

Standing Committee Report Summary

Agriculture Marketing and Role of Weekly Gramin Haats

- The Standing Committee on Agriculture (Chair: Mr. Hukmdev Narayan Yadav) submitted its report on ‘Agriculture Marketing and Role of Weekly Gramin Haats’ on January 3, 2019. Agriculture marketing in most states is regulated by the Agriculture Produce Marketing Committees (APMCs) established by state governments. Small and marginal farmers face various issues, such as inadequate marketable surplus, long distance to nearest APMC markets, and lack of transportation facilities, in selling their produce in APMC markets. Gramin Haats are markets in rural areas where such farmers can sell their produce without going to APMC markets. Key observations and recommendations of the Committee include:
 - **Issues with APMCs:** The Committee observed that provisions of the APMC Acts are not implemented in their true sense, due to reasons such as: (i) limited number of traders in APMC markets thereby reducing competition, (ii) cartelisation of traders, and (iii) undue deductions in the form of commission charges and market fee. Further, the Committee observed that most farmers lack access to government procurement facilities including APMC markets. It recommended the central government to prioritise the creation of alternative marketing platforms, and hold stakeholder consultations for reforms in agriculture marketing.
 - **Reforms in APMC Acts:** The Committee observed that APMC Acts need to be reformed urgently. The Acts are highly restrictive in promotion of multiple channels of marketing and competition in the system. The Committee noted that the central government is continuously pursuing state governments for reform in APMC Acts through model Acts. However, there is lukewarm response of state governments towards reforms in the Acts. It recommended that the central government constitute a Committee of Agriculture Ministers of all states to arrive at a consensus and design a legal framework for agriculture marketing.
 - **Fees:** The Committee observed that market fee and commission charges are to be levied on traders, but instead are collected from farmers. In some states, market fee is levied even when it is not applicable. Also, market fee is levied multiple times on the same commodity when traded across multiple APMC markets, even within the state. It recommended that (i) fees and cess levied on agricultural produce should be removed, and (ii) the central government should hold discussions with state governments for the same.
 - **Availability of markets:** The Committee observed that the average area served by an APMC market is 496 sq. km., which is much higher than the 80 sq. km. recommended by the National Commission on Farmers (Chair: Dr. M. S. Swaminathan) in 2006.
- The Committee noted that there is a need of 41,000 markets to meet this requirement. It recommended that the central government (i) initiate consultation with state governments to increase the number of agriculture markets, and (ii) create marketing infrastructure in states which do not have APMCs.
 - **Infrastructure:** The Committee observed that infrastructure and other civic facilities in most APMC markets are in a very bad shape. Markets also fare poorly in banking, internet connectivity, and drying facilities. It recommended that the central government (i) initiate consultation with state governments to improve infrastructure, banking facility, digital connectivity and other facilities in these markets, and (ii) devise a centrally sponsored scheme for modernisation of APMC markets.
 - **Gramin Haats:** The Committee noted that Gramin Haats can provide farmers direct access to consumers, require less transportation cost, and thus, may emerge as a viable alternative for agriculture marketing. The Committee recommended the central government to hold discussions with state governments to keep Gramin Haats out of the ambit of the APMC Acts.
 - **GrAM scheme:** The Committee noted that the aim of the Gramin Agricultural Markets (GrAM) scheme is to improve the infrastructure and civic facilities in Gramin Haats across the country. Under the scheme, 4,600 of the existing 22,000 Haats will be developed and upgraded using MGNREGA and other government schemes. It recommended that the central government (i) increase the number of Haats being targeted under the scheme and ensure presence of a Haat in each panchayat of the country, and (ii) make the scheme a fully funded central scheme.
 - The Committee noted that since the GrAM scheme requires funds available under various government schemes, inter-ministerial coordination is required at the central and state levels. It recommended that a monitoring committee should be formed for planning and time bound implementation of the scheme.
 - **e-NAM scheme:** The Committee noted that 585 markets across 18 states are connected on the portal of the Electronic National Agriculture Market (e-NAM) scheme. The scheme networks the existing APMC markets with the aim to create a unified national market for electronic trading of agricultural commodities. The Committee recommended that the central government should increase the coverage of the scheme to states which do not have APMCs. It also recommended that the government should start a training program on e-NAM portal to enhance digital literacy of farmers and increase their participation.

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