

CENTRE TO BRING NEW LAW TO REDUCE FARMERS' DEPENDENCE ON APMC: SITHARAMAN

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

A facilitative legal framework would be created to enable farmers for engaging with processors, aggregators, large retailers, exporters etc in a fair and transparent manner, the FM said

New Delhi: Finance Minister Nirmala Sitharaman on Friday said that a Central legal framework would be created to enable the farmers to sell agricultural produce at attractive prices. It would be used to enable barrier free inter-state trade and a framework for e-trading of agricultural produce. The announcement was part of the third tranche of economic stimulus in wake of coronavirus.

A facilitative legal framework would be created to enable farmers for engaging with processors, aggregators, large retailers, exporters etc in a fair and transparent manner.

Risk mitigation for farmers, assured returns, quality, standardisation shall form an integral part of the framework.

Listing out the issues of the farmers, the government stated that the farmers were bound to sell agriculture produce only to licensees in Agricultural Produce & Livestock Market Committee (APMCs). This resulted in the hindrance of free flow of agricultural produce and fragmentation of markets and supply chain. Additionally, such a restriction of sales was not there for any other industrial produce entity.

Further the lack of awareness of the farmers to enforce a mechanism to predict crop pricing at the time of sowing was another issue.

As per present legal provisions, the laws of the states are not in consonance with central laws pertaining to the agricultural sector, this creates compliance problems. The proposed legal reform is an endeavor by the central government to help in reducing the price of the agricultural produce and improve agricultural infrastructure.

In the previous two parts of the package, FM's focus was on MSMEs, NBFCs, MFIs, migrant workers, street vendors and small farmers.

Prime Minister Narendra Modi has declared that the 20-trillion economic package is aimed at making India self-reliant.

The first tranche of the economic package, announced on Wednesday, had 15 fiscal and regulatory measures, while the second batch, announced on Thursday rolled out nine measures to give relief to the poor including migrant workers, farmers, street vendors and members of tribal community.

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