

Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020

September 15, 2020

It is a bill to provide for the creation of an ecosystem where the **farmers and traders enjoy the freedom of choice relating to sale and purchase of farmers' produce** which facilitates remunerative prices through competitive alternative trading channels.

Features of the Bill

- The bill **allows intra-state and inter-state trade of farmers' produce** outside:
 - . the physical premises of market yards run by market committees formed under the state APMC Acts
 - . other markets notified under the state APMC acts such as private market yards and market sub-yards, direct marketing collection centres, and private farmer-consumer market yards.
 - . such trade can be conducted in **any place of production, collection, and aggregation of farmers' produce** including: farm gates; factory premises; warehouses; silos and cold storages.
- Farmers' produce means food items including **cereals** such as wheat and rice, **oilseeds, oils, vegetables, fruits, spice, and sugarcane**. It also includes: **products of poultry, piggery, goatery**, fishery, dairy; raw cotton and jute and cattle fodder.
- The bill allows farmers, farm producer organisations as well as anyone who buys farmers' produce for: **wholesale**

trade, retail, end-use, value addition, processing, manufacturing, export or consumption, to engage in such intrastate or interstate trade.

- However, to **trade in scheduled farmers' produce** (agricultural produce specified and regulated under state APMC Acts), an entity must be either:

. a farmer producer organisation or agricultural cooperative society, or

. a person having **permanent account number under the Income Tax Act** or any other document notified by the central government.

- The bill permits the **electronic trading of farmers' produce** in the specified trade area. An electronic trading and transaction platform may be set up to facilitate the direct and online buying and selling of farmers' produce.
- A person transacting with a farmer will be required to make **payments to the farmer on the same day, or within three working days in certain conditions**, for any transaction of scheduled farmers' produce.
- The bill **prohibits state governments from levying any market fee, cess** or levy on farmers, traders, and electronic trading platforms for any trade.
- The parties involved in a trade-related dispute may apply to the **Sub-Divisional Magistrate for relief through conciliation**. The Magistrate will appoint a **Conciliation Board** and refer the dispute to the Board. If the dispute remains unresolved after 30 days, the parties may approach the **Magistrate** for settlement of the dispute. The parties will have a right to **appeal against the decisions of the Magistrate before an Appellate Authority** (Collector or Additional Collector nominated by the Collector).