

Agricultural Marketing

8.50 Progress in the production of food grains, commercial crops and horticultural products depends critically on the marketing infrastructure available to the farmers. The number of regulated agricultural markets stood at 7,521 as on March 31, 2005. Besides, there were 27,294 rural periodic markets, of which about 15 per cent function under the ambit of regulation. Ministry of Agriculture had formulated a model law on agricultural marketing in consultation with State/UT Governments to deal with emerging trends in agricultural marketing. This model legislation enables establishment of private markets/yards, direct purchase centres, consumers/farmers markets for direct sale, and promotion of public-private-partnership (PPP) in the management and development of agricultural markets in the country. It also provides for exclusive markets for onions, fruits, vegetables, and flowers. Regulation and promotion of contract farming arrangement has also been a part of this legislation. A provision has also been made for constitution of State Agricultural Produce Standards Bureau for promotion of grading,

standardization and quality certification of agricultural produce. Several State/UT Governments have initiated steps for amending the Agricultural Produce Marketing Committee (APMC) Act.

8.51 For development of marketing infrastructure, four Central Sector Schemes have been introduced for: (i) developing a Marketing Research and Information Network (MRIN), (ii) a scheme with 25 per cent back-ended subsidy component for construction of rural godowns, (iii) strengthening of agricultural marketing infrastructure, grading and standardization in those States that have amended the APMC Act on the lines of Model Act, and (iv) Venture Capital Assistance scheme by Small Farmers' Agri-Business Consortium (SFAC) to promote agri-business projects. Besides, initiative has been taken by the National Institute of Agricultural Marketing (NIAM) to promote PPP in establishment of state of the art terminal markets for fruits, vegetables and other perishables in important urban centres.