



# TAMIL NADU GOVERNMENT GAZETTE

EXTRAORDINARY PUBLISHED BY AUTHORITY

No.213]

CHENNAI, FRIDAY, MAY 29, 2020  
Vaikasi 16, Saarvari, Thiruvalluvar Aandu-2051

## Part IV—Section 2

### Tamil Nadu Acts and Ordinances

The following Ordinance which was promulgated by the Governor on the 28th May 2020 is hereby published for general information:—

TAMIL NADU ORDINANCE No. 6 OF 2020.

***An Ordinance further to amend the Tamil Nadu Agricultural Produce Marketing (Regulation) Act, 1987.***

WHEREAS the Legislative Assembly of the State is not in session and the Governor of Tamil Nadu is satisfied that circumstances exist which render it necessary for him to take immediate action for the purpose hereinafter appearing;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of Article 213 of the Constitution, the Governor hereby promulgates the following Ordinance:—

1. (1) This Ordinance may be called the Tamil Nadu Agricultural Produce Marketing (Regulation) Second Amendment Ordinance, 2020.

Short title and commencement.

(2) Sections 6, 7, 8, 9, 10 and 15 shall come into force at once and the remaining sections shall come into force on such date as the State Government may, by notification, appoint.

Tamil Nadu Act 27  
of 1989.

2. In section 2 of the Tamil Nadu Agricultural Produce Marketing (Regulation) Act, 1987 (hereinafter referred to as the principal Act),—

Amendment of section 2.

(1) in clause (8), the words "for such area as may be specified in the notification" at the end shall be omitted;

(2) the existing clause (8-a) shall be renumbered as clause (8-b) and before clause (8-b) as so renumbered, the following clause shall be inserted, namely:—

"(8-a) "Direct marketing" in relation to agricultural produce, means direct wholesale purchase of agricultural produce from the producers by the processors, exporters or bulk buyers outside the markets, special and subsidiary markets, private market yards or private market sub-yards;";

(3) after clause (16), the following clauses shall be inserted, namely:—

"(16-a) "private market sub-yard" means any place declared to function as a private market sub-yard under section 7-B;

(16-b) "private market yard" means a private market yard established under section 7-A;";

(4) after clause (23), the following clause shall be added, namely:—

"(24) "unified market area" means the whole of the State of Tamil Nadu except the notified market area declared under sub-section (2) of section 6."

3. After section 7 of the principal Act, the following sections shall be inserted, namely:—

Insertion of new sections 7-A, 7-B, 7-C and 7-D.

**"7-A. Establishment of private market yard.**— (1) Subject to such conditions as may be prescribed, the Director may grant licence to any person to establish a private market yard anywhere in the unified market area for trading in agricultural produce.

(2) Every application for grant of licence under this section shall be made to the Director in such form and manner together with such fee as may be prescribed.

(3) A licence granted under sub-section (1) shall be valid for a period of three years.

(4) The Director may grant or refuse to grant licence or renew or refuse to renew licence or suspend the licence on such grounds as may be prescribed by recording reasons for such refusal or suspension.

(5) Any person aggrieved by an order made under sub-section (4) may prefer an appeal to the Government within thirty days from the date of receipt of the order:

Provided that the Government may grant a further time of thirty days for preferring an appeal, if the appellant is prevented from making such appeal for sufficient reasons.

(6) The private market yard licensee or its management committee, by whatever name called, may register market functionaries including traders with such fee as may be prescribed to operate in the private market yard.

(7) The private market yard licensee or its management committee, may collect user charge on the agricultural produce traded in the private market yard, at the rate *ad valorem* not exceeding the rate as may be prescribed:

Provided that the rate so prescribed under this sub-section shall not be lower than the rate prescribed under sub-section (1) of section 24:

Provided further that no user charge shall be collected from a producer who sells any agricultural produce:

Provided also that no user charge shall be collected more than once on any agricultural produce bought or sold in the unified market area.

(8) The private market yard licensee shall contribute, of such user charge collection and registration fee, in such percentage as may be prescribed to the Market Development Fund formed under section 45.

(9) The private market yard licensee shall formulate a Standard Operating Procedure for conduct of business and activities ancillary thereto in the private market yard in accordance with the rules as may be prescribed.

(10) Nothing contained in sub-sections (2) and (3) shall apply to—

(a) a person who purchases any agricultural produce for his own domestic consumption in any quantity not exceeding such quantity as may be prescribed;

(b) a person who purchases any agricultural produce for his own seed purposes in any quantity not exceeding such quantity as may be prescribed.

**7-B. Establishment of private market sub-yard.—** (1) The Government may, by notification, declare a warehouse, silo, cold storage, other such structure or place with such infrastructure and other facilities as may be prescribed, to function as a private market sub-yard.

**Explanation.—** The expression 'place' shall include any structure, enclosure, open space, locality, street including pack house / cleaning, grading or processing unit.

(2) The owner of a private market sub-yard so declared shall apply for licence to the Director in such form and in such manner together with such fee as may be prescribed.

(3) A licence granted for a private market sub-yard shall be valid for a period of three years.

(4) The Director may grant or refuse to grant licence, renew or refuse to renew licence or suspend the licence on such grounds as may be prescribed by recording reasons for such refusal or suspension.

(5) Any person aggrieved by an order made under sub-section (4) may prefer an appeal to the Government within thirty days from the date of receipt of the order:

Provided that the Government may grant a further time of thirty days for preferring an appeal, if the appellant is prevented from making such appeal for sufficient reasons.

(6) The private market sub-yard licensee shall collect user charge on the agricultural produce transacted at the market sub-yard, at the rate *ad valorem* not exceeding the rate as may be prescribed:

Provided that no user charge shall be collected from a producer who sells any agricultural produce.

(7) The private market sub-yard licensee shall contribute of such user charge collection in such percentage as may be prescribed to the Market Development Fund formed under section 45.

**7-C. Direct marketing.**— (1) In the proximity of a production area or within a designated food park, collection or aggregation centre may be set up by a person with infrastructure, as may be prescribed, with linkages to retail chain, or processing/export unit/premises, or any other such unit/premises, as may be prescribed for the marketing of any agricultural produce.

**Explanation.**— For the purpose of this sub-section, "designated food park" means food processing units set up in well defined agricultural or horticultural zones and designated as such, by the Ministry of Food Processing Industries, Government of India.

(2) Notwithstanding anything contained under sub-section (1), direct marketing may also be carried out outside the market, private market yard, or private market sub-yard by declaring the place of such purchase, without establishment of any collection or aggregation centre, as may be prescribed.

(3) Any person may apply for licence for direct marketing to the Director in such form and in such manner together with such fee as may be prescribed.

(4) A licence granted for direct marketing shall be valid for a period of three years.

(5) The Director may grant or refuse to grant licence, renew or refuse to renew licence or suspend the licence on such grounds as may be prescribed by recording reasons for such refusal or suspension.

(6) Any person aggrieved by an order made under sub-section (5) may prefer an appeal to the Government within thirty days from the date of receipt of the order:

Provided that the Government may grant a further time of thirty days for preferring an appeal, if the appellant is prevented from making such appeal for sufficient reasons.

(7) Direct marketing licensee shall have to maintain records and accounts relating to daily trade transactions and shall submit monthly report in such form as may be prescribed, to the Director.

(8) The Director may seek any additional information from the direct marketing licensee and may also inspect and issue direction relating to functioning of such wholesale purchases and activities incidental thereto.

(9) The direct marketing licensee shall be liable to pay fee on wholesale purchases at a rate of not less than one rupee but not exceeding two rupees for every hundred rupees of the aggregate amount for which the agricultural produce is bought or sold. The said fee shall be credited to the Market Development Fund formed under section 45.

**7-D. Dispute settlement.**— Any dispute arising between or among licensees of e-trading, direct marketing, private market yard or private market sub-yard shall be referred to the Director for settlement.

**4. In section 8 of the principal Act,—**

(1) for the marginal heading, the following marginal heading shall be substituted, namely:—

**"Trading in notified agricultural produce in notified market area .—"**

(2) in sub-section (1), for the expression "No person shall, within a notified area,-" the expression "No person shall, within a notified market area,-" shall be substituted.

Amendment of  
section 8.

5. In section 8-A of the principal Act, in sub-section (1), for the words "any notified agricultural produce in any notified market area", the words "any agricultural produce" shall be substituted. Amendment of section 8-A.

6. For section 14 of the principal Act, the following section shall be substituted, namely:— Substitution of section 14.

**"14. Deputy Director of Agriculture (Agri Business) to be ex-officio member.**— The Deputy Director of Agriculture (Agri Business) in-charge of marketing having jurisdiction over the notified area shall be the ex-officio member of the market committee established for such area, or where there are two or more Deputy Directors of Agriculture (Agri Business) in-charge of marketing having jurisdiction over different portions of a notified area, one of such Deputy Directors of Agriculture (Agri Business) as the Government may specify in this behalf.

7. In section 17 of the principal Act, for the expression, "Land Acquisition Act, 1894 (Central Act I of 1894)", the expression "Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (Central Act 30 of 2013)" shall be substituted. Amendment of section 17.

8. In section 24 of the principal Act,—

(1) for sub-section (1), the following shall be substituted, namely:—

"(1) The market committee shall levy a fee on any notified agricultural produce bought or sold in the notified market area at a rate not exceeding two rupees for every hundred rupees of the aggregate amount, as may be prescribed for which the notified agricultural produce is bought or sold whether for cash or for deferred payment or other valuable consideration:

**Explanation.**— In the determination of the amount of the fee payable under this Act, any fraction less than fifty paise shall be disregarded and any fraction of fifty paise or exceeding fifty paise shall be regarded as one rupee."

(2) sub-sections (3) and (4) shall be omitted;

(3) for sub-section (5), the following sub-section shall be substituted, namely:—

"(3) Any notified agricultural produce taken or proposed to be taken out of a notified market area exceeding such quantity as may be prescribed shall be accompanied by a permit issued by the Secretary of the market committee subject to the by-laws made in this behalf by the market committee."

9. In section 33 of the principal Act,—

(1) in the proviso to sub-section (1), for the words "nine years", the words "nine years and six months" shall be substituted;

(2) in sub-section (5), for clause (c), the following clause shall be substituted, namely:—

"(c) the Deputy Directors of Agriculture (Agri Business) in-charge of marketing having jurisdiction over the notified area referred to in section 14."

10. In section 35 of the principal Act, in sub-section (2), in clause (b) for the expression "Land Acquisition Act, 1894 (Central Act I of 1894)", the expression "Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (Central Act 30 of 2013)" shall be substituted. Amendment of section 35.

- Amendment of section 37. 11. In section 37 of the principal Act, sub-section (4) shall be omitted.
- Insertion of section 37-A. 12. After section 37 of the principal Act, the following section shall be inserted, namely:—
- "37-A. Powers and functions of the Chief Executive Officer.—** Subject to the superintendence of the Board, the Chief Executive Officer shall—
- (i) exercise supervision and control over officers and staff of the Board;
  - (ii) arrange for the meetings of the Board and maintain records of the proceedings of the meetings of the Board;
  - (iii) take such steps as deemed necessary for execution of the decision of the Board;
  - (iv) supervise and inspect the construction or repair work of buildings, undertaken by the Market Committees; and
  - (v) discharge such other functions, as may be authorised by the Board, from time to time.
- Amendment of section 46. 13. In section 46 of the principal Act, after clause (5), the following clauses shall be added, namely:—
- (6) to grant, renew, suspend or cancel licence for establishing or operating private market yard, market sub-yard, and for direct marketing;
  - (7) to launch prosecution for contravening the provisions of section 7A, 7B or 7C or the rules made thereunder;
  - (8) to ensure timely and proper conduct of the elections of the Chairman and Vice-Chairman of the Market Committee and Vice-President of the Board;
  - (9) to accept the resignation of the Chairman or Vice-Chairman of the Market Committee."
- Amendment of section 50. 14. In section 50 of the principal Act, for the words "the market committee", the words "the market committee or the Director, as the case may be," shall be substituted.
- Amendment of section 52. 15. In section 52 of the principal Act, for sub-section (1), the following sub-section shall be substituted, namely:—
- "(1) The Government may make rules for carrying out all or any of the provisions of this Act."
- Amendment of section 55. 16. In section 55 of the principal Act,—
- (1) in sub-section (1), for the words "the Board", the words "the Board or the Director" shall be substituted;
  - (2) in sub-section (2),—
    - (i) in clause (a), for the words "the market committee", the words "the market committee or the Director" shall be substituted;
    - (ii) in clause (b), for the word "the Board", the words "the Board or the Director" shall be substituted.

Amendment of  
section 57.

17. In section 57 of the principal Act, for the word "the Board", the words "the Board or the Director" shall be substituted.

18. In section 58 of the principal Act, in sub-section (2), for the word "the Director", the words "the marketing committee or the Director" shall be substituted.

Amendment of  
section 58.

19. Section 59 of the principal Act shall be renumbered as sub-section (1) of that section and after sub-section (1) as so re-numbered, the following sub-section shall be added, namely:—

Amendment of  
section 59.

"(2) All sums due from the licensees of private market yard, private market sub-yard, e-trading or direct marketing either by way of fee or otherwise under this Act or the rules may be recovered in the same manner as arrears of land revenue."

28th May 2020.

BANWARILAL PUROHIT,  
Governor of Tamil Nadu.

**EXPLANATORY STATEMENT.**

The Tamil Nadu Agricultural Produce Marketing (Regulation) Act, 1987 (Tamil Nadu Act 27 of 1989) was enacted to make better provisions for regulation of buying and selling of agricultural produce and the establishment and proper administration of markets for agricultural produce in the State. It is now necessary to provide for geographically restriction-free trade or transaction of agricultural produce across the State to give freedom to the agriculturists to sell their produce across time and space; to enhance transparency in trade operations; to promote emergence of multiple channels to competitive marketing; and to encourage investments in development of markets and marketing infrastructure in the State. Provision for establishment of private market yards, private market sub-yards, collection and aggregation centres to pave the way for direct marketing are necessary to achieve the object in view.

2. Further the term of the Special Officers appointed to manage the affairs of the market committees under sub-section (1) of section 33 of the said Tamil Nadu Act 27 of 1989 are due to expire on 29.05.2020 and some more time is required to nominate members to the market committees. Hence, there is compelling necessity to extend the tenure of the Special Officers for a further period of six months beyond 29.05.2020 or till reconstitution of the market committees, whichever is earlier.

3. The Government have, therefore, decided to amend the said Tamil Nadu Act 27 of 1989 suitably for the aforesaid purposes.

4. The Ordinance seeks to give effect to the above decision.

(By order of the Governor)

C. GOPI RAVIKUMAR,  
*Secretary to Government,  
Law Department.*