

Ordinance Summary

The Gujarat Agricultural Produce Markets (Amendment) Ordinance, 2020

- The Gujarat Agricultural Produce Markets (Amendment) Ordinance, 2020 was promulgated on May 6, 2020. The Ordinance amends the Gujarat Agricultural Produce Markets Act, 1963. It further renames the Act as Gujarat Agricultural Produce and Livestock Marketing (Promotion and Facilitation) Act, 1963. It aims to provide better market access to farmers and also expands the purview of the Act to now include livestock.
- **Regulation of livestock market:** The Act regulates the marketing of agricultural produce which is defined as all processed or unprocessed produce of agriculture, horticulture, and animal husbandry. The Ordinance adds livestock to this definition. It also expands the definition of agriculturists from persons engaged in production or growth of agricultural produce to include persons engaged in livestock production (by themselves or hired labour).
- **Unified Market Area:** The Act provides for the Director of Agricultural Marketing and Rural Finance (Director) to notify an area or a portion as a market area. A market area is where agricultural produce is marketed and sold. The Ordinance adds that the state government may notify the whole state as one Unified Market Area for the purpose of regulation of marketing of notified agricultural produce.
- **Unified single licence:** The Act allows market committees to grant licenses to operate in a market area. The Ordinance adds that the Director will grant a single license to operate in any market area across the state. Existing trader licenses will get converted to a single unified license within six months from the date of commencement of the Ordinance.
- **Market areas:** The Act provides that every market area should have a principal market yard and sub-market yards. The Director may notify different enclosures, buildings, or localities in a market area to be a principal market yard or a sub-market yard. The Ordinance adds that the market area will also consist of market-sub yards. Warehouses, silos, and cold storage can be notified as market sub-yards.
- Further, the Ordinance provides that the state government may declare any place in a market area as the principal market yard, sub-market yard, market sub-yard, or farmer consumer market yard, for the regulation of marketing of notified agricultural produce. It may also declare a place to be a private market yard, private market sub- yard, private farmer-consumer market yard, for marketing of notified agricultural produce. A place may include any: (i) structure, (ii) enclosure, and (iii) open space locality, including warehouses, and packaging and processing units. A farmer-consumer market yard is a place where agriculturists are licensed to directly sell produce to the consumer.
- **Market fee and user charges:** The Ordinance provides that the owner of a market sub-yard may collect: (i) a market fee on notified agricultural produce, and (ii) a user charge on de-notified agricultural produce, transacted at the market sub-yard. Such fees should not exceed the rates notified by the state government. Further, no such fees shall be collected from agriculturists seller (a person engaged in the production of agricultural produce).
- **Market Yard of National Importance:** The Ordinance empowers the state to declare any market yard as a Market Yard of National Importance (MNI). This would be based on prescribed annual tonnage criteria and certain aspects, such as: (i) total throughput, (ii) value, (iii) upstream catchment area, (iv) down-stream number of consumers served, and (v) special infrastructure requirements. Further, out of such annual tonnage, 30% must arrive from not less than two other states.
- **E-Trading:** The Ordinance provides for the establishment and promotion of electronic trading (e-trading) platforms, by the state government, its agency, or by an individual who obtains a separate license from the Director.
- **Regulation of trading:** The Ordinance empowers the market committee to permits a licence holder to sell notified agricultural produce, outside licensed market areas or e-trading platforms.

DISCLAIMER: This document is being furnished to you for your information. You may choose to reproduce or redistribute this report for non-commercial purposes in part or in full to any other person with due acknowledgement of PRS Legislative Research ("PRS"). The opinions expressed herein are entirely those of the author(s). PRS makes every effort to use reliable and comprehensive information, but PRS does not represent that the contents of the report are accurate or complete. PRS is an independent, not-for-profit group. This document has been prepared without regard to the objectives or opinions of those who may receive it