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MAHARASHTRA STRUGGLES TO AMEND APMC ACT

Relevant for: Indian Economy | Topic: Transport & Marketing of agricultural produce

The Maharashtra government's attempt to amend the Maharashtra Agriculture Produce Marketing (Development and Regulation) Act, 1963, has hit a roadblock again. It had to withdraw the Bill from the Legislative Council even after it was passed by the Assembly. The amendment Bill has been in the works for over 14 years and owing to its politically and economically important stakeholders, who are farmers, traders and 'mathadi' workers (head loaders), the government has struggled to push through the changes.

What is the problem?

After it was passed in the Assembly last November, the Mumbai and Pune APMCs called a strike, alleging that the proposed amendment severely limited their powers. One of the important amendments the Bill seeks to bring about is to free essential items from the purview of APMCs and allow them to be sold outside.

Farmer organisations such as the Shetkari Sanghatana, formerly led by Sharad Joshi, support this amendment. "Sharad Joshi always said that the APMC Act is one of the main reasons why farmers are prey to the monopoly of traders," said Anil Ghanvat, president of Shetkari Sanghatana.

What are the changes?

The Bill also has a provision that the APMCs can continue to levy cess/market fee on the produce brought and traded in their mandis, but cannot charge anything on goods traded outside. The traders' lobby had said no levy should be charged if the produce was sold outside. Following the meeting between the stakeholders and the government, sources said a compromise was reached to abolish this levy altogether. One of the amendments that was opposed by traders and farmer organisations was the direct payment to farmers from traders for purchase of more than Rs. 2 lakh, bypassing the *Adta* (the middleman). According to both, the *Adta* plays an important part as an assurer to both parties, and eliminating his role would be harmful to traders as well as to farmers.

Maharashtra is the second State after Bihar to attempt such amendments. While Bihar scrapped it altogether, Maharashtra is trying to do the same, by first allowing traders or processors to deal directly with farmers. Neither they nor the farmers will have to go to the APMC yards to buy and sell their produce. The buyers can directly buy from farmers based on the price quoted by them. Unable to get the Bill cleared in both Houses of the Legislature, the government in August 2016 de-listed fruits and vegetables from the purview of the APMC through a resolution. Further, it was expanded to all farm products. Apart from the government claim that farmers will get a better price after the amendment, it believes that the competitive environment will help the APMCs improve their infrastructure as well as their quality of service to attract farmers. According to Mr. Ghanavat, farmers will go to the market which gives them a better price, be it private buyers or the APMCs.

How many APMCs are there?

Maharashtra has 306 APMCs. The APMC Act had made it mandatory for farmers to sell all their crops in the mandi within a geographically delineated market area under a particular committee's jurisdiction. A few lakh traders and head loaders survive on these committees. It is

alleged that local political interests drive all the decisions taken by the APMCs. The supporters of the Bill claim that political compulsions have forced successive governments not to push for the amendments.

Shashikant Shinde, leader of the head loaders and one of the MLAs opposing the Bill, said it is being introduced to serve the interests of multinational companies. According to him, the APMCs provide a mechanism which ensures at least a minimum support price for the farmers' produce, and outside the APMCs, farmers will be forced to sell at a price quoted by companies.

The State government will continue to hold meetings with the stakeholders, and is likely to present the Bill, approved by all, in the budget session from February 24.

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