattisgarh, Goa, Gujarat, Haryana, H.P., Karnataka, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, U.P., Uttarakhand, W.B. and Chandigarh.....19 states/UT |
| 7  | Rationalization of market fee                                                                   | A.P., Arunachal Pradesh, Assam, , Goa, Gujarat, H.P., Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Rajasthan, Sikkim, Tamil Nadu, Telangana, Tripura, U.P., Uttarakhand, W.B., NCT of Delhi and Puducherry.....25 states/UTs               |                                                                                                                                                                                                            |
| 8  | Rationalization of Commission charges                                                           | A.P., Arunachal Pradesh, Assam, Chhattisgarh, Goa, Gujarat, H.P.(partial), Jharkhand, Karnataka (partial), M.P., Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Sikkim, Tamil Nadu, Telangana, Tripura, U.P., Uttarakhand, W.B., and Puducherry.....24 states/UT                   |                                                                                                                                                                                                            |
| 9  | Reciprocity of trading licence                                                                  | Arunachal Pradesh, Assam, Gujarat, Jharkhand, Manipur, Meghalaya, Nagaland, Tripura and U.P(rules)..9 states (Note: Neither any states has notified the rules nor entered into MoU.)                                                                                                            |                                                                                                                                                                                                            |
| 10 | De-regulation of F &V                                                                           | A.P., Arunachal Pradesh, Assam, Chhattisgarh, Gujarat, H.P., Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Nagaland, Odisha, Rajasthan, Sikkim, Tamil Nadu, Tripura, U.P., W.B. and NCT of Delhi.....21 states/UT                                                      |                                                                                                                                                                                                            |
| 11 | Exemption of market fee for direct sale to processing units by farmers / FPOs at their premises |                                                                                                                                                                                                                                                                                                 | Karnataka, Maharashtra, Rajasthan, U.P. and NCT of Delhi.....5 states/UT                                                                                                                                   |
| 12 | Exemption of market fee on produce brought from other state for processing                      | A.P., Arunachal Pradesh, Chhattisgarh, Goa, Karnataka, Rajasthan, Tamil Nadu, Telangana, U.P., Uttarakhand and NCT of Delhi.....11 states/UT                                                                                                                                                    |                                                                                                                                                                                                            |

#### **7.1.4 Development of Unified National Market for Agricultural Produce:-**

State legislated APMC Act not only fragments the market within the state in the name of notified market area managed and regulated by statutorily constituted market committee therefor. Development of even state level “Unified Market” for agriculture produce is a challenge. Over years' various committees and commissions through reports have been recommending to develop national level “Unified Market” for agriculture produce for seamless trade across the country and improving the marketing efficiency.

DA&FW has taken various initiatives to develop national level “Unified Market” for agriculture produce. One of them has been launch of eNAM in 2016, which is a reform linked. While conceptualizing the project of eNAM in 2015-16, it was envisaged that at least first state level thereafter unified national market for agriculture produce will be developed wherein buyers from across the country will be able to online bid the produce lying anywhere so that farmers can get best price discovered in competitive and transparent manner on one hand and enabling distantly located buyers to online buy the product of desired quantity and quality. Developing state level market through inter-mandi trade and unified national market through inter-state trade has been a matter of concern. Challenges broadly coming across are in operational, legal, infrastructural and financial nature. These need to be addressed.

### **7.2 Policy Intervention:**

**7.2.1** DA&FW has been working with the states for more than two decades to reform the agricultural marketing with the objectives to make the agricultural marketing competitive, barrier free and transparent with adequate post-harvest management and marketing infrastructure. DA&FW has also been striding for years to develop a unified national agricultural market for agricultural produce. But, the progress on the ground has not been satisfactory and penultimate objective of making available accessible market to farmers with better return for their produce have not been achieved to the desired level. The pitfalls diagnosed are the state specific stringent regulation and lack of passion to achieve the objective. Therefore, there is a need to develop a consensus among the states and catapult the willingness to accomplish.

**7.2.2** DA&FW with states may endeavour to constitute an “Empowered Agricultural Marketing Reform Committee of State Agricultural Marketing Ministers on the lines of Empowered Committee of State Finance Ministers on GST to push the states to adopt the reform provisions in the state APMC Acts, notify the rules and also build up the consensus among the states to move towards unified national market for agriculture produce through single licensing /registration system and single fee. The Empowered Committee may be chaired by Hon`ble Agriculture Minister of any state on rotational basis with Hon`ble Agricultural Ministers of remaining states as members. The said Empowered Committee may be got registered under Societies Registration Act, 1860 similar to Empowered Committee on GST. The constitution of the Empowered Agricultural Marketing Reform Committee should be through non-

statutory gazette notification. The Empowered Committee may hold meeting on quarterly basis, or even earlier also if Empowered Committee so feels. There may be permanent secretariat on the lines of GST Empowered Committee. Empowered Agricultural Marketing Reform Committee of State Agricultural Marketing Ministers may consider suggesting to bring a law for agricultural marketing, uniform market fee and such other issues for the benefit of farmers and barrier free agri-trade with approach of “ease of doing trade” on the lines of Empowered Committee of State Finance Ministers on GST.

- 7.2.3** Under the Agricultural Marketing Reform Committee of Hon`ble State Agricultural Ministers, there may be Executive Committee on Agricultural Marketing Reforms under the chairmanship of Addl. Secretary (Marketing), DA&FW with Principal Secretaries / Secretaries, in-charge of agricultural marketing of states and UTs as its members. The Executive Committee will do all spade work and prepare the background for consideration by the Empowered Committee. The Executive Committee will also monitor through periodical review the progress of the reforms and development of unified national market on the ground. The Executive Committee may hold its meeting on quarterly basis or even earlier if Executive Committee so feels.
- 7.2.4** DA&FW had already prepared reform indexing table, which requires to cover the implementation aspects also. Thus, to create healthy competition among the states to adopt the reforms in the uniform manner, DA&FW will develop new reform indexing table and keep on updating. The updated table will be circulated among the states on quarterly basis.
- 7.2.5** Hon`ble Union Agriculture Minister, based on ratings of indexing table, will honour through the appreciation letter for / excellence certificate in adoption of reforms to Hon`ble Agriculture Ministers of top three states on six monthly basis.

## **Chapter 8 : Ease of Doing Agritrade (EoDA)**

### **8.1 Situational Analysis:**

Agricultural marketing in the country is transitioning through various reform processes to improve overall agritrade climate. It becomes more important when marketing remains no more a trade-transaction only but an integral part of regional, national and international agri value chain. To create hindrance free and supportive climate for agritrade and also comfortable for market participants/agri value chain participants, ease of doing agritrade is critical. As a fulcrum, it brings efficiency in marketing and agri value chain, reduces losses and improves farmers' income. Application of digital technology has been assuming significance in recent days. There are States like Madhya Pradesh, Chhattisgarh, Andhra Pradesh, Karnataka, Telangana, Tamil Nadu and Uttar Pradesh where either process automation has already been done or in the process.

Ease of doing agri.trade may be as an index jointly developed by DA&FW and state governments and quarterly published by the DA&FW with a view to create a healthy

competition among the states towards easing the agricultural trade . It shall be an aggregate figure which would include different parameters, defining the ease of doing agritrade in the state and country.

### **8.1.1 Parameters for EoDA :**

#### **8.1.1.1 End to End Process Automation:**

It can be broadly divided into three. One is the mandi process starting with the arrival of the produce, entry / registration of the farmer's produce with estimated weight, unloading on auction platform, preparing produce – heap, open / closed auctioning, actual weighment, payment, stitching/loading and exit. Based on the type of market and produce, there may be some more processes like cleaning, sorting, grading, sampling, quality assaying, assaying report generation, e-auctioning etc. There are small - small variants also like arrival of the produce from other state and direct sale through *saudapatrak*, etc. **Second** is the mandi documentation like registration slip / arrival slip, auction slip, sale- slip, sale- agreement, invoice, etc, which are mostly physical in nature. **Third** is the mandi reports, which APMCs used to prepare and maintain for various purposes in physical form. Some of them illustratively are arrival report, agreement report, market fee report, license report, fortnight progress report, stock report, summary report, etc. Creation of these reports physically are time taking, cumbersome and prone to mistake and manipulation. In view of the above, there is need for digital automation of mandi processes, documentation, reports

#### **8.1.1.2 Digital Issuance of licence/ registration;**

Similar to end-to-end process automation, issuance of license/registration to traders, commission agents, private market operators, direct buyers and e-trading platform operators and also other market functionaries should also be digitally enabled . The automation proposal may be covered under NeGP-A, which was launched in 2010-11 with the aim to achieve rapid development in India through use of Information & Communication Technology (ICT) for timely access to agriculture related information to the farmers. Presently under NeGP-A, funds are provided to the State(s)/UT(s) for project involving use of modern technologies viz. Artificial Intelligence (AI), Machine Learning (ML), Robotics, Drones, Data Analytics, Block Chain etc. Funds are released for development of various solutions, after receiving proposals from the States. Under Digital Public Infrastructure (DPI) for agriculture, amongst other, initiatives of market intelligence and National Agriculture Market (e-NAM) are worthy of mentioning.

#### **8.1.1.3 Digital Issuance of Licence/ Registration:**

Presently, in most of the states, licence/ registration issuance to various stakeholders is in physical form with physical documents, which appear to be time consuming and cumbersome. With digitisation not only the process of issuance of licence/registration can be made easy and less time consuming but transparent also. Digitisation and automation of all the licensing process for establishing private markets, e-trading platforms and also to the direct marketeers, traders, commission agents and other market functionaries etc. States will have make entire process of issue of licences / registrations digital and automatic.

**8.1.1.4 Linking of issuing of licence or undertaking registration with PSDA:** Issuance of licence/undertaking registration with respect to establishment of private markets, e-trading platforms and also to the direct marketeers, traders, commission agents and other market functionaries etc in time bound manner improves efficiency and transparency. Therefore, this may be linked to the provisions of the Public Service Delivery Act (PSDA). In states/UT where the PSDA is in force, issuing licence or undertaking registration shall be linked to the Act. In states/UTs, PSDA is not in force, executive guidelines for the purpose may be notified by the states to make the issuance of licence or undertaking registration in time bound manner, failing which “Deemed to Have Been Granted” be applied.

**8.1.1.5 Rationalisation of license/ registration fees and security:** High licence/registration fees and security deposit establishment of private markets, e-trading platforms and also to the direct marketeers, traders, commission agents and other market functionaries etc sometime prove anti-competition and counterproductive also by repulsion to willing applicants. Therefore, keeping license or registration fees and security either in cash or in bank guarantee or other form logical and minimal for establishing private markets, e-trading platforms and also to the direct marketeers, traders, commission agents and other market functionaries etc. Further, in case of online inter-mandi and inter-state trade where online payment before physical delivery of the produce is taken, there is no rationality for any security deposit. Apart from above, states may consider:-

- i. treating FPOs as a special category for issuance of trading licence in terms of licence/registration fees, security, etc.;
- ii. exploring and adopting practice of accepting cumulative security on behalf of group of traders or traders' association not seeking security from individual traders.
- iii. Exempting FPOs from trading licence requirement when they aggregate the produce from their members and also from other farmers as well and sell to the processors, exporters, organised retailers at their premises.

#### **8.1.1.6 Payment to the farmers**

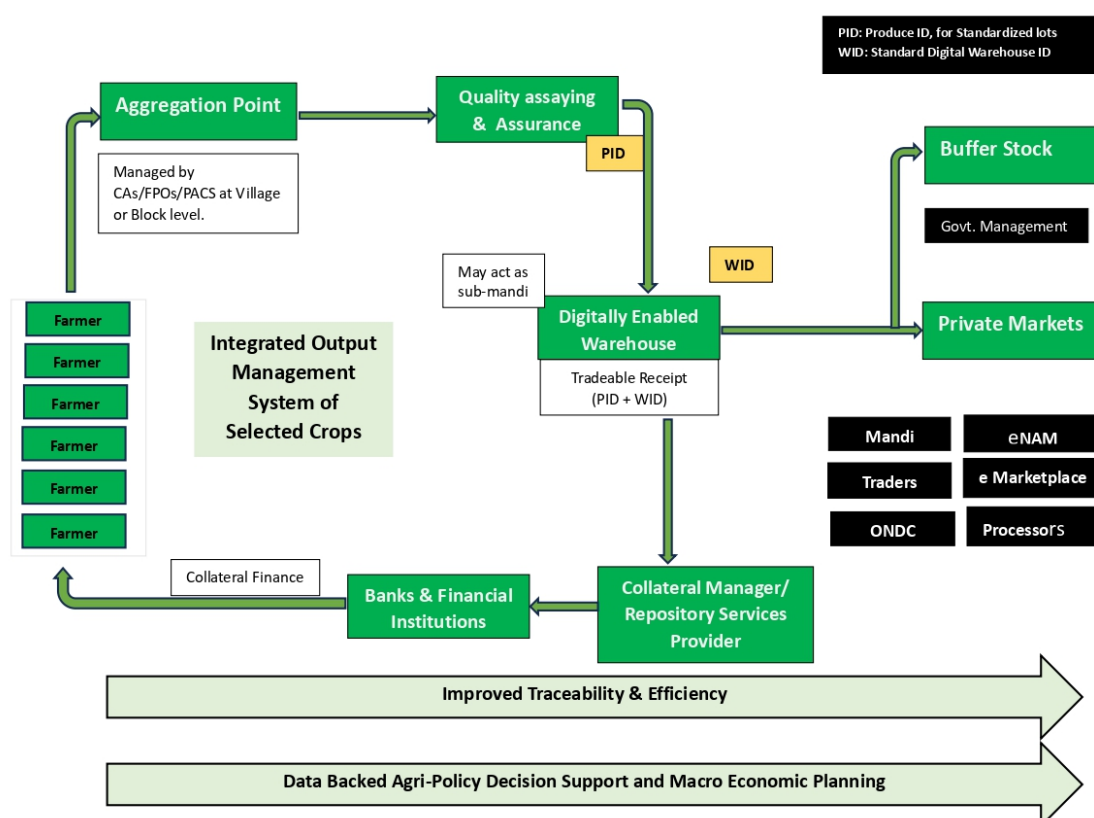
Making payment to the farmers preferably online on the same day of trade-transaction or maximum next day, if procedural so required.

#### **8.1.1.7 Rationalisation of market fees and commission charges**

Levy and collection of market fees is a major source of income of APMCs and State Agricultural Marketing Boards, which is required for meeting out the expenditure related to establishment, administration, investment in development of marketing and axillary infrastructures/ facilities and other miscellaneous needs. The market fee varies with the state and commodity, which is presently in the range of 0.5% to 3% *ad valorem*. Therefore, State Agricultural Marketing Departments/Boards should continue to encourage APMCs to improve their income not by exorbitantly imposing the market fee and other fee/cess in various names but by increasing trade volumes and throughput of agricultural commodities, notifying the potential new agricultural produce, providing better infrastructure and

marketing facilities. Income of APMCs should also be improved by blocking all possible leakages and entering into the new areas of services of the agri.value chain. The high incidence of market fees has catastrophic effect, it not only enhances the produce price at ultimate end but proportionately reduce farmers' income also owing to ignorance of farmers on liability of market fee. Similarly, there is collection of commission charges also which varies greatly across the commodities, mandis and states. The commission charge collection is *ad valorem* with any correlation with the facilities and services provided by commission agents. Commission charges are normally collected from buyers but to its liability ignorance, sometimes farmers are also paying the commission charges. Therefore, there is a need for rationalisation of market fee and commission charges. Through statutory and practice also, it should be ensured that market fees and commission charges are not collected from farmers. Market fees on perishables inclusive of all cess, charges, whatsoever, should not exceed 1 % *ad valorem*; while it should not exceed 2 % *ad valorem* on non-perishables inclusive of all cess, charges, by whatever name it is called. In case of commission charges, it should not exceed 4 % *ad valorem* on perishables and 2% on non-perishables.

### An Ideal Digital Application Overlay - across Stakeholders:



## 8.2 Policy Intervention:

- 8.2.1** Considering the criticality of tracking the produce along the supply chain, reducing the leakage & turnaround time of activities/services, avoiding the delays and ensuring the direct payment in the farmers' account in the transparent manner and also to improve the marketing efficiency, DA&FW will endeavour to formulate a scheme with the state governments to make the processes digitally automated in all the states/UTs.
- 8.2.2** The Executive Committee on Agricultural Marketing Reforms will study state-wise licensing/registration processes for private market, private e-trading platform, direct marketing, trading, commission agents and other such marketing functions etc, license fees, security and validity and also rationalisation of market fees & commission charges and other charges. The committee will persuade with the states to make licensing/registration processes digital linking with PSDA or any other such state specific regulation/guidelines to be carried out in time bound manner. The licensing / registration fees and security may also be rationalized in addition to rationalization to market fee and commission charges.
- 8.2.3** DA&FW will develop an indexing table considering aforesaid parameters to promote **“ease of doing agri-trade”**. DA&FW will keep on regularly updating it and sharing with the states to create healthy competition among the states and catapult them for adoption of the **“ease of doing agri-trade”** provisions. DA&FW may also apprise the Executive Committee and Empowered Committee in this regard.
- 8.2.4** Hon'ble Union Agriculture Minister, based on ratings of indexing table, will honour through the appreciation letter for / excellence certificate in adoption and implementation of provisions for promoting **“ease of doing agri-trade”** to Hon'ble Agriculture Ministers of top three states on six monthly basis.

## Chapter 9: Robust Market Information & Intelligence System

### 9.1 Situational Analysis:

Market information and intelligence is required to farmers not only for taking appropriate marketing decision but to link the production with the market. An accessible, accurate and real time market information and intelligence is key to achieve both operational and pricing efficiency in the marketing system. DA&FW has been implementing since 2000 an ICT based project of Marketing Research and Information Network (MRIN) with active participation of NIC and APMCs with the objectives to collect and disseminate market and price related information for the use of farmers and other stakeholders. Under the project more than 3700 markets and agmarknet nodes have been integrated and about 2200 markets are regularly reporting price and arrival data. The AGMARKNET portal also serves as a single window for accessing websites of various other organizations concerned with agricultural marketing. Over time, various technological upgradations, revamping and other advancements in the portal and system have been made. **The market information dissemination system is also being strengthened by AI enabled voice chat bot**

system .But, the basic challenges of wide spread, accurate and real time data reporting are still unaddressed. Further, there are agriculture research centres and universities, which are at various stages of development of price and demand forecasting system/model and at some places at implementation stage also. Though, its application is little sensitive and tricky, but in view of its significance , sincere efforts need to made to make it accessible to farmers.

## **9.2 Policy Intervention :**

**9.2.1** Endeavour shall be made to develop Digital Public Infrastructure (DPI) on federated model in the name of “Market-Stack Or Unified National Market Portal (UNMP)” on the lines of Agri-Stack. The Market-Stack/UNMP may initially consist of market information registry ( revamped agmarknet) , mandi process automation registry and license / registration registry. Subsequently, the eNAM version 2.0 with all modules and CF registry may also be added in the “Market-Stack”. The aforesaid registries developed at state level may be integrated with the central portal (UNMP) through API.

**Market Information Registry:** Since the mandi process of all the states is proposed to be digitally automated, therefore, capturing the data at states` level with respect to prices and arrivals including variety and grade- wise will not only be feasible but accurate and real time. This data will be fetched through API to central portal.

**Mandi Process Automation Registry:** Details have already been given in the relevant chapter.

**License / Registration Registry:** This registry will facilitate in making the complete process of licensing/registration from application on the portal to issuance / deemed issuance in time bound manner transparent and visible to all concerned.

**9.2.2** Endeavour may also be made to develop a market intelligence system by pooling the existing wisdom and technology available in the country and abroad to help farmers and other stakeholders to take intelligence based appropriate production and marketing decision. The system will be tweaked to the requirement of the Indian farmers. The advisories to be regularly issued will greatly help to the farmers.

## **Chapter 10: Market / Price – Risk Mitigating Measures with Policy Intervention**

### **10.1 Situational Analysis:**

Farmers and agriculture struggle with 2Ms (Monsoon and Market) and these uncertainties and risks are required to be mitigated for sustained income from agriculture. There are three market and price risk mitigating instruments:

#### **10.1.1 Contract Farming as Tools for Market and Price Risk Mitigation:**

It has been instrumental in materialising the cost- effective production and providing assured market at pre-agreed price to the farmers on one hand and opening window for more investment, value addition, export and rural job creation. The concept of Contract Farming (CF) refers to a system of farming in which agro-

processing/exporting or trading units enter into a contract with farmer(s)/FPOs to purchase a specified quantity of any agricultural commodity at a pre-agreed price.

In order to protect the interests of producers and sponsors of Contract Farming, the Ministry of Agriculture and FW drafted a Model APMC Act, 2003 in which registration of sponsors, recording of contract farming agreement, dispute settlement mechanism and waiving of market fee on contracted produce when sold outside the market yard had been provided. To further improve it by addressing constraints, a holistic, facilitative and promotional Model Contract Farming and Services (Promotion & Facilitation) Act, 2018” was formulated in 2018, which, among other things, promotes digital registration and recording of contract at the lowest level (district/block/taluka), so as to implement it effectively.

This is right time to promote as market and price risk mitigating tool, as large number of produce cluster specific FPOs have come in the country. These FPOs may enter into agreement as agribusiness enterprise (contract farming sponsor) with the farmers and alternatively on behalf of farmer-members may enter into agreement with agro industries (contract farming sponsor). Promotion of contract farming may be beneficial specifically on price volatility prone perishable crops and also on processable and exportable crops.

#### **10.1.2 Market linkage through FPOs:**

There are around more than 50,000 FPOs in the country promoted by various organisations including self-motivated FPOs, which include both active and inactive FPOs. The core objective of FPO promotion is to provide market linkages to small and marginal farmers, among other things, through leverage of collectives. Therefore, FPOs may be another instrument to provide assured market and price. Since, there is separate national policy for FPOs, therefore, repetition is being avoided.

#### **10.1.3 Price Insurance Scheme on the lines of PM- Fasal Bima Yojana (PMFBY):**

DA&FW has been implementing PMFBY to cover production risk through insurance coverage and financial support to the farmers in the event of failure of any of the notified crops as a result of natural calamities, pests and diseases. The objectives of PMFBY are to (i) stabilize the income of farmers; (ii) encourage farmers to adopt innovative and modern agricultural practices; and (iii) ensure flow of credit to agriculture sector. Similar price assurance through insurance mechanism is also needed in case of price crash /fall below threshold level.

### **10.2 Policy Intervention:**

- 10.2.1** Owing to highly fragmented land-holding , inaccessibility of market and price uncertainty, all efforts shall be made to bring almost all farmers under one or other farmers' organisations i.e. co-operatives, FPOs, SGHs, etc
- 10.2.2** Endeavour shall be made to develop a DPI as CF facilitation registry, which may be the part of Market – Stack. The CF facilitation registry will be repository of information relating to all FPOs willing to enter into contract farming, agro-industries

(CF sponsors) and produce clusters. The CF facilitation registry will also provide the existing regulatory system with respect to CF, marketing and issues related thereto.

**10.2.3** States may consider to allow buying of contracted produce outside the mandi – yard and waive off the market fee when produce is bought for the purpose of processing and export in order to give impetus to these sectors.

**10.2.4** As provisioned in the national policy on FPOs, states may consider to declare CACMP or otherwise named FPOs` premises as sub - market yard for the purpose of buying and selling of the farmer – members` produce.

**Explanation:** The meaning of the CACMP will be same as defined in national policy on FPOs.

**10.2.5** Futures trading and option trading are understood to be a price discovery and risk mitigating tool. Since, FPOs can participate on the platform on behalf of farmer – members on the exchange platform for newly introduced option trading, therefore, DA&FW with states may hold discussions with the SEBI and commodity exchanges to promote the trade on exchange platforms.

**10.2.6** DA&FW may endeavour of rolling out a “**Price Insurance Scheme**” to insure the farmers' income for their assured income at the time of sowing itself. Modalities can later be developed

## Chapter 11: Marketing System for North –Eastern and Hilly Region and Policy Intervention

### 11.1 Situational Analysis:

#### 11.1.1 Snapshot of production scenario :

##### A. North-Eastern Region States:-

The NER of India comprises of 8 States, popularly calling them as 7 States of Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura as 7 –Sister states plus Sikkim. NER has only 18 % of its area under cultivation occupies with 7.9% of India's total geographical area; while its contribution to India's population is only 4%.



NER is more suited for cultivation of horticultural crops of pineapple, ginger, orange, banana, chilli, Jack- fruit, cut –flowers, kiwi, lemon, bay leaves, large cardamom and coriander. Rice and mustard are also grown in the region. There is potential in the region to grow commercial crops of black pepper, cumin, vanilla & saffron also. Besides, the region is bestowed with for growing tea, bamboo and medicinal plants. In the region, least or no agro-chemicals are used, therefore, the entire product of the region is treated by default an organic.

## **B. In Uttarakhand:-**

The topography of state is very complex and is best suited for growing horticultural crops in its hilly region, which have significant contribution in state's economy. Horticulture crops include off season vegetables, flowers, medicinal & aromatic plants and fruits. Major vegetables grown are pea, radish, french-bean, cabbage, cauliflower, onion, capsicum, okra, tomato, brinjal and potato while fruits are apple, pear, peach, plum, apricot, walnut, citrus, mango, litchi, aonla and guava.

Uttarakhand is a pioneer province to promote organic farming, as State has immense potential in the field of organic crop production but still unorganized. The key objectives of diversifying towards organic farming are to improve crop productivity, soil health and the price of the output, and consequent improvement in farmers' income.

## **C. Himachal Pradesh:-**

Horticulture in state has emerged as one of the potential sectors in accelerating the growth of state's economy and augmenting farmers' income. The nature has endowed the state with a wide range of agro-climatic conditions due to which there is huge potential for cultivation of high value horticulture crops.

The state is regarded as a horticultural state due to its magnificent achievements in production of fruits, mainly apple and various other temperate fruits such as peach, pear, plum, apricot and the subtropical fruit crops such as mango, citrus, litchi, etc. In addition to fruit production, the state has earned its niche in the commercial vegetable cultivation. These include crops such as peas, tomato, cabbage, cauliflower, capsicum, beans and garlic.

## **D. Jammu & Kashmir and Ladakh**

J&K UT is well known for its horticultural produce both in India and abroad. The UT offers good scope for cultivation of horticultural crops, covering a variety of temperate fruits like apple, pear, peach, plum, apricot, almond, cherry and sub-tropical fruits like mango, guava, citrus litchi and phalsa. Besides, medicinal and aromatic plants, floriculture, mushroom, plantation crops and vegetables are also cultivated in the UT. Apart from this, well known spices like saffron and black-zeera are also cultivated in some pockets of the state. Paddy, wheat, maize and pulses are also cultivated in plain and low height areas. Apple of Kashmir region is famous not only in India but abroad also. Kargil district of Ladakh region is well known for its production. J&K is well known for production of quality dry-fruits.

### **11.1.2 Snapshot of Marketing Scenario:**

#### **A. North-Eastern Region States:-**

State-wise spread of regulated APMC markets, *Grameen haats* is given in the table below. *Grameen haats* mostly bi-weekly, weekly or sometime of daily periodicity are critical for providing the marketing facilities and even more important marketing channel than APMC markets in NER. Mostly small, marginal and women farmers visit the nearby located *haats* to sell their various

types of small surpluses of food grains, oilseeds, cash -crops, fruits, vegetables, flowers, fishes, egg, milk, flowers and buy household items. Panchayats, Municipalities, Autonomous District Councils controlled these haats are being operated and managed by private parties after taking on lease from them . There is no care for development and maintenance of these *haats* and these private parties remain interested in collection of revenue in the form of fee and sitting charges .

| Sl. No | Name of State     | No. of regulated Markets | No. of Grameen Haat | Status of APMC Act                                                           |
|--------|-------------------|--------------------------|---------------------|------------------------------------------------------------------------------|
| 01.    | Assam             | 226                      | 735                 | Reformed APMC Act notified, rules not framed .Virtually Act not implemented. |
| 02.    | Arunachal Pradesh | 19                       | 191                 | Reformed APMC Act notified, rules not framed .Virtually Act not implemented. |
| 03.    | Meghalaya         | 02                       | 122                 | Reformed APMC Act notified, rules not framed .Virtually Act not implemented. |
| 04.    | Mizoram           | 00                       | 226                 | APMC Act not reformed. Act not implemented                                   |
| 05.    | Manipur           | 00                       | 95                  | Reformed APMC Act notified, rules not framed. Virtually Act not implemented. |
| 06.    | Nagaland          | 19                       | 174                 | Reformed APMC Act notified, rules not framed. Virtually Act not implemented. |
| 07.    | Tripura           | 21                       | 470                 | Reformed APMC Act notified, rules being framed. Act implemented.             |
| 08.    | Sikkim            | 00                       | 12                  | APMC Act not reformed. Act not implemented                                   |
| Total  |                   | 287                      | 2025                |                                                                              |

Apart from above, there are 371 non-regulated wholesale assembling markets also in NER. No market from NER states is functional on eNAM portal.

NER needs produce -cluster based regional, national and internal supply chain . For example, Darranggri banana market is stated to be biggest banana market in Asia , wherein banana arrives not only from Darranggri and Goalpara district but foothills of East- Garo Hill district of Meghalaya and other areas of NER also . There is supply chain of banana from Darranggri to different parts of Bihar, West Bengal and to some extent Uttar Pradesh, Jharkhand & Nepal. Banana growers are not benefiting from this

supply chain. Apart from banana, there are various such produce which need development of produce- cluster based supply chain and value chain like ginger and turmeric in Meghalaya, chilly in Nagaland, pineapple in Assam, jackfruit in Tripura.

#### **B. Himachal Pradesh, Uttarakhand and Jammu& Kashmir:-**

In states of Himachal Pradesh and Uttarakhand, the APMC Acts are partially reformed. Detailed information with respect to reforms will appear in respective Chapter. In state of H.P., there are 10 PMYs and 69 SMYs, totalling 79 APMC market-yards. Majority of these markets are seasonal in nature .Horticultural crops especially fruits normally do not arrive in mandis but are sold from orchard, sometimes on prefixed prices and there remains least chance of price discovery for farmers. APMCs more role is of collection of market fee. In the state, there is no *grameen haat* reported.

In Uttarakhand, there are 24 PMYs and 38 SMYs, totalling 62 APMC market-yards. These market-yards are concentrated in terai region and foot hills. In the state, there is no *grameen haat* reported.

Before operation of J&K State Reorganisation Act, 2019, there was Jammu & Kashmir APMC Act, under which 5 PMYs and 20 SMYs, a total of 25 APMC market-yards were operational. Operation of Jammu & Kashmir APMC Act got ceased w.e.f 31<sup>st</sup> October, 2019. In order to ensure smooth and orderly functioning of 25 Agricultural Mandis, hitherto regulated and managed under State APMC Act, the UT of Jammu and Kashmir issued Government Order No: 353-JK(APD) of 2022 dated 30.11.2022. The said order provides institutional mechanism and also the trade procedures including issuing of licence/registration, collection of charges, dispute resolution mechanisms, etc. Operational of eNAM is not satisfactory.

### **11.2 Policy Interventions:**

- 11.2.1** Topography, land- holding, cropping pattern, predominance of horticultural crops and marketable surplus of NE states and hilly regions of states of H.P. and Uttarakhand and UTs of Jammu& Kashmir and Ladakh are entirely different from rest of the states like Haryana, Punjab, Madhya Pradesh, Uttar Pradesh, Maharashtra, Andhra Pradesh and Tamil Nadu. Accordingly, requirements for marketing ecosystem in these regions are entirely different. For development of post-harvest management infrastructure & cluster based value chain infrastructure/activities, providing market – linkages to farmers or even implementing marketing regulation, entirely different policy and strategy are required.
- 11.2.2** Marketing ecosystem in the region should be such , which not only meets the local marketing requirements of the farmers but also supports development of regional , national and international agri. value chain, keeping in view the requirements of branding, packaging, quality testing, certification and popularising of organically/naturally grown produce of the region.

**11.2.3** Horticulture sector is one of the most important employment generating sectors in J&K and Ladakh , wherein food processing industry offers tremendous opportunity , as commercial processing is around 1-2 % only due to lack of post- harvest and processing facilities as well as scientific packaging. Therefore, huge opportunities are open for exploiting the potential under processing, with individual, joint venture and government efforts. Further, value addition and food-processing activities in NER particularly of the north-eastern fruits, vegetables, spices medicinal plants and black scented rice etc. with branding as organically grown product have promising agribusiness and rural job creation opportunities. DA&FW with concerned states/UTs will endeavour to develop these facilities and infrastructure to harness the existing opportunities with the overall objectives to further improve the productivity income of farmers and job creation.

**11.2.4** DA&FW with states, local institutions and stakeholders shall endeavour to strategize to conduct a study of “NER States and Hilly Regions” by a team of professionals to assess the gap of post-harvest management and value chain infrastructure gaps , identify the clusters and type of value chain and market linkage needed. The study may also include location and cluster specific scope for processing, branding, packaging and publicity of area specific produce organically grown and market in the country and abroad.

**11.2.5** DA&FW with states may scrutinise the reports and execute the suggestions of the study considered economically, socially and environmentally beneficial for the region.

**11.2.6** It is observed that DA&FW formulates common model APMC laws and policies for all states, which do not suit the NER states. Therefore, as far as agricultural marketing is concerned, DA&FW will hereafter formulate model market regulations and other marketing policies separately to suit the region and add a separate chapter for NER states.

## **Chapter 12: Marketing System for States/ UTs with No APMC Acts and Policy Intervention**

### **12.1 Situational Analysis:**

#### **12.1.1 Production Scenario**

##### **A. Bihar**

Bihar is one of the important agriculturally potential states in the country with around 80% population engaged in agriculture (more than national average). At national level, Bihar ranks 4<sup>th</sup> in fruits production and 8<sup>th</sup> in vegetables production. It is the largest producer of litchi and the third largest producer of pineapple, as well as a

major producer of mango, banana and guava. The important vegetable crops grown in the state include potato, onion, tomato, cauliflower and brinjal. Bihar has obtained GI tag for Shahi Litchi and Zardalu mangoes. Apart from this, state is bestowed with the production of wheat, paddy, maize, arhar, gram, mung, urd also . Bihar is known for makhana production.

## **B. Kerala**

Kerala is a consumer/deficit state. Most of the demands for fruits, vegetables, pulses and food grains are met by other states. Rice is majorly supplied from Andhra Pradesh, West Bengal, Tamil Nadu and Karnataka, while pulses from north Indian states. Chillies arrives from Andhra Pradesh while vegetable from Tamil Nadu and Karnataka. However, state is ideally suited for the cultivation of coconut, paddy , pepper, cashew, ginger, tapioca, oil-palm , rubber, tea, cardamom, coffee, pepper ,banana, jackfruit, mango, pine -apple, custard- apple, papaya, passion- fruit, guava, ladies- finger, bitter gourd, snake gourd, pumpkin, chilli, brinjal, etc

## **C. Andaman & Nicobar Islands**

Out of the total cultivated area of 50,000 hectares in A&N Islands , about 25,000 hectares are under coconut followed by rice (10,000 hectares). Coconut is a lifeline of majority of Island farmers, as it provides sustaining income to farmers. Horticultural crops being cultivated in the Islands, apart from coconut, includes fruits, vegetables, spices, flowers, areca-nut and cashew- nut. A wide -range of medicinal and aromatic plants are also found in the natural habitat of Andaman and Nicobar Islands. In addition to coconut, areca -nut and rice, remaining commodities are grown to meet only growers' requirement or even imported also from other neighbouring states.

## **D. DNH and D&D and Lakshdweep**

Main crops grown in DNH and DD are paddy, millets, jowar, sugarcane, *tur*, tomato, cauliflower, mango, coconut. There are small markets in UT , namely Murkhal, Dudhani, Gunsa Bildhari, Dapada and Aпти, which are wholesale-cum-retail markets and operating weekly. Marketing infrastructure is meagre. Department of Agriculture looks after only the production work. Meagre surplus available sold in weekly markets either by the producer himself or by aggregators.

In Lakshadweep UT, cultivable land is 2510 ha and area under coconut 700 ha. Only coconut surplus exists in UT and being it of superior quality transported to Kozhikode (Kerala) or Manglapuram( Karnataka).

**In these two small UTs, there is no need for any further improvement in agriculture market ecosystem.**

### **12.1.2 Marketing Scenario :**

#### **A. Bihar**

State Government repealed its APMC Act in September, 2006. At the time of repeal, there were 95 APMCs in Bihar under control of the Bihar SAMB. Out of which, 54 APMCs were established with Market- yard facilities, whereas 41 APMCs were running in rented premises. With the repeal of the APMC Act, 41 APMCs running in rented premises stopped functioning. Fifty-four 54 Nos. of APMC markets still exist, though in deplorable situation. Functions of these 54 APMC markets are under control of “Administrator” appointed by Bihar Government. Sub-Divisional Officers have been made incharge of these 54 APMC markets. Since regulation on notified agricultural produce has been withdrawn, in consequence, agricultural produce can now be traded anywhere by anyone.

Govt. of Bihar *vide* notification dated 12<sup>th</sup> September, 2024 has resolved to establish a “Marketing Directorate” under state agriculture department with the mandate to endeavour for reasonable price realisation to the farmers, promoting storage facility , value addition & processing and development of grameen haats, etc. . This is a good decision.

There is dire need for improving the marketing ecosystem in the State and tap the immense potential for F&V processing of fruits, vegetables and Makhana to bring better return to farmers and create job opportunities in rural sector

## **B. Kerala**

There has not ever been APMC Act in the state. However, there is following market architecture in the State”

### **(i) EEC Markets**

There are 6 EEC markets designed under Kerala Agricultural Market Project (KAMP) and with financial assistance from the European Union . These markets are under control of Directorate of Agriculture and function as per non-statutory Kerala Agricultural Market Projects-Market rules, 1999 framed by Govt. of Kerala. These markets have got all the basic infrastructural facilities like boundary wall, pakka internal roads, weigh -bridge, cold storage, ripening chamber, godown, auction hall/platforms, garbage disposal system and other administrative facilities. Farmers are registered either individually or as farmers' cluster in the markets to take part as sellers in public auction process conducted in these markets. Fees is paid by farmers @ 0.5 to 1 *ad valorem* basis and payment is made same day through e-payment mode. Major commodities traded in these markets are banana, vegetables, coconut, tapioca, elephant foot yam, citrus fruits.

### **(ii) Grameen Haats**

There are a total of 920 *grameen haats* under control of mostly by Panchayats followed by Municipality and Corporations. Most of these markets are leased out to private individual or SHGs and function weekly or bi-weekly as

wholesale and retail markets. Marketing and allied infrastructure in these markets are very poor, however, lessees collect user charges from the sellers.

### (iii) Other Markets

Other markets in the state are (a) **VFPC**, which is a company with stakeholding of farmers (50 %), Kerala government (30%) and other related institutions (20%). The primary objective of this Council is to improve the livelihood of vegetable and fruit farmers by empowering them to carry on vegetable and fruit production, value addition and marketing as a profitable venture in a sustainable way; (b) **HORTICORP** is a fully owned government company incorporated in the year 1989, which has been entrusted with the role of procurement, processing, storage and marketing of horticultural produce throughout the state, thus encouraging indigenous farmers to produce more vegetables and also prevent unreasonable price hikes; (c) **SUPPLYCO** is a fully owned government company incorporated in 1974 to regulate the price manipulation of essential commodities in the open market and it procures paddy from the farmers directly at a rate more than MSP due to high cost of production in Kerala; (d) **Kerala Karshaka Sahakarana Federation (KERAFED)** is an apex co-operative federation of coconut farmers in Kerala, which is also a largest producer of coconut oil in India with brand name “KERA”; (e) **Kerala State Rubber Marketing Federation (Rubber Mark)** is an apex institution of the primary rubber marketing co-operatives in Kerala, which is a professionally managed organization of member societies throughout the state of Kerala with active participation of the Rubber Board, GoI and government of Kerala. Rubber Mark is the only government agency in India which procures natural rubber directly from the farmers, processes and sells the processed rubber to the Tyre and Shoe companies within India. It has also undertaken export of various Asian countries since 2002. Apart from above, central government organizations viz. Spices Board, Tea board, Coffee Board and Coconut Development Board etc. are also facilitating marketing of respective agricultural commodities in state.

### C. Andaman & Nicobar Islands

UT formulated an APMC Act also to regulate, manage and upgrade markets, though it could not be enacted. However, in UT, it is understood to have around 31 markets. Most of these markets are under the control of Panchayats and Municipalities. A few of them are wholesale - cum - retail markets; while remaining are only retail markets. UT has availed fund for integrating its one market with eNAM platform but not integrated and operational. There are four markets of Car-Nicobar, Diglipur, Mayabandar and Port Blair linked to agmarknet portal for reporting arrival and prices data. Important markets in UT are Bathubasti market, Junglighat market, Ratnam market, Mohanpura market in Port Blair district; Basantipur market, Billiground market in Mayabandar district and Subashgram market, Kerlapuram market, Kalighat market, Kishorinag market in Diglipur district.

## **12.2 Policy Intervention:**

- 12.2.1** DA&FW will work with the states and UTs for identification of potential non-regulated wholesale markets and *grameen haats* and shall endeavour to prepare a strategy with the respective states/ UTs to strengthen these market places to provide farmers markets with at least minimally needed infrastructures/ facilities in first phase. These strengthened markets may be integrated digitally with eNAM or other e Market Platforms for online trade and capturing data. In addition to already plugged EU markets, DA&FW may also take up with state government of Kerala to plug their best performing markets with eNAM platform.
- 12.2.2** There are states and UTs like Bihar, Kerala and A&N Islands, where there is no APMC Act and in few states of NER, where too APMC Act is not implemented. In these states/UTs, there is production, consumption; and markets also do exist but not in good shape. There is “NO” need for APMC Act in these states/UTs. However, for promoting orderly marketing, safeguarding farmers' interest and ensuring better and competitive price realisation to them, there is a need of Institutional Structure and Non-Statutory Rules/Standard Operating Procedure (SOP). DA&FW may take the matter with such states/UT and may also provide the uniform model SOP.

## **Chapter 13: Capacity Building and Policy Intervention**

### **13.1 Situational Analysis:**

Training and skilling is critical for improving the marketing efficiency. It is being observed that existing training, awareness and capacity building programmes for stakeholders and on the subject –matter and technological innovations in states and in central as well are quite inadequate. Marketing personnel actually involved on the ground level, marketing functionaries (traders, commission agents and other functionaries) and progressive farmers are required to be targeted on periodical basis on existing practices & processes, new technology and innovations, digitisation in agricultural marketing to improve marketing efficiency. Digitisation may be kept in focus for capacity building across the targeted trainees.

### **13.2 Policy intervention:**

- 13.2.1** Extension Division of DA&FW with states, involving states' agricultural production department and marketing department/boards, may review the ongoing extension activities under ATMA and get prepared market centric training modules and execute the same with KVK and states' extension machinery.
- 13.2.2** Marketing Division of DA&FW with CCS NIAM, Jaipur, DMI and states prepare a need based holistic and capsule type strategic training programmes for marketing personnel and marketing functionaries. Senior officers' sensitisation and training programmes may be organised in CCS NIAM, Jaipur; while mandi officials and market functionaries in DMI. For the purpose, DMI itself will be improved and updated in terms of knowledge and infrastructure.

**13.3.3** Market Committees may undertake the awareness programme among the farmers. DMI may play participatory roles.

**13.3.4** On awareness front, endeavour shall be made to create awareness among all the stakeholders of AVC i.e farmers, FPOs, cooperatives, agribusiness companies, start-ups, agripreneurs, input-dealers about various infrastructure creation supporting schemes. On training and capacity building front, this may be interlinked with infrastructure and portal creation. Endeavour shall be made to sensitise FPOs, PACS on quality production, marketing and project management.

## **Chapter 14: Miscellaneous**

**14.1 Commencement and Continuance of Policy:** The national policy framework on agricultural marketing shall come into force from the date of its notification and will remain effective for ten years from the date of its notification or till the next Policy is notified, whichever is earlier. The Policy will be subject to review and modifications from time to time as per changing requirements.

**14.2 Performance of the Policy Frame-Work :** DA&FW shall constitute an Implementation Review Committee (IRC) under the chairpersonship of Additional Secretary (Marketing), DA&FW with representative of five states of appropriate rank as members on rotational basis as decided by DA&FW. There may be other members also, which DA&FW may decide at the time of notification of the IRC. The IRC shall review the performance of the policy framework on quarterly basis.

**14.3 Review and Updation of the National Policy:** DA&FW will update the policy documents time to time as per requirement and DA&FW's interpretation with respect to this policy shall be final.