

# Ordinance Summary

## The Tamil Nadu Agricultural Produce Marketing (Regulation) Second Amendment Ordinance, 2020

- The Tamil Nadu Agricultural Produce Marketing (Regulation) Second Amendment Ordinance, 2020 was promulgated on May 28, 2020. It amends the Tamil Nadu Agricultural Produce Marketing (Regulation) Act, 1987. The Ordinance removes geographical restrictions to enable free trade of agricultural produce across the state. Some of the key amendments being introduced are:
  - **Unified Market Area:** The Ordinance establishes the whole state of Tamil Nadu (except for any other notified market area) as a Unified Market Area.
  - **Establishment of a Private Market Yard and Private Market Sub-Yard:** The Ordinance allows any person to establish a private market yard or private market sub-yard, anywhere in the unified market area. Such persons will be required to obtain a license from the Director of Agricultural Marketing and Agri Business (Director). The licence will be valid for three years.
  - The government may notify any warehouse, silo, cold storage or place with prescribed facilities as a private market sub-yard. The licensee of the private market yard may also charge fees from market functionaries who wish to operate in the private market yard. Further, user charges may also be levied by the licensee, on the agricultural produce traded/transacted in the private market yard/private market sub-yard. No such charges shall be collected from producers selling agricultural produce.
  - **Direct Marketing:** The Ordinance introduces Direct Marketing, which implies the direct wholesale purchase, from producers, of agricultural produce by buyers outside the market area. It provides that for the marketing of any agricultural produce, a collection or an aggregation centre may be set up close to any production area or within a designated food park. Subject to certain conditions, direct marketing may also be carried out outside notified market areas without establishing a collection or aggregation centre. A person is required to obtain a license from the Director and pay prescribed fees, to engage in direct marketing. Such licence will be valid for three years.
  - **Dispute Settlement:** The Ordinance provides for the Director to be the arbiter of all disputes between various categories of licensees.
  - **Ex-officio member of Market Committee:** The Act provides for the Assistant Director of Agriculture (Agri Business) in charge of marketing in a notified area to be the ex-officio member of the market committee of that area. The Ordinance replaces that with the Deputy Director of Agriculture (Agri Business).
  - **Powers and Functions of the CEO:** The Act allows for the government to appoint a Chief Executive Officer, with general control and direction over all personnel, to the Tamil Nadu State Agricultural Marketing Board. The Ordinance expands the functions of the CEO. They include (i) supervision and control over officers and staff of the Board, (ii) organise meetings and maintain records, (iii) take steps to execute board decisions, and (iv) supervise and inspect construction or repair work of buildings undertaken by the market committee.

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