

**Marketing and trading of farm produce**

607. SHRI VIJAY PAL SINGH TOMAR:

SHRI HARNATH SINGH YADAV:

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether development and upliftment of farmers is the first priority of Government, if so, whether Government is working on a concrete plan to link the farmers with markets to help the farmers in trading of foodgrain, if so, details thereof;

(b) whether marketing in farm produce is carried out through the State Governments across the country, if so, the details thereof; and

(c) whether forward trading is an index of predictive pricing and as a result both buyer and seller can plan their futures trading, if so, details thereof and the extent to which it would help farmers?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE (SHRI GAJENDRA SINGH SHEKHAWAT): (a) and (b) Yes, Sir. Development and upliftment of farmers is the first priority of the Government. The Government has been working continuously and has taken several concrete steps to link the farmers with the markets with the aim to help the farmers in trading of their foodgrain. Agricultural marketing is a State subject and wholesale agricultural marketing is undertaken by the network of 6630 regulated wholesale markets, set up under the provision of respective State Agricultural Produce Market Committee (APMC) Act.

In order to provide better marketing facilities to the farmers, the Government has released a new model Act "The Agricultural Produce and Livestock Marketing (Promotion and Facilitation) Act, 2017" in April 2017 for its adoption by States/ Union Territories (UTs). The provisions therein provide for alternative marketing channels other than APMCs to farmers in marketing their produce at competitive and remunerative prices.

In order to optimise the use of scarce resources and mitigate the uncertainty in price and marketing, the Government has formulated and released a progressive and facilitative Model Act "The State/UT Agricultural Produce and Livestock Contract Farming and Services (Promotion and Facilitation) Act, 2018" in May, 2018 for its adoption by the States/Union Territories (UTs). The aforesaid Model Contract Farming Act covers the entire value and supply chain from pre-production to post harvest marketing including services contract for the agricultural produce and livestock.

The Government has implemented National Agriculture Market (e-NAM) scheme an online virtual trading platform to provide farmers with opportunity for transparent price discovery for remunerative prices for their produce through competitive online bidding system. So far, 585 wholesale regulated markets of 16 States and 02 UTs have been integrated with e-NAM platform.

As per Union Budget Announcement, 2018-19, Government has announced to develop and upgrade existing rural haats into Gramin Agricultural Markets (GrAMs) to work as Centres of aggregation and to provide farmers with facility near to farm gate for making direct sale to consumers and bulk purchasers while improving their market access.

The Government is implementing Market Research and Information Network (MRIN) Scheme covering 3355 wholesale mandies across the country linked to Agmarknet portal, wherein Agricultural Produce Market Committees (APMCs) markets are reporting data on mandi arrivals and prices of their traded agricultural commodities on daily basis. The farmers have free access to the Agmarknet portal for getting market price information easily.

In order to ensure remunerative prices to farmers for their produce, the Government of India has launched an umbrella scheme 'Pradhan Mantri Annadata Aay Sanraks Han Abhiyan' (PM-AASHA). Under PM-AASHA, the Department of Agriculture, Cooperation and Farmers Welfare (DAC&FW), Ministry of Agriculture and Farmers Welfare, Government of India, implements the Price Support Scheme (PSS) for procurement of pulses, oilseeds and copra. For oilseeds, DAC&FW also implements the Price Deficiency Payment Scheme (PDPS).

Minimum Support Price (MSP) is notified by the Government for certain crops primarily for procurement. Giving a major boost for the farmers income, the Government has approved the increase in the MSPs for all Rabi crops for 2018-19 at a level of at least 150 per cent of the cost of production.

Further, under PM-AASHA, procurement for paddy, wheat and coarse grains at MSP are done by Department of Food and Public Distribution (DFPD) through Food Corporation of India (FCI). Further, Cotton and Jute are procured by the Ministry of Textiles through Cotton Corporation of India (CCI) and Jute Corporation of India (JCI) respectively.

(c) Price discovery and price risk management are the major objectives of forward/futures markets. While forwards are customized contracts, bilaterally negotiated between parties for buying/selling a particular quality/quantity of commodity at a pre-

decided price on a future date, futures are standardized, exchange traded contracts for buying/selling a standardized quantity of a particular commodity at a pre-decided price on a future date.

Farmers and growers can benefit through the price signals emanating from futures markets even if they may not directly participate in the futures market. A farmer can determine the kind of crop which he would prefer to sow by taking advantage of the advance information of the future price trends of alternate crops. Farmers can also simultaneously enter into the futures contract of the planted crop at the prevailing futures price thereby locking-in the price at which they can sell the underlying commodity at a specific point of time in future. In a futures contract, the farmer can deliver the crop directly on the exchange platform, subject to payment of market levies charged by the respective States.

As per the Fifteenth Report on “The Forward Contracts (Regulation) Amendment Bill, 2010” of the Parliamentary Standing Committee on Food, Consumer Affairs and Public Distribution, future markets also lead to reduction in the amplitude of seasonal price variations and help the farmer realize somewhat better price at the time of harvest or to postpone the sale of his produce, in part or in full, thereby moderating market arrivals as well as the ability of the trader to monopolise price setting.

**Financial support to States for implementing schemes for farmers**

608. SHRI HARNATH SINGH YADAV:

SHRI VIJAY PAL SINGH TOMAR:

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether many State Governments have come out with various schemes to protect farmers from price volatility;

(b) if so, the details thereof;

(c) whether the Central Government proposes to support farmers under the existing schemes with remunerative prices for agricultural and horticulture produce;

(d) if so, the details thereof;

(e) whether the produce which are not covered under MSP are likely to be covered under Price Support Schemes (PSS) and Market Intervention Scheme (MIS); and

(f) if so, the details thereof and financial support provided to States in this regard?