

Market Committees and Regulated markets

In Tamil Nadu, 21 Market committees are established for every notified area to enforce the provisions of Tamil Nadu Agricultural Produce Marketing (Regulation) Act 1987, Rules 1991 and by-laws. Under these 277 Regulated Markets are functioning for better regulation of buying and selling of agricultural produce. Regulated Markets act as a common forum to farmers and traders on equal footing for marketing of agricultural produce without middlemen. No fee is collected from farmers for the services rendered. One per cent of the sale value of the produce is collected as market fee from Traders. Besides, license fee is also collected from traders and weighmen.

Facilities provided in the Regulated Markets

- Godowns and drying yards
- Transaction shed and Trader Shops
- Automatic weighing and bagging machine
- Weigh bridge and weighing balance
- Market Complex
- Cold storage
- Rural Business Hub
- Ticker board for price display
- Farmers rest room and free medical aid

Modern Godowns and Cold Storages in Regulated Markets

Capital intensive marketing infrastructure is necessary for carrying the agricultural produce from production seasons to consuming periods. Lack of inadequate scientific storage facilities cause heavy losses to farmers in terms of huge wastage of quantity and quality and to protect the agricultural produce from deterioration are essential. Seasonal fluctuations in prices are aggravated in the absence of these facilities.

Farmers can store their agricultural produce in the godowns and get credit facilities in the form of pledge loan. In order to strengthen the Regulated markets, 88

Nos. of godowns with capacities of 2,000 MT (75 Nos), 5,000 MT (8 Nos) and 10,000 MT (5 Nos) with 95% financial assistance from NABARD under RIDF Scheme and 5% from Market Committee at a total cost of Rs.127.60 crore have been constructed and are being utilized. Further, to reduce the post-harvest losses and to extend the shelf-life of fruits and vegetables, 70 Nos. of cold storages with 25 MT capacity in Regulated Markets with 95% financial assistance from NABARD under RIDF Scheme and 5% from Market Committee at a total cost of Rs.22.26 crore are being constructed.

Rural Business Hubs (RBH) in Regulated Markets

Rural Business Hub envisages development of opportunities through which farmers may have increased access to markets through forward linkages. These centers aim to achieve higher incomes for farmers by aggregating products enabling larger buyers and processors to make direct purchase from farmers. Each RBH will link up with farmers groups formed in villages. This RBH's will provide infrastructure facilities like input shop ,storage shed, drying yard, Electronic balance, Moisture meter, Toilet facilities and also serve as a knowledge Centre.

Pledge Loan

Farmers can avail pledge loan to avoid distress sale during glut seasons by storing their farm produce in the godowns of Regulated Markets. Small and marginal farmers can avail pledge loan upto 75% of the value of the produce and other farmers can avail 50% of the value of produce or upto the maximum of Rs.2 lakhs for a maximum period of 6 months. Pledge loan help the farmers preparing for next cropping season and also to meet their immediate money requirement. For the benefit of Turmeric growers the storage period for Turmeric has been enhanced from six months to one year.

No interest is charged for first 15 days of loan period. Interest at the rate of 5% is being charged beyond 15 days. Traders can avail pledge loan upto 50% of value of the produce limited to the maximum of Rs.One lakh with 9% rate of interest upto 3 months period.

Agmark grading

AGMARK is a quality certification mark employed on agricultural products in India, assuring that they conform to a set of standards approved by the Government of India. Directorate of Marketing and Inspection, of the Department of Agriculture and Cooperation, Ministry of Agriculture, Government of India is implementing the provisions of the Act and the Rules. The present AGMARK standards cover quality guidelines for 213 different commodities.

The AGMARK certification is employed through state-owned AGMARK laboratories located across the state which act as testing and certifying centres. In Tamil Nadu, 30 State Agmark Grading Laboratories and 1 Principal Agmark Grading Laboratory are functioning. In Tamil Nadu, the products graded under Agmark are rice, pulses, Ghee, Honey, Groundspices, Whole spices, Wheat products, Sago, Vegetable Oils, Gram flour, Compounded Asafoetida etc., This scheme is a voluntary scheme.

AGMARK is a symbol for quality food products. AGMARK grading protects the consumers from harmful effects of consuming adulterated food products and ensures quality of food products. Certificate of authorization is given to packers authorizing them to grade their commodity under AGMARK.

Farmers' markets

At present 179 Uzhavar Sandhai's are functioning in Tamil Nadu. In the First phase, 100 Uzhavar Santhai's were started and step by step it was increased upto 179 Uzhavar Santhai's. The Uzhavar Sandhai scheme is a novice scheme to the neighboring states. The Farmers's Market / Uzhavar Sandhai ensures fair price to the Farmer's produce without Intermediaries interference and supply of fresh fruits and vegetables to the consumer's at a normal price. Among the 179 Uzhavar Sandhai, 27 Uzhavar Sandhai's have 2.0 M.T (Capacity) cold storages in Tamil Nadu.

Tamil Nadu Irrigated Agriculture Modernization and Water Bodies Restoration and Management (TN-IAMWARM Project)

Helping the sub-basin farmers in strengthening their market orientation is the main objective of Agri Marketing component of World Bank assisted TN-IAMWARM Project. The farmers are being enlightened with the concept to achieve more income per drop of water. The Project is being implemented in 61 sub basins of Tamil Nadu in phased manner over a period of 6 years at a total re-allocated estimate of Rs.6614 lakhs. An amount of Rs.4565 lakhs has been utilized for 4 phases of sub basins upto 2013-14.

Recognizing the institutional gap for linking farmers with markets, IAMWARM project has developed the concept of creating Agri-Business Centers (ABCs) in addition to the construction of drying yards and storage sheds with a view to create market opportunities for farmers through value chain linkages. The ABC operates on a Hub-and-Spokes format wherein the ABC (the Hub) is linked to a number of Commodity Groups (the spokes) in the region. So far, 24 such Agri Business Centers, 109-storage sheds, 208-drying yards, 20-collection centers, one pack house and 4 additional infrastructure were created under TN-IAMWARM Project. The supporting equipments for value addition such as 249-moisture meters, 278-electronic weighing scales, 1698-tarpaulins, 5869-dunnages, 21-computers with internet connection, 2935-plastic crates, Copra Dryer-8, Defibring Unit-6, 8- goods auto and one mini-lorry for logistics were provided and are being utilized by Commodity group farmers.

Formation of commodity groups and signing Memorandum of Understanding (MoU) between farmers and traders are the major activities for the realization of additional income by farmers. Interface workshop is considered to be a platform for linking the farmers directly to the traders with face to face market orientation. The main objective of promoting the farmers commodity groups at the village / block level is to create a mechanism to empower them for their own problem solving. This would also help in providing techno-economic support to the groups, improve access to

resources, improve performance, promote infrastructure utilization, enhance scale of operation, technology and markets, capacity building of farmers, bank credit facility and ultimately improve the economy of the farmers.

So far 3,145 commodity groups covering 14 major commodities have been formed and 2,457 MoU have been made between farmers and traders. Under Information, Education, Communication and Capacity Building (IEC&CB) activities 873 trainings were conducted viz.,320-technical trainings, 236-interface workshops,206 exposure visits inside the state and 101-exposure visits outside the state and 10-awareness campaigns.

Tamil Nadu Small Farmers Agri-business Consortium (TNSFAC)

The Tamil Nadu Small Farmers' Agribusiness Consortium [TNSFAC] functions with the objectives of making formal / informal market arrangements, besides linking Small farmers to technologies as well as to markets by providing both forward and backward linkages through assured purchase at reasonable price for their farm produces. The TNSFAC is functioning in association with Government, Private sector, Co-operatives, banks / financial institutions notified by the Reserve Bank of India where the ownership of the Central / State Government is more than 50% such as Nationalized Banks, SBI etc., and Service sector to fulfill the above objectives.

Eligibility Criteria for funding:

- Projects should be in agriculture or allied sector like Horticulture, Floriculture, medicinal and aromatic plants, minor forest produce, apiculture and fisheries or related to agricultural services. Poultry and dairy projects are also covered under the scheme.
- Project should provide assured market to farmers / producer groups.
- Project should encourage farmers to diversify into high value crops to increase farm income.
- Project should be accepted by banks for grant of term loan.

Quantum of Venture Capital Assistance (VCA) would be

- 26 % of the Promoter's equity (or)
- Rs. 50.00 lakhs whichever is lowest

For registered Farmer Producers Organisation, VCA would be

- 40 % of the Promoter's equity (or)
- Rs. 50.00 lakhs whichever is lowest

Agri Business development in Tamil Nadu is achieved by sanctioning Venture Capital Assistance and Project Development Facility.

Food Processing Industries

Food processing in the organized sector helps in achieving higher efficiency in the use of raw materials and by products. Processing in the organized sector generates additional employment in trade and transport activities which may be quite substantial as compared to direct employment created in processing activities.

Department of Agricultural Marketing and Agri Business is the State Nodal Agency for the Ministry of Food Processing Industries, Government of India. To ensure steady and better price to the farming community as well as availability of commodities in processed form to the consumers throughout the year, food processing is promoted which reduces the wastage of agricultural produce to a great extent.

National Mission on Food Processing (NMFP)

National Mission on Food Processing is a centrally sponsored scheme being implemented from the year 2012-13 by Ministry of Food Processing Industries and Government of Tamilnadu in the ratio of 75:25. Department of Agricultural Marketing and Agri Business is the State Nodal Agency for the implementation of the scheme.

Objectives:

- To promote facilities for post-harvest operations including setting up of food processing industries.
- To under take decentralization of the schemes so far operated by the Ministry of Food Processing Industries (MoFPI) in order to take account the requirements suitable to the local needs.
- To augment the capacity of food processing to upscale their operations through capital infusion, technology transfer, skill upgradation and hand holding support.
- To support established self-help groups working in food processing sector to facilitate them to achieve SME status.
- Capacity development and skill upgradation through institutional training to ensure sustainable employment opportunities to the people and also reduce the gap in requirement and availability of skilled manpower in food processing sector.
- To raise the standards of food safety and hygiene in order to meet the norms set up by FSSAI.
- To facilitate food processing industries to adopt HACCP and ISO certification norms.
- To augment farm gate infrastructure, supply chain logistics, storage and processing capacity.
- To provide better support system to organized food processing sector.

Schemes to be implemented under the Mission during 2013-17:

The Major Programmes/Schemes to be implemented under NMFP during the remainder of 12th Plan (2013-17) are:

- (i) Scheme for Technology Up-gradation / Establishment / Modernisation of Food Processing Industries.
- (ii) Scheme for Cold Chain, Value Addition and Preservation Infrastructure for Non - Horticultural Products .
- (iii) Setting up / modernisation / expansion of Abattoirs (to be implemented w.e.f.

- 2014-17. Guidelines are being issued separately).
- (iv) Scheme for Human Resource Development (HRD).
 - (a) Creation of Infrastructure facilities for running Degree/Diploma/Certificate Courses in Food Processing Technology.
 - (b) Entrepreneurship Development Program (EDP).
 - (c) Food Processing Training Centre (FPTC).
 - (v) Scheme for Promotional Activities .
 - (a) Organizing Seminar/Workshops.
 - (b) Conducting Studies/Surveys.
 - (c) Support to Exhibitions/Fairs.
 - (d) Advertisement & Publicity.
 - (vi) Scheme for Creating Primary Processing Centres / Collection Centres in Rural Areas.
 - (vii) Modernisation of Meat Shops.
 - (viii) Reefer Vehicles.
 - (ix) Old Food Parks.

The Commissioner / Director of the Department of Agricultural Marketing and Agri business has been authorized as Mission Director for the State Nodal Agency to implement the National Mission on Food Processing schemes in Tamil Nadu from 2012-13.

Till now 29 proposals of total cost of Rs.7532.82 Lakhs with grant request of Rs.1324.47 Lakhs has been approved and sanctioned by Project Approval Committee (PAC) and State Level Empowered Committee (SLEC).

Agro Processing Units with farmers' participation

To minimize the post harvest losses and maximize benefits from agricultural produce, the role of agro-processing industries and their partnership with farmers have become crucial than ever. Hence, "Agro Processing Units with farmers and private participation are being established at 5 places" viz., Pulses in Pudukottai District, Tomato in Dharmapuri District, Banana in Theni District, Copra in

Coimbatore District and Groundnut in Villupuram District at a total cost of Rs.2000 lakhs. On behalf of farmers, 25% of the share capital contribution will be borne by the Government through the Department of Agricultural Marketing and Agri Business and the remaining 75% of the share will be borne by the private entrepreneurs. Selection of entrepreneurs is under progress.