

Agricultural marketing

Agricultural marketing reforms

8.46 The Inter-Ministerial Task Force on Agricultural Marketing Reforms, which submitted its report in June 2002, had made a number of recommendations to make the agricultural marketing system more vibrant and competitive. The major recommendations of the Task Force related to amendment to the State APMC Act for promotion of direct marketing and contract farming, development of agricultural markets in private and cooperative sectors, stepping up of pledge financing, expansion of future trading to cover all agricultural markets, introduction of negotiable warehouse receipt system and use of information technology to provide market-led extension services to the farmers. As a follow-up measure, the Central Government, in order to guide the States in the implementation of the suggested reforms, drafted a Model Act on Agricultural Marketing which, inter-alia, provided for the establishment of direct purchase centers and farmers' markets for direct sale to consumers, complete transparency in the pricing system, and payment to farmers on the same day, public-private partnership for professional management of existing markets and setting up of Market Standards Bureau for promotion of standardization, grading and quality certification of produce. In the National Conference of State Ministers on Agricultural Marketing and Land Reforms held on January

7, 2004, all the State Governments agreed to adopt the Model Act on Agricultural Marketing in their respective States. The feedback received in the Agriculture Ministry indicates that 18 State Governments/UTs have initiated action for amending their State Agricultural Produce Marketing (Regulation) Acts.

Construction of rural godowns

8.47 With a view to create scientific storage in rural areas, the Government is implementing a central sector scheme for the construction of rural godowns. The scheme, which is being implemented since March 2001, provides subsidy to private and cooperative bodies on the capital cost of the storage projects. By the end of 2003-04, 4851 storage projects were sanctioned by the banks involving an investment of Rs. 1,300 crore to create 105 lakh tonnes of rural storage capacity in the country. The scheme is continued for the period 2004-07, with certain modifications, involving a central outlay of Rs.115 crore, for creation of new storage capacity of 32 lakh tonnes and renovation of capacity of 4 lakh tonnes. During the current year 2004-05, projects with a capacity of 10.1 lakh tonnes have been sanctioned till end-September as against the target of 38 lakh tonnes of capacity. The scheme has helped the farmers to store their commodities near their fields and obtain pledge loans and marketing credit from the banks, thereby avoiding distress sale at the time of harvest.