

AgriCos e-Newsletter

ISSN: 2582-7049

Volume: 02 Issue: 02 February 2021 Article No: 18

A Step Towards to Change Scenario of Agricultural Marketing through: Ordinance 2020

Vilhekar R. A.¹ and Mali B. K.²

¹Research Scholar, MPKV, Rahuri, (M. S.) ²Deputy Director of Research, DOR, MPKV, Rahuri, (M. S.)

SUMMARY

Government of India time to time initiates regulatory measures in the field of agricultural marketing. Major reforms of agricultural marketing in India are agricultural marketing are APMC (Control) Act 1966-67, Model APMC Act 2003, Electronic National Agricultural Market, 2016 and Model APLM Act, 2017. Agricultural marketing system transforms from local or traditional marketing system to electronic marketing system. Government of India again come up with the new initiation with new ordinances i.e. The Farmers Produce Trade and Commerce (Promotion & Facilitation) Ordinance, 2020 with provisions barrier free inter and intra state trade of agricultural produce outside the APMC market yards and no levies will be charged if trading takes place outside the physical market yards and The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Ordinance, 2020 with the provisions on enable the farmers to engage in agricultural business firms and its related activities.

INTRODUCTION

India is an agriculture base country. More than half of the population is engage in agriculture and agriculture related activities. As yield and production started rising after increase in usage of high yielding varieties, chemical inputs and other advanced technologies realise there is needs to focus on marketing of increase production. Small and marginal farmers belong to the largest group of cultivators in the country. They face many challenges in marketing related activities. For a very long time marketing system emerge in local setting and remained in local and traditional systems. Because of this farmers typically sold their produce to local traders at very low prices through specious price discovery methods with hardly any knowledge of prices. In view of this situation government of India initiated a various regulatory measures in agricultural marketing system from time to time. Among all the regulatory measures in agricultural marketing are APMC (Control) Act 1966-67, Model APMC Act 2003, Electronic National Agricultural Market, 2016 and Model APLM Act, 2017. Above all the regulatory measures contributes large time to time in order to bring in transparency, competition, market efficiency, participation of private players, direct marketing, contract marketing, integral marketing system, etc.

The Farmers' Produce Trade and Commerce (Promotion & Facilitation) Ordinance 2020 facilitates barrier free inter and intra state trade, freedom to trade in farming produce outside APMC Wholesale market yards, any trade taking place outside the physical yards has been exempted from any levies and provision for setting up of an electronic trading platform. The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Ordinance 2020 provisions are to enable the farmers to engage with agricultural business firms, processors, wholesalers, exporters or large retailers for farm services and sale of future farming produce at a remunerative price, the farmer may enter into a contract with sponsor through farming agreement after getting it registered with the prescribed authority, the provisions of the ordinance safeguard the interest of both the parties farmer get the assured price whereas sponsor get the quantity and quality as per its requirement, provision of conciliation board to settle any dispute mutually and in no case action for recovery of any amount will be initiated against farm land.

The Farmers Produce Trade and Commerce (Promotion & Facilitation) Ordinance, 2020.

The Farmers' Produce Trade and Commerce (Promotion & Facilitation) Ordinance, 2020, the ordinance introduced in the country with the main aim to facilitate the barrier free inter and intra state trade across the country. The ordinance provisions providing freedom of trade in farm produce outside the APMC Market Yards. Until now, the trade was restricted to the concerned APMC market yards and the transactions of the agricultural produce were needs to go through only concerned APMC markets with applicable market fees/levies. License from the concerned APMCs was required to the traders and commission agents to operate in the notified market area for purchase and sale of agricultural commodities under whose jurisdiction trading is taking place. By

introduction of this ordinance, any trade can be taking place outside the physical market yard without any levies and licenses.

Electronic trading platform is one of the provisions of this ordinance. Any person having PAN otherwise any other document by the Government can use this platform for the trading of agricultural commodities after completion of all the required formalities. The Farmers Producer Organizations or other farm cooperatives can establish such trading platform to promote inter-state and intra-state trading in scheduled farmers produce in a trade area it will enhance the bargaining power of the farmers produce and will helps to improve the economies of scale. As defined under the ordinance trade area are those area where the trade of farmers produce will undertake it may be any area or location, place of production, collection and aggregation including farm gates, warehouses, cold storages, silos, factory premises or any other structures but the trade area does not include the physical markets which established and operated under the APMC Act. This ordinance will come up with the PAN India trading opportunity to both traders and farmers, barriers free inter and intra state trade and commerce outside the physical markets which will helps to reduce the marketing cost and will enhance remuneration to farmers.

The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Ordinance, 2020.

This ordinance provides a national framework for farming agreements which will give opportunity to farmers to engage in agricultural business firms, wholesalers, processors, exporters or large retailers for farm services and the sale of future farm produce at a remunerative price in a fair and transparent manner. After completion of formality like registered with the prescribed authority the farmers can enter into a contract with the sponsor through farming agreement. The agreement should include all the conditions like supply of inputs, ownership rights of agricultural produce with the farmer during production, quality of the produce, time of supply, standards and grade of the produce, price and delivery mechanism. The major aim of the farming agreement is to offer various advantages to farmers like easily availability of inputs, services and credit, improved production and management skills and assured market. The sponsor will also benefitted by getting assured supply of quality produce. The ordinance provisions are to secure the concern of both the parties. If there is any rivals among the farmer and sponsor there is a provision for conciliation board to settle the problems mutually. In case of any disputes the conciliation board settle it by mutually and in no case action for recovery of any amount will be initiated against farm land.

CONCLUSION

Government of India has taken a number of policy initiatives time to time in field of agricultural marketing with implication at state and national some of them major regulatory measures are APMC (Control) Act 1966-67, Model APMC Act 2003, Electronic National Agricultural Market, 2016 and Model APLM Act, 2017 with mainly focus on more participation by farmers, price assurance to the farmers, availabilities of good alternative, scale of operation, transparency and high degree of competition in the agricultural market. The Farmers' Produce Trade and Commerce (Promotion & Facilitation) Ordinance 2020 facilitates barrier free inter and intra state trade in farming produce outside the APMC market yards, if the trade is taking place outside the physical market yards then it will be exempted from any levies and it also offer a provision for setting of an electronic trading platform. Another ordinance is The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Ordinance 2020 which mainly focus on enable the farmers to engage with agricultural business firms, processors, wholesalers, exporters or large retailers for farm services and sale of future farming produce at a remunerative price, the farmer may enter into a contract with sponsor through farming agreement after getting it registered with the prescribed authority, the provisions of the ordinance safeguard the interest of both the parties farmer get the assured price whereas sponsor get the quantity and quality as per its requirement, provision of conciliation board to settle any dispute mutually and in no case action for recovery of any amount will be initiated against farm land. Farmers should know about the new policy and procedure how to get the benefits from such governmental policies. Extension system can play an important role to create awareness among farmers on these initiatives and encourage them to take advantage of the available benefits.

REFERENCES

Ravikishor, M., P. Supriya and M. Johnson. 2020. Agricultural Marketing Reforms-Ushering Rural Agripreneurship. Agriculture & Envieronment e-Newsletter. Article ID-AEN - 2020 - 01 - 01 - 00 4. www.manage.gov.in Massive Open Online Course Material on Maket-led Extension from 14th Aug 2020 to 23rd Aug 2020.