



NATIONAL POLICY FRAMEWORK ON AGRICULTURAL MARKETING - POLITY

NEWS: The Centre has released a draft “**National Policy Framework on Agricultural Marketing**” that seeks to help farmers realise the best price for their produce.

WHAT'S IN THE NEWS?

About

- Department of Agriculture and Farmers' Welfare (DA&FW), constituted a Drafting Committee under the chairmanship of Faiz Ahmed Kidwai, Additional Secretary (Marketing), DA&FW.
- The Drafting Committee has prepared a draft National Policy Framework on Agricultural Marketing.

Major Highlights of the National Policy Framework

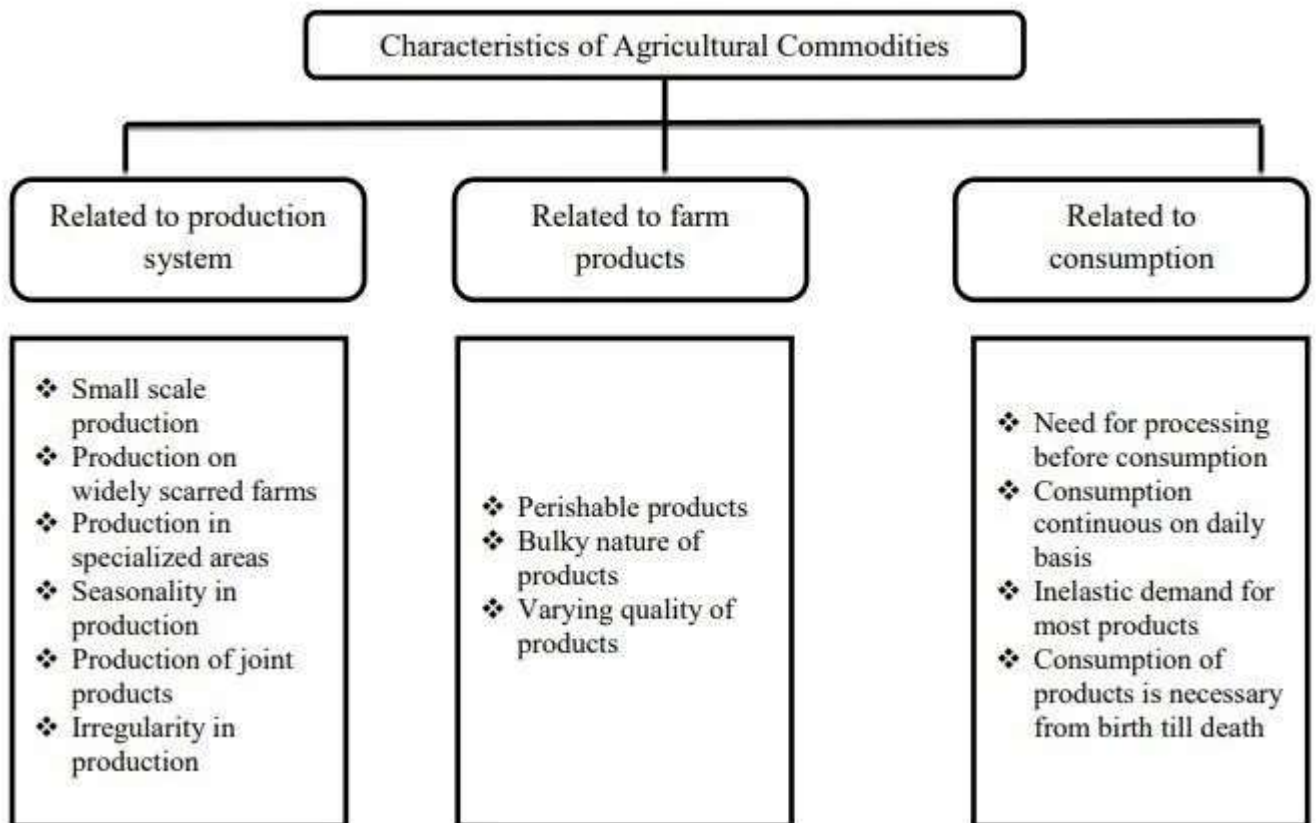
- It has proposed the **constitution of an Empowered Agricultural Marketing Reform Committee of State Agricultural Marketing Ministers to push agriculture marketing reforms.**
 - The success of the GST Council in harmonizing tax policies across states and creating a unified tax regime serves as a model for this new initiative.
 - **Composition of Committee:** The empowered committee may be chaired by the agriculture minister of any state on rotational basis with agriculture ministers of the remaining states as members.
 - **Supply Chain Reforms:** It highlighted the need for private wholesale markets, direct purchases by processors and exporters, and the declaration of warehouses and cold storage as deemed market yards.
 - These measures are crucial for reducing the intermediaries in the supply chain and ensuring that farmers receive better returns for their produce.
 - **Price Insurance Scheme:** It proposes a price insurance scheme along the lines of the Pradhan Mantri Fasal Bima Yojana (PMFBY) to protect farmers from price crashes.
 - This scheme aims to stabilize farmers' incomes, encourage the adoption of modern agricultural practices, and ensure the flow of credit to the agriculture sector.

What is Agricultural Marketing?

- Agriculture, generally means growing and/or raising of crops and livestock while, marketing encompasses a series of activities involved in moving the goods from the **point of production to point of consumption.**
- It includes the planning, production, transportation, processing, and distribution of agricultural goods.



- The goal is to ensure that the products reach consumers efficiently while meeting market demands at a fair price.
- Agricultural marketing is a **State subject under Entry 28 of List-II (State List)** of the VII Schedule under **Article 246 of the Constitution**.



Challenges Faced by Agriculture Marketing in India

- Inadequate Infrastructure:** Poor transportation, storage, and cold chain facilities lead to high post-harvest losses and inefficiencies in distribution.
- Fragmented Markets:** The lack of organized markets and reliance on multiple intermediaries increases costs and reduces farmers' profit margins.
- Price Fluctuations:** Farmers often face unpredictable prices due to market volatility, leading to income instability.
- Limited Market Access:** Small-scale farmers struggle to access distant or organized markets, limiting their ability to sell at fair prices.
- Lack of Market Information:** Farmers often lack timely information on prices, demand trends, and quality standards, which hinder decision-making.



•**Limited Credit and Financial Support:** Difficulty in accessing affordable credit for transportation, storage, and processing limits growth and profitability.

•**Inadequate Value Addition:** Low investment in processing and value addition leads to the export of raw, unprocessed goods at lower prices.

Government Initiatives to Reform Agricultural Marketing in India:

•**PM-AASHA (Pradhan Mantri Annadata Aay Sanrakshana Abhiyan) 2018:** A scheme to ensure farmers get remunerative prices through Price Support, Price Deficiency Payment, and Private Procurement Schemes.

•**Agriculture Produce Market Committee (APMC) Reforms:** Encouraging states to amend APMC Acts for direct selling and private market participation to reduce middlemen.

•**E-NAM (National Agriculture Market):** An online platform integrating mandis to enable transparent trading and better price discovery.

•**Kisan Rail Scheme:** Dedicated trains for transporting perishable goods, improving market access and reducing transportation costs.

•**Agricultural Infrastructure Fund (AIF):** Providing financial support for developing storage, processing, and cold storage facilities.

•**One Nation, One Market:** Aiming for seamless interstate trade by eliminating barriers and strengthening the E-NAM platform.

•**FPO (Farmer Producer Organization) Promotion:** Supporting farmer cooperatives to improve bargaining power and market linkages.

•**Support for Agri-Startups:** Encouraging innovation and new market solutions in the agriculture sector through financial and mentorship support.

•**Minimum Support Price (MSP) Policy:** The MSP system aims to provide a safety net for farmers by ensuring that the price they receive for their crops is above the cost of production.

Conclusion

•The government's agricultural marketing reforms are aimed at addressing inefficiencies, reducing middlemen's influence, and providing farmers with more opportunities for better income.

•These reforms are designed to make farming more profitable and sustainable by offering better market access, fairer pricing mechanisms, and innovative solutions for both farmers and consumers.

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