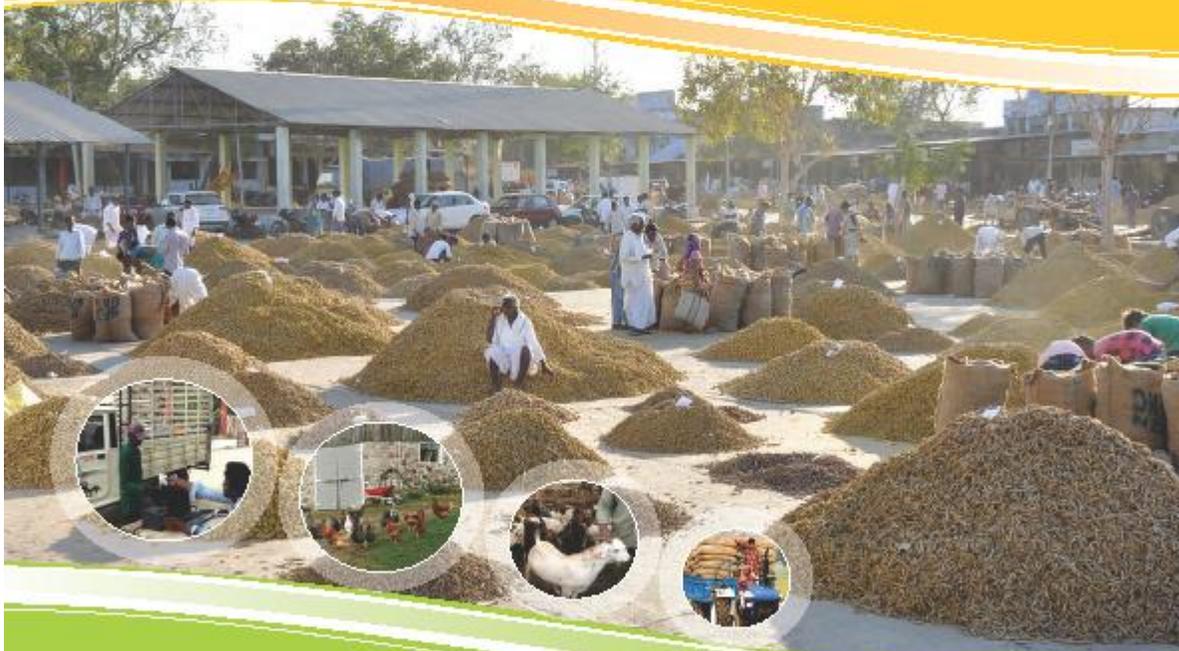




MODEL ACT

The -----State /UT Agricultural Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017



Government of India
Ministry of Agriculture and Farmers Welfare
Department of Agriculture, Cooperation & Farmers Welfare



Dr. Ashok Dalwai, IAS
Additional Secretary &
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Government of India
Ministry of Agriculture & Farmers' Welfare,
Department of Agriculture, Cooperation & FW

PREFACE

Economic history of the world demonstrates, that a nation's economy can mature and realize its potential only when its primary sector, namely, agriculture is taken care of. India cannot prove an exception. As our country aims at and races towards becoming one of the largest economies of the world, it has to ensure that its agriculture sector taps its full potential of growth and development. This is all the more important when the Government is aiming to ensure social equitability and welfare of all its people. The farming community which even now accounts for 48 per cent of the nation's population and depends on agriculture and allied activities for employment and income needs priority attention.

2. Over the last seven decades since Independence, the agriculture sector was primarily mandated to achieve food security for the growing population. This purpose has been well served. However, this does not tell the full story. The agriculture scenario of the country, notwithstanding its impressive credentials, has come to be troubled by agrarian crisis as manifest from a high of 22.50 per cent of farmers living below poverty line and episodic cases of farmers' suicides. Concerned about this, besides its intention to achieve farmers' welfare, the Government has committed itself to doubling the farmers' income as India celebrates its 75th Independence in the year 2022.

3. An analysis of the agricultural growth trends so far, brings out that the emphasis has largely been on the production segment, while the post-production has at best been on the periphery of policy formulation and scheme/programme roll out. In that sense, India has addressed only half the agriculture sector enterprise so far. The returns that the farmer-producer obtains on his produce impacts his income and influences his ability to invest in agriculture, as also his standard of living. The post-production segment of the agriculture enterprise encompasses a cafeteria of interventions including farm harvesting practices; storage and transportation (both dry and cold); processing and marketing. While marketing connects the producer and the consumer, other interventions including processing are essential to add value to the raw product and increase the food mile, so that the producer is able to benefit from maximum value. However, marketing efficiency is of equal importance if the farmer is to garner optimal share in the consumer's rupee. Judged against this, the status and outcome of agricultural marketing in India leave much to be desired. An examination of the structure, conduct and performance of agriculture marketing system in the country throws up a number of inefficiencies. It is also an irony, that all segments of agricultural

sector, particularly, the perishable commodities including fruits, vegetables, flowers, meat, fish as also livestock have not received an appropriate level of attention and treatment.

4. The reforms in agricultural marketing sector were ushered in with adoption of Agriculture Produce Marketing (Regulation) Act, popularly known as APMC Act by various States and Union Territories in 1960s and 1970s. While they brought in a great improvement from the preceding village trader-dominated exploitative system, they failed to serve the full objective of price discovery in a fair and transparent manner. Unfortunately, the market functionaries have over a period of time learnt to circumvent the basic objective of marketing regulation by cartelizing. More importantly, the APMCs have caused fragmentation of the markets thereby inducing inefficiency over space and time.

5. The beginnings of next generation market reforms in the country were made by sharing a Model APMC Act by the then Department of Agriculture & Cooperation with all the States and UTs in 2003 and following it up with sharing of Model APMC Rules in the year 2007. A review by the Department of Agriculture, Cooperation and Farmers' Welfare and also the NITI Aayog in the year 2016 brought to surface, glaring shortcomings in adoption of the Model Act across the country. Even in case of those, where the Model Act was used to effect necessary amendments to their Acts the reforms seemed patchy, sporadic and cosmetic. It became obvious, that the pace and quality of reforms had fallen much short of the need of the hour to effect the full complement of Reforms that had bypassed the agriculture sector. Marketing reforms emerged as the core of such intended reform basket, which hold definite potential of becoming a game changer.

6. It was against this background, that Shri Radha Mohan Singh, Hon'ble Union Minister of Agriculture & Farmers' Welfare constituted a Committee on 12.8.2016 under the chairmanship of the undersigned to draft a Model Act that would look at marketing in a more holistic manner and suggest a legal template. The committee was referenced to examine and address the entire gamut of post-production activities and recommended a Model Act that can push farm enterprise towards realizing the vision of the Hon'ble Prime Minister to double the income of farmers. The Committee benefited from professional expertise that came from Dr. Ramesh Chand, Member NITI Aayog, a well recognized Agriculture Economist of the country; as also from enviable understanding and vast experience of Dr. S.K. Pattanayak, Secretary, DAC&FW at both policy formulation and field levels in the agricultural domain. The comments and observations from various Government of India Ministries/Departments, State and UT Governments, informed and concerned citizenry have been extremely constructive and helpful in visualizing a big picture and creating a more relevant template, capable of meeting current and emerging challenges.

7. The Committee went through large number of deliberations and debates where a mass of data, information and observations and inputs were examined and regurgitated. The Committee veered around a consensus, that it is time to move away from pure regulation and development approach to promotion and facilitation-centric platform. The idea behind this consensus was to create a conducive environment for competition, by enabling multiple channels of marketing without letting any one including Government led APMCs to hold sway as a monopoly. With this the farmer-producer will come to be unchained to carry his produce to any market and sell to whoever offers him a better price. This then culminated in enabling a level playing field to every one wanting to play a role in agriculture marketing and serve the farmer-producer, while simultaneously improving upon the ratio of geography served by each market. This currently stands at 1 per 485 sq.kms adding to avoidable transportation cost incurred by the farmer. Further, the farmer-producer needed to be allowed to play an active role in market management and, therefore the Committee was keen to make democratically elected bodies to hold reigns of management and provisions have been made accordingly.

8. Following the logic supra, the new Model Act aims at building a level playing field for both public sector and private sector players to enter into the domain of agriculture marketing and build appropriate market structure; and provide a framework that catalyses fair conduct and performance of marketing to the advantage of farmers in particular and consumers in general. In the light of the Government's desire to enhance farmers' income, it was natural that the Model Act addressed not just marketing of field crops, but multiple other commodities including fruits, vegetables, flowers, spices, medicinal plants, livestock, poultry, fisheries etc. A farmer's income particularly in the context of the small and marginal farmer predominant landholding structure is multi-sourced. This in sequel leaves competitive marketing system as the only viable option, since these farmers are appropriately advised to practise integrated farming. Thus, the new Model Act has been titled as "**The State/UT Agricultural Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017**". It is intended to introduce creative disruption in the current agricultural market environment of the country.

9. On behalf of the Committee, it is my privilege to thank Shri Radha Mohan Singh, Hon'ble Minister of Agriculture & Farmers' Welfare, Shri Parshotam Rupala, Hon'ble MOS of Agriculture & Farmers' Welfare, Prof. Ramesh Chand, Member, NITI Aayog, Dr. S.K. Pattanayak, Secretary, DAC&FW for providing us this opportunity. I would also like to thank various Central Ministries and Departments, State and UT Governments and the informed citizens who responded by way of their constructive critique & comments and valuable suggestions.

10. I also place on record the sincerity and proactive involvement that all the members of the Committee brought to bear upon this task. They include Shri Sumanta Chaudhuri, MD, SFAC; Shri Shakil Ahammed, Joint Secretary (MIDH), DAC&FW; and Principal Secretaries/ Secretaries of Government of Telangana, Rajasthan, Uttar

Pradesh & Bihar. The process of drafting was more directly shouldered by Shri K.S. Srinivas, Joint Secretary, Dr. Alka Bhargava, Joint Secretary, Dr. S.K. Singh, Dy. Agriculture Marketing Adviser and Shri Arun Kumar, Director who as members of the Marketing Division of the Department took up the assignment as a professional challenge.

11. It is hoped, that all the States and Union Territories would embark upon the process of legislating their respective Acts based on the Model Act as early as possible. They would be free to adopt needed changes to suit the local variations, while all the time ensuring that the spirit of competition is encouraged and the principle of 'Farmer First' is kept in mind.



(Ashok Dalwai)

Dated: the 24th April, 2017

The -----State/ UT Agricultural Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017

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THE MODEL ACT

THE-----STATE/ UNION TERRITORY AGRICULTURAL PRODUCE AND LIVESTOCK MARKETING (PROMOTION & FACILITATION) ACT, 2017

An Act to provide for geographically restriction-free trade transaction of agricultural produce including livestock across the State/Union Territory (UT) and country; to give freedom to the agriculturists to sell their produce across time and space; to enhance transparency in trade operations and price settlement mechanism through adoption of electronic and other innovative form of technology; to promote emergence of multiple channels for competitive marketing, agri-processing and agricultural export ; to encourage investments in development of markets and marketing infrastructure in the State/UT of _____; and whereas it is expedient to put in place facilitative regulation, professional management and conducive policy framework therefor and purposes connected therewith and to lay down procedures and systems thereto.

Be it enacted by the _____ State Legislature in the sixty eight year of the Republic of India as follows :

STATEMENT OF OBJECTS AND REASONS - Agriculture like any other enterprise can sustain, only when it can generate net positive returns to the producer. A market is a place, where a produce is transacted and price per unit is determined, resulting in the total value that a farmer-producer fetches. Since value returns impinge upon a farmer's income, agricultural markets and marketing efficiency become critical. In the light of the Government's vision to double farmers' income by 2022, it entails an urgent need to revisit the existing market structure of the country and bring in a more competitive marketing environment. This combined with improved levels of productivity and reduced cost of cultivation/production can drive agricultural growth, farmers' welfare, productive employment and economic prosperity in rural areas of the country. Organized wholesale marketing in the country is promoted through a network of regulated markets set up under the provisions of States' Agricultural Produce Marketing (Regulation) Acts. These market structures aimed at regulation and attainment of transparency in transactions, with a view to transferring remunerative prices to the farmer-producer . Over time, however, these markets have largely been rendered restrictive and monopolistic, falling well below the intended objectives. Further, the existing regulatory framework does not support free flow of agricultural produce; and direct interface of farmers with the processors /exporters/ bulk buyers / end users, and in sequel has let in large number of intermediaries who may or may not be adding any value along the value chain. This is

neither advantageous to the farmers nor serves well the interests of the consumers. The profile of India's farm produce is changing. It is getting more cosmopolitan with higher levels of outputs in the domain of horticulture, dairying, poultry and fisheries, besides of course increasing quanta of cereals, pulses and oilseeds. Since the onset of economic liberalization of the country in 1991, that nation has also been experiencing visible changes in its transport and communication infrastructure besides penetration of internet and smart phones in the rural areas and greater technology-friendliness amongst the youths, who dominate the demography. With increasing purchasing power, mobility and changes in tastes and preferences, the consumers abetted by greater information and awareness are beginning to demand quality and differentiated products at rational price. The restrictive and monopoly-centric agricultural market structure as exists in the country today is not capable of permitting the producers to harvest the economic advantages of place, time and form value of their agricultural commodity.

2. These constraints can be overcome by replacing the current market structure and its regulatory framework by a more liberal and progressive law that allows free competition, promotes transparency, facilitates flow of commodities across space and time and encourages operation of multiple marketing channels by market players. What is needed is a barrier-free unified agricultural market for the country. The structure of Indian agriculture is changing and the sector is diversifying around cereals, pulses, oilseeds, commercial crops like cotton, horticultural crops, livestock, fisheries, poultry etc. It is, therefore, appropriate that a re-drafted and comprehensive Act is adopted, that is promotional and facilitative in unifying the fragmented markets. What also needs to be appreciated is, that piecemeal amendments leading to patchy improvements will not serve the purpose of a growing Indian economy. The nation's economy is more integrated with the global economy, than any time before. The provisions of the Model APMC Act, 2003 and Rules 2007, therefore, need a comprehensive overhaul.

3. While the Model Act, 2003 and Rules, 2007 have contributed substantively over the last 14 years in opening the shut doors to alternative marketing channels, many shortcomings were visible, as the Union Government set out to operationalize electronic National Agricultural Market (e-NAM) in 2016. The Ministry's constant interaction with the States and UTs and a review with them at the NITI Aayog level recognized the need for a Model Act, that can serve as a template to enact new legislation and engender comprehensive market reforms in the agriculture sector. Following this, the Department of Agriculture, Co-operation & Farmers' Welfare in the Ministry of Agriculture & Farmers' Welfare constituted a Committee on Marketing Reforms on 12.08.2016 under the Chairmanship of Dr. Ashok Dalwai, Addl. Secretary in the Department.

4. In view of the above, the Committee has found it appropriate to formulate “**The--- State/ Union Territory Agricultural Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017**” as a Model APLM Act encompassing a host of reforms that addresses the diverse and complex segments of a large sector like Agriculture. If States adopt this Model, it has definite potential of becoming a game changer in agricultural marketing scene. The salient features of the Model APLM Act, 2017 are:

- (i) Abolition of fragmentation of market within the State/UT by removing the concept of notified market area in so far as enforcement of regulation by Agricultural Produce and Livestock Market Committee (APLMC) is concerned (State/UT level single market).
- (ii) Full democratization of Market Committee and State/UT Marketing Board.
- (iii) Disintermediation of food supply chain by integration of farmers with processors, exporters, bulk retailers and consumers
- (iv) Clear demarcation of the powers and functions between Director of Agricultural Marketing and Managing Director of State/UT Agricultural Marketing Board with the objective that the former will have to largely carry out regulatory functions, while the latter will be mandated with developmental responsibilities under the Act.
- (v) Creation of a conducive environment for setting up and operating private wholesale market yards and farmer consumer market yards, so as to enhance competition among different markets and market players for the farmer’s produce, to the advantage of the latter.
- (vi) Promotion of direct interface between farmers and processors/ exporters/ bulk-buyers/ end users so as to reduce the price spread bringing advantage to both the producers & the consumers.
- (vii) Enabling declaration of warehouses/ silos/ cold storages and other structures/ space as market sub –yard to provide better market access/ linkages to the farmers.
- (viii) Giving freedom to the agriculturalists to sell their produce to the buyers and at the place & time of their choice, to whom so ever and wherever they get better prices.
- (ix) Promotion of e-trading to enhance transparency in trade operations and integration of markets across geographies.
- (x) Provisions for single point levy of market fee across the State and unified single trading licence to realise cost-effective transactions.

(xi) Promotion of national market for agriculture produce through provisioning of inter- state trading licence, grading and standardization and quality certification.

(xii) Rationalization of market fee & commission charges.

(xiii) Provision for Special Commodity Market yard(s) and Market yard(s) of National Importance (MNI).

(xiv) Providing a level playing field to the licensees of private market yard, private market sub-yard, electronic trading and direct marketing vis-à-vis the APLMCs and removing the conflict of interest that the latter are likely to practise, if both development and regulatory functions are centered in the same authority.

CHAPTER –I

PRELIMINARY

Short title, extent and commencement.	1. (1)	This Act may be called “The---- State/UT Agricultural Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017.
	(2)	It extends to the whole of State/ Union Territory (UT).
	(3)	It shall come into force on such date as the State Government/ Union Territory Administration may, by notification, appoint.
Definition.	2.	In this Act, unless there is anything repugnant in the subject or context -
	(1)	“ Administration ” means an administration of a UT;
	(2)	“ Ad-hoc buyer ” includes a buyer to be registered under Section 79 of this Act;
	(3)	“ Agricultural produce ” includes all produce, whether processed or not, of agriculture, horticulture, apiculture, forest excluding trees grown on private land, specified in the schedule ;
	(4)	“ Agriculturist ” means a person who is engaged in production of agricultural produce including rearing of livestock by himself or by hired labour or

otherwise, including tenant;

“Agriculturist” also includes association of farmers, by whatever name called, registered under any law for the time being in force and is engaged in aggregation of member farmers’ produce including livestock;

(Explanation: If a question arises, as to whether any person is an agriculturist or not for the purpose of this Act, the decision of the District Collector / Deputy Commissioner/ District Magistrate/ Officer In-charge of Land Revenue of the District by whatever name it may be called in which such person is engaged in production of agricultural produce and/or rearing of livestock, shall be final. Further, the expressions of land holder and tenant shall have the meaning assigned to them in the respective Land Reforms Act of the States/ UTs).

- (5) **“Assaying lab”** means a laboratory set up, as prescribed in the Rules/Bye-laws/guidelines/ instructions, for testing of quality parameters as per the tradable parameters or grade-standards or any other parameters notified by the competent authority;
- (6) **“Board”** means the State/Union Territory Agricultural Marketing Board, established by respective State Government/ Union Territory Administration;
- (7) **“Buyer”** means a person, who himself or itself or on behalf of any person or agent buys or agrees to buy agricultural produce including livestock in the market;
- (8) **“Bye-laws”** means subject to any Rules made by State Government/ UT Administration under this Act, the Market Committee may, in respect of principal market yard and sub-market yard(s) or other sub market- yard(s) under its management, make Bye-laws for the regulation of business and

conditions of trading therein”;

- (9) **“Cold storage”** means cold storage declared as market sub-yard under Section 12 of this Act”;
- (10) **“Commission agent”** means a person who buys or sells agricultural produce including livestock on behalf of his principal, or facilitates buying and selling at primary and other level of transaction, on e-platform or any other mode of transaction and activities ancillary thereto , keeps it in his custody and controls it during the process of its sale or purchase, and collects payment thereof, if required, from the buyer and pays it to the seller, and receives by way of remuneration a commission or percentage upon the amount involved in such transaction;
- (11) **“Delineated Market Area”** means a geographical area notified under Section 5 for the purpose of election of the Members of Market Committee and undertaking marketing related development therein ;
- (12) **“Director”** means Director of Agricultural Marketing or any other officer, excepting Managing Director of State/ UT Agricultural Marketing Board, appointed by the State Government/ UT Administration, by notification to exercise and/or perform such of the powers or functions of the Director of Agricultural Marketing under the provisions of this Act or the Rules, as may be prescribed in notification;
- (13) **“Direct marketing”** in relation to agricultural produce, means direct wholesale purchase of agricultural produce from the farmers by the processors, exporters, bulk buyers, etc outside the principal market yard, sub-market yard, private market yard and market sub-yard under Section 13 of this Act;

- (14) **“Electronic trading”** means trading of notified agricultural produce including livestock in which registration, auctioning, billing, booking, contracting, negotiating, information exchanging, record keeping and other connected activities are done electronically on computer network/ internet;
- (15) **“Electronic trading platform”** means electronic platform set up either by State Government/ UT Administration or its agencies or a person licenced under Section 54 for conducting trading in notified agricultural produce including livestock through electronic media or by any means of communication in which registration, buying and selling, billing, booking, contracting and negotiating are carried out online through computer network/ internet or any other such electronic device;
- (16) **“Export”** means dispatch of agricultural produce including livestock outside India;
- (17) **“Farmer-Consumer Market Yard”** means market yard established under Section 11 of this Act;
- (18) **“Farmer-Producer Company (FPC)”** means a company of farmer-producer members as defined in Section IXA of the Indian Companies Act,1956, including any amendments thereto, re-enactment thereof and incorporated with the Registrar of Companies;
- (19) **“Government”** means the State Government;
- (20) **“Government/ Administration Agency”** means State/ UT Agricultural Marketing Department/ Directorate, State/ UT Agricultural Marketing Board (SAMB), Agricultural Produce and Livestock Market Committee (APLMC) established or constituted under this Act;
- (21) **“Licence”** means licence granted under the provisions of this Act;

- (22) **“Licensee”** means a person holding a licence issued under the provisions of this Act;
- (23) **“Livestock”** means cows, buffaloes , bullocks, bulls, goats and sheep, and includes poultry, fish and such other animals, and products thereof, specified in the schedule ;
- (24) **“Managing Director”** means Managing Director of the State/ UT Agricultural Marketing Board or any other Officer, excepting the Director of Agricultural Marketing, appointed by the State Government/ UT Administration, to exercise and/or perform such of the powers and functions of the Managing Director or Chief Administrator or Administrator or Chief Executive Officer or Secretary , or by whatever name it is called, of the State/UT Agricultural Marketing Board;
- (25) **“Market Committee”** means the Agricultural Produce and Livestock Market Committee established under the provisions of this Act or established under existing regulation;
- (26) **“Marketing”** in relation to agriculture produce means all activities involved in the flow of agricultural produce from production point commencing at the stage of harvest till the same reaches the ultimate consumers viz. grading, processing, storage, transport, channels of distribution and all other functions involved in the process;
- (27) **“Market Sub-Yard”** means warehouse/ silos/ cold storage or other such structure or place declared to be market sub-yard or deem to be market sub-yard under Section 12;
- (28) **“Market Yard”** in relation to delineated market area includes principal market yard, sub –market yard and market sub-yard in such delineated market area notified by the Government/ Administration, and managed & operated by the Agricultural

Produce and Livestock Market Committee;

- (29) **“Market Yard of National Importance”** means a market yard as notified under Section 9 of this Act;
- (30) **“National Agriculture Market (NAM)”** means an integrated market , without prejudice to any law for the time being in force, where buying and selling of notified agricultural produce including livestock and activities incidental thereto are carried out in India possessing marketing utility across time and space”
;
- (31) **“Notified Agricultural Produce and Livestock”** means agricultural produce and livestock, specified in the schedule of this Act;
- (32) **“Over trading”** in relation to a trader means the amount exceeding the value of the agricultural produce including livestock purchased at any point of time vis-à-vis to the amount of security deposited with or the bank guarantee he has furnished to the Market Committee;
- (33) **“Person”** includes individual, a co-operative society, Hindu Undivided Family, a company or firm or an association or a body of individuals, whether incorporated or not;
- (34) **“Petty Trader”** in relation to agricultural produce means a non licensee trader under this Act who carries on purchasing or selling of notified agricultural produce in the quantity not exceeding of such quantity as specified in this Act and notified by the State Government/ UT Administration as retail ;
- (35) **“Prescribed”** means prescribed by Rules and/or Bye-laws made under this Act;
- (36) **“Private Market Yard”** means a market yard established under Section 10 of this Act;

- (37) **“Processing Unit”** means processing unit declared as market sub-yard under Section 12 of this Act”;
- (38) **“Processor”** in relation to agriculture produce means a person that undertakes processing of any notified agricultural produce on his own accord or on payment of a charge;
- (39) **“Registration”** means registration made under this Act for the purpose as specified;
- (40) **“Regulation”** means regulation made by the Board under Section 98 in accordance with the provisions of this Act;
- (41) **“Retail Sale”** in relation to a notified agricultural produce means, a sale not exceeding such quantity as specified in this Act and notified by the State Government/ UT Administration;
- (42) **“Revolving Market Development Fund”** means a non-lapsable Fund maintained by Director under Section 112 (1) of this Act;
- (43) **“Rules”** means rules made under this Act by the State Government/ UT Administration;
- (44) **“Seller”** means a person who sells or agrees to sell agricultural produce including livestock for consideration of price;
- (45) **“Schedule”** means the Schedule appended to this Act;
- (46) **“Silo”** means silo declared as market sub-yard under Section 12 of this Act ;
- (47) **“Special Commodity Market Yard”** means a market yard as notified under Section 8 of this Act;
- (48) **“State”** means a State as specified in 1st Schedule of the Constitution of India;
- (49) **“Trader”** means, a person who buys notified agricultural produce including livestock either for

himself or as an agent of one or more persons for the purpose of selling, processing, manufacturing or for any other purpose, as the case may be , except for the purpose of domestic consumption ;

- (50) “**UT**” means Union Territory, as specified in 1st Schedule of the Constitution of India;
- (51) “**Year**” means the year as may be notified by the State Government / UT Administration;
- (52) “**Warehouse**” means warehouse declared as market sub-yard under Section 12 of this Act”.

CHAPTER-II

ESTABLISHMENT OF MARKETS

Notification of intention regulating marketing of specified agricultural produce and livestock.

- 3.(1) The Government/ Administration may, by notification in the official gazette, declare its intention of regulating the marketing of such agricultural produce and livestock, in the State/ UT, as may be specified in the notification. The notification may be brought to the notice of the interested public by publishing in local language & English on widely circulated platforms/ media like newspapers, websites and such other formats:

Provided that no area within the limits of a municipality shall be included for regulation under this Act except after consultation with the municipal Board or municipal council , as the case may be.

- (2) The notification under sub-section (1) shall state that any objections or suggestions which may be received by the Government/ Administration within such period as shall be specified in the notification, not being less than thirty days, will be considered by the Government/ Administration.

- (3) Government/ Administration may hold consultations with Local bodies, including Panchayati Raj Institutions (PRIs) and autonomous district councils in North-Eastern Region, who own and operate rural periodical markets or haats or any other such markets for marketing of agricultural produce and livestock within their jurisdictional area, to bring such markets under the regulation of this Act, so as to develop these markets to efficiently function as marketing platform nearest to the farm gate.

Declaration of whole State/UT as one unified market area.

4. Subject to the notification made under Section 3 and after considering such objections and suggestions as may be received from any source before expiry of such period ,the Government/ Administration may, by another notification, declare the whole State/ UT as one unified market area specified in the notification issued under Section 3 for the purpose of regulation of marketing of all or any of the kinds of agricultural produce and livestock specified in the notification issued under Section 3 under this Act.

Explanation: The area so declared shall be a single unified market area for the whole State/UT for regulation of marketing of notified agricultural produce and livestock.

Notification of delineated market area.

5. Subject to the provision made in Sections 3 and 4, the Government/Administration may, by further notification, delineate geographical area for a Market Committee as a delineated market area for the purpose of election of the Members of such Market Committee and undertaking developmental activities therein.

Explanation: The Market Committee shall not regulate marketing of notified agricultural produce and livestock in its delineated market area. The Market Committee will enforce regulation on marketing of notified agricultural produce and

livestock within the principal market yard, sub-market yard(s) and market sub-yard(s).

**Alteration/
Amalgamation of
delineated market
area and of items
of agricultural
produce and
livestock.**

- 6.(1) Subject to the procedure specified in Sections 3 and 5, Government/ Administration may, at any time by notification , exclude from any delineated market area , any area or include therein an additional area or split one delineated market area in two or more such areas or amalgamate two or more such areas in one delineated market area, or may exclude any notified agricultural produce and livestock from regulation , or include any agricultural produce and livestock , hitherto not regulated, for regulation under this Act.
- (2) After the alteration of delineated market area or the items of agricultural produce and livestock, if any, under Section 6, it shall not be necessary for the Director to make any declaration under this section unless he is of the opinion that it is necessary to declare any area, hitherto not declared, as delineated market area of any Market Committee.

**Principal market
yard, sub-market
yard, market sub-
yard , private
market yard ,
private market sub-
yard, farmer-
consumer market
yard, private farmer-
consumer market
and electronic
trading platform.**

7. (1) In a State/UT, there may be-
- (a) principal market yard(s) managed by the Market Committee;
 - (b) sub- market yard(s) managed by the Market Committee;
 - (c) market sub-yard (s) managed by the Market Committee;
 - (d) private market yard(s) managed by a person, holding a licence under Section 10 ;
 - (e) private market sub-yard(s) managed by a person ,holding a licence under Section 12 ;
 - (f) farmer-consumer market yard(s) managed by the Market Committee;
 - (g) private farmer-consumer market yard(s) managed by a person , holding a licence under Section 11 ;
 - (h) electronic trading platforms .

- (2) The Government/Administration shall, as soon as possible after the issue of notification under Sections 4 and 5, by a notification, declare any 'place' in the delineated market area as principal market yard or sub-market yard or market sub-yard or farmer-consumer market yard, as the case may be, managed by a Market Committee, for the purpose of regulation of marketing of notified agricultural produce and livestock, expressly or impliedly in physical, electronic or other such mode, under this Act.

Explanation: In this sub-section (2), the expression 'place' shall include any structure, enclosure, open space locality, street including warehouse/silos/pack house/cleaning, grading & packaging and processing unit vested in the Market Committee of the delineated market area.

- (3) The Government/ Administration may, by notification, declare a 'place', licenced under Section 73, to be private market yard, private market sub- yard, private farmer-consumer market yard, as the case may be, for marketing of notified agricultural produce and livestock, expressly or impliedly in physical, electronic or other such mode, under this Act.

Explanation: In this sub-section (3), the expression 'place' shall include any structure, enclosure, open space locality, street including warehouse/silos/pack house/cleaning grading & packaging and processing unit vested in the person licenced for the purpose under this Act.

Establishment and notification of "Special Commodity Market Yard".

8. (1) Government/ Administration may designate any existing market yard established under Section 7 (2) as "Special Commodity Market Yard" or establish and notify any market yard as "Special Commodity Market Yard" after consideration of such aspects as throughput of particular agriculture produce and

livestock and special infrastructure requirements therefor. It may be-

- (i). fruits, vegetables & flowers markets, including onion market, apple market, orange market and other such market;
- (ii). cotton market;
- (iii) medicinal and aromatic plants market;
- (iv).livestock market including camel market, fish market, poultry market and other such market; and
- (v) any other such markets.

- (2) All provisions for and in relation to the Market Committee made in the Act shall *mutatis mutandis* apply to the Market Committee established for “Special Commodity Market Yard”.

Establishment and notification of “Market Yard of National Importance (MNI)”.

- 9. Government/ Administration may designate and notify any existing market yard established under Section 7 (2) as “Market Yard of National Importance” or establish and notify any market as “Market Yard of National Importance” after consideration of such aspects as total throughput, value, upstream catchment area, down-stream number of consumers served and special infrastructure requirements therefor:

Provided that the market yard handling not less than such annual tonnage or such annual value, as may be prescribed, may be considered for conferring the status as the “Market Yard of National Importance”.

Provided further that out of such annual tonnage or such annual value, 30 per cent may arrive from not less than two other States.

Establishment of private market yard.

- 10. (1) Subject to such reasonable conditions and such fee as may be prescribed, the Director or the Officer authorized by him may grant a licence to a person to

establish a private market yard, for trading of notified agricultural produce and livestock.

- (2) The private market yard licensee, or its management committee, by whatever name it is called, may register commission agents and other market functionaries to operate in the licenced private market yard.
- (3) The private market yard licensee, or its management committee, may collect user charge on notified agricultural produce and livestock transacted in the private market yard, at the rate *ad valorem* not exceeding the rate as notified by the Government/Administration :

Provided that no user charge shall be collected from agriculturist-seller.
- (4) The private market yard licensee shall contribute, of such user charge collection and registration fee, to the separate "Revolving Marketing Development Fund" maintained by the Director at the rate in percentage at par with Market Committee.
- (5) The Director will spend the money from such Fund under sub-section (4) in development of common marketing infrastructure, skill development, training, research and pledge financing and such other activities as will aid in creating an efficient marketing system in the State/ UT/ Country.
- (6) The private market licensee shall formulate a Standard Operating Procedure (SOP) for conduct of business and activities ancillary thereto in the licenced private market yard.

Establishment of farmer- consumer market yard (direct sale of agricultural

- 11.(1) Subject to such terms & conditions and fee, as may be prescribed, the Director or the Officer authorized by him, may grant licence to a person to establish farmer-consumer market yard for marketing of

produce by farmer to consumer in retail).

specified agricultural produce in retail.

- (2) Such farmer-consumer market yard may be established by a person by developing infrastructure, as may be prescribed, and at a place accessible to both farmer(s) and consumer(s):

Provided that the consumer shall not purchase more than such quantity of agriculture produce at a time in this market, as may be prescribed.

- (3) The farmer-consumer market yard licensee may collect the user charge on the sale of agriculture produce from the seller and amount so realized shall be retained by farmer-consumer market yard licensee:

Provided further that Government/ Administration in public interest may from time to time, by notification, put ceiling on the rate of collection of user charge.

Declaring warehouse/silos/cold storage or other such structure or place as market sub-yard.

12. (1) Save as otherwise provided in this Act, the Government/ Administration may, by notification declare warehouse/ silos/ cold storage or other such structure or place with infrastructure and facilities as prescribed, to function as market sub-yard.

Explanation: the expression 'place' under this sub-section shall include any structure, enclosure, open space, locality, street including pack house/cleaning grading & processing unit etc.

- (2) The owner of such warehouse/ cold Storage, or other such structure or 'place', as the case may be, desirous of declaration of such place as market sub-yard under sub-section (1), shall apply to the Director

or an Officer authorized by him, in such form and in such manner and such fee; and also for such period but not less than three years, as may be prescribed.

- (3) The licensee of such warehouse/ silos/ cold storage or other such structure or place, may collect user charge on notified agricultural produce transacted at the declared market sub-yard under Section 12, at the rate *ad valorem* not exceeding the rate as notified by the Government/ Administration :

Provided that no user charge shall be collected from agriculturist-seller.

- (4) A declared market sub- yard licensee shall contribute, of such user charge collection, to the separate “Revolving Marketing Development Fund” maintained by the Director at the rate in percentage at par with Market Committee. The Fund will be utilized for the purposes and in the manner *mutatis mutandis* to Section 10 (5) of this Act.

Direct marketing (wholesale direct purchase from farmers outside the market yard, sub- market yard, private market yard).

13. (1) Collection/aggregation centres in the proximity of the production areas may be set up by a person with infrastructure, as may be prescribed, with linkages to retail chain, or processing/export unit/premises, or any other such unit/premises, as may be prescribed, in accordance with the provisions of this Act and Rules made thereunder for marketing of notified agricultural produce.

- (2) Notwithstanding anything contained under sub-section (1), direct wholesale purchase can also be carried out outside the principal market yard, sub-market yard, market sub-yard, private market yard by declaring the place of such purchase, without establishment of any permanent collection/ aggregation centre , as may be prescribed.

- (3) Direct marketing licensee shall have to maintain records and all accounts relating to daily trade transactions and shall submit monthly report, as may be prescribed, to the Licensing Authority.
- (4) The Licensing Authority can seek any type of additional information from the direct marketing licensee; and can also inspect and issue direction relating to functioning of the such wholesale purchases and the activities incidental thereto.
- (5) The direct marketing licensee shall be liable to pay one-fourth of the applicable market fee on wholesale purchases made. The such licensee shall deposit the due amount towards “Revolving Marketing Development Fund” maintained by Director for the month by 7th day of the next month. The Fund will be utilized for the purposes and in the manner *mutatis mutandis* to Section 10 (5) of this Act.
- (6) Notwithstanding anything contained in the Essential Commodities Act, 1955 and Control Orders issued thereunder or any other law for the time being in force, the provision of stock limit shall not be applicable on such direct marketing licensee purchasing the agricultural produce for processing/ export to the extent of his/ its annual capacity of processing/ export. However, in case any dispute arises between the provisions of this Act and Essential Commodities Act, 1955, the latter shall prevail.

CHAPTER-III

CONSTITUTION OF MARKET COMMITTEE

- | | | |
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| Establishment of Market Committee and | 14. (1) | For every delineated market area, there shall be a Market Committee consisting of a Chairperson, a Vice-Chairperson and other Members. |
|--|----------------|--|

its incorporation.

- (2) Every Market Committee established under this Act shall be a body corporate by such name as the Government/Administration may, by notification, specify. It shall have perpetual succession and a common seal and may sue and be sued in its corporate name and shall, subject to such restrictions as are imposed by or under this Act, be competent to contract, acquire, hold, lease, sell or otherwise transfer any property, both immovable and movable and to do all other things necessary for the purpose for which it is established:

Provided that no immovable or moveable property the value of which exceeds the prescribed limits shall be acquired or disposed of by the Market Committee without the prior permission of the Director.

Provided further that the Director may, for the reason to be recorded in writing, revoke such permission before the completion of the acquisition or execution of the deed, as the case may be.

Provided also that Market Committee may, with the prior approval of the Director and after obtaining valuation certificate from the prescribed officer, enter into agreement with the owner of any land or building and purchase such land or building.

- (3) Notwithstanding anything contained in any enactment for the time being in force, every Market Committee shall for all purposes, be deemed to be a local authority.
- (4) The Market Committee shall be classified by the Director, subject to the prescribed guidelines, considering throughput and other consideration as Director deems fit, for the purpose of laying down the norms for staff, establishment expenditure and other expenses and allowances required therefor.

Vesting of property of Local Authority in Market Committee.

15. (1) The Market Committee may require a local Authority to transfer to it any land or building belonging to the local Authority which is situated within the delineated market area and which, immediately before the establishment of the market yard was being used by the local Authority for the purposes of the market and the local Authority shall within one month of the receipt of the requisition, transfer the land and or building, as the case may be, to the Market Committee on such terms as may be agreed between them.

(2) Where within a period of thirty days from the date of receipt of requisition by the local Authority under sub-section (1) no agreement is reached between the local Authority and the Market Committee under the said sub-section, the land or building required by the Market Committee shall vest in the Market Committee for the purposes of this Act and the Local authority shall be paid such compensation as may be determined by the Collector under sub-section (5):

Provided that no compensation shall be payable to a local Authority in respect of any land or building which had been vested in it by virtue of the provision contained in the enactment relating to the Constitution of such local Authority without payment of any amount whatsoever may be, for such vesting.

Provided further that any party aggrieved by the order of the Collector may within thirty days from the date of such order, appeal to the Government/ Administration.

(3) The local Authority shall deliver possession of the land or building vesting in the Market Committee under sub-section (2) within a period of seven days from such vesting and on failure of the local Authority to do so, within the period aforesaid, the Collector shall take possession of the land or building and cause it to be delivered to the Market Committee.

- (4) The Collector shall fix the amount of compensation for the land or building having regard to —
- (i) the annual rent for which the building might reasonably be expected to be let from year to year;
 - (ii) the condition of the building;
 - (iii) the amount of compensation paid by the Local Authority for the acquisition of such land; and
 - (iv) the cost of the present value of any building erected or other work executed on the land by the Local Authority.
- (5) The compensation fixed under sub-section (4) may, at the option of the Market Committee, be paid in lump sum or in reasonable number of equal installments with interest thereon as the Collector may fix.

Acquisition of land for Market Committee and /or Board.

16. (1) When any land within the delineated market area is required for the purposes of this Act, and the Board or the Market Committee is unable to acquire it by agreement, the Government/Administration may, at the request of the Board or the Market Committee, as the case may be, proceed to acquire such land under the provisions of “The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and/or any other relevant Law, as amended upto date and on the payment of the applicable compensation awarded under that Act by the Board or Market Committee and of any other charges incurred by the Government/Administration in connection with the acquisition, the land shall vest in the Board or the Market Committee, as the case may be:

Provided that once a proposal is made by the Market Committee, it shall not be withdrawn by it except for such reasons as may be approved by the Government/Administration.

- (2) The Board or the Market Committee shall not, without the previous sanction of the Government/Administration, transfer any land which has been acquired for this purpose by the Board or the Market Committee under sub-section (1) or divert such land to a purpose other than the purpose for which it has been acquired :

Provided that the premises used for principal market yard, sub- market yard or for the purpose of the Board shall not be deemed to be included in the limits of the Municipal Corporation, Municipal Council, Notified Area, Gram Panchayat or a Special Area Development Authority, as the case may be.

Constitution of the first Market Committee.

17. (1) The first Market Committee shall be constituted, for the first time for a delineated market area declared after commencement of this Act, all the members thereof including Chairperson and Vice-Chairperson, shall be nominated by the Government/ Administration. The first Market Committee so constituted may consist of Members including Chairman and Vice-Chairperson, not less than fifteen, which may include ten agriculturist members, as may be prescribed. Other five Members may be-

- (i) three Members , one each from departments of agriculture/ horticulture, cooperation and agricultural marketing of Government / Administration ;
- (ii) one from cooperative marketing society; and
- (iii) one from Local Authority (Mahanagarpalika, Nagarpalika, Panchayat Samiti or Zila Parisha, as the case may be).

Provided that the Chairperson and Vice-Chairperson shall be so nominated from amongst the agriculturist members.

Provided further that Government/ Administration may abide by the reservation policy of the Government in nomination of agriculturist Members.

Provided also that the Government/ Administration may, if it considers expedient, instead of nominating the Members of the Market Committee constituted for the first time, appoint an Administrator or the Board of Administrators; so appointed, shall, for all purposes, be considered to be the committee constituted for the first time.

- (2) Government/Administration or the Director shall, by an order, appoint a person to be the Officer-in-charge of the first Market Committee for a period not exceeding one year:

Provided that in the event of death, resignation, leave or suspension of the officer-in-charge, a casual vacancy shall be deemed to have occurred in such office and such vacancy shall be filled, as soon as may be, by appointment of a person thereto by the Government/ Administration or the Director and until such appointment is made, a person deputed/ nominated by the Director shall act as Officer-in-charge. The services of Officer-in-charge shall be coterminous with the first Market Committee.

- (3) The members including the Chairperson and Vice-Chairperson of the first Market Committee constituted under sub-section (1) shall hold office for a period not exceeding one year from the day of notification of constitution of the committee:

Provided that if new Market Committee is constituted before the expiry of period aforesaid , Members including the Chairperson and Vice-Chairperson shall cease to function on the date appointed for the first general meeting of the newly constituted Market

Committee.

Provided further that Government/ Administration or the Director may, on proven misconduct, even before expiry of the period aforesaid , dismiss any Member including the Chairperson and Vice-Chairperson. In such event, a casual vacancy shall be deemed to have occurred and such vacancy shall be filled, as soon as may be, by nomination of a person thereto, as the case may be, by the Government/ Administration or the Director.

Constitution of the second and subsequent Market Committee.

18. (1) Save as provided in Section 17, a Market Committee constituted for a term of five years from the date of notification of its constitution , shall consist of –

(a) a Chairperson and a Vice –Chairperson elected under Section 23;

(b) ten representatives of agriculturists possessing such qualifications, as may be prescribed, chosen by direct election from the constituencies of a delineated market area in accordance with the provisions of this Act and the Rules made thereunder:

Provided that no agriculturist may be qualified to be elected as representative of agriculturists of the second Market Committee unless he has sold his agricultural produce at least once in preceding one year, or five times in five years for subsequent Market Committee, in the principal market yard or sub-market yard falling in the delineated market area.

(c) One representative of traders resident of a delineated market area, possessing such qualifications, as may be prescribed, elected from amongst the licenced traders resident of such delineated market area:

Provided that no trader shall be a voter of more than one Market Committee at a time.

Provided further that he is otherwise not disqualified for being so elected under the provisions of this Act or any other law for time being in force.

(d) One representative of licenced commission agent , possessing such qualifications, as may be prescribed, elected from amongst the licence holder commission agents , granted by the Market Committee:

Provided that no commission agent shall be a voter of more than one Market Committee at a time.

Provided further that he is otherwise not disqualified for being so elected under the provisions of this Act or any other law for time being in force.

(e) One representative of the weighmen, hammals and other market functionaries, possessing such qualifications, as may be prescribed, elected from amongst the licence holder weighmen, hammals and other market functionaries, granted by Market Committee:

Provided that no weighmen, hammals and other market functionaries shall be a voter of more than one Market Committee at a time.

Provided further that he is otherwise not disqualified for being so elected under the provisions of this Act or any other law for time being in force.

(2) Every Market Committee will have following other committee Members-

(a) One representative of the co-operative marketing society functioning in the delineated market area who shall be elected by the managing committee of such society:

Provided that if more than one such society functions

in the delineated market area, such Member shall be elected by all the Members of the managing committees of such societies.

Provided further that nothing in this clause shall apply if the managing committee of any society stands superseded under the provisions of the State Co-operative Societies Act.

(b) An officer of the agriculture/horticulture department of the Government/Administration to be nominated by the Director of Agriculture/Horticulture;

(c) One representative of the Gram Panchayat or Zilla Panchayat that falls within the jurisdiction of the delineated market area nominated by the Chairperson of the Zilla Panchayat:

Provided that in the Market Committee situated at the district headquarters, the representative shall be nominated from amongst the Members of the Zilla Panchayat only.

- (3) Only Members under sub-section (1) shall have a right to vote.
- (4) Government/Administration may make Rules for the preparation of voters' list and conduct of election.
- (5) Every election and nomination of the Member shall be notified by the Collector/ Director in the official gazette.
- (6) No person may be Member of the Market Committee more than two terms.

Division of delineated market area for constituencies and reservation of seat.

19. (1) The Collector shall, by notification or otherwise, divide a delineated market area into as much number of constituencies equal to the number of the representatives of the agriculturist to be chosen from such area but not less than ten.

- (2) In case of direct election for agriculturist Members to a Market Committee, reservation of seats for scheduled castes, scheduled tribes, other backward classes and women will be as per the Government policy, as may be prescribed.

Qualification to vote and be the representative of agriculturist.

20. (1) Every person-
- (a) whose name is entered as land owner in the village land records or is a tenant as per the State's/UT's respective Land Reforms Act ;
 - (b) who has completed the age of 18 years; and
 - (c) whose name is included in the voter's list prepared under the provisions of this Act and the Rules made there under, shall be qualified to vote at the election of a representative of agriculturists:

Provided that no person shall be eligible to vote in more than one constituency.

- (2) No person shall be qualified to be elected as a representative of agriculturists unless-
- (a) his name is included in the list of voters as agriculturist of the delineated market area;
 - (c) he is otherwise not disqualified for being so elected under the provisions of this Act or any other law for time being in force.

- (3) No person shall be eligible for election for more than one Market Committee or constituency as the case may be.

Provision for election.

21. Subject to the provisions of this Act, the Chairperson, Vice-Chairperson, Members of the Market Committee shall be elected in the manner prescribed in the Rules. Such Rules may provide also for preparation and maintenance of the lists of voters and their qualification

and disqualification, the payment of deposits and their forfeitures, reservation of seats and all matters connected thereto.

Superintendence, direction and control of elections.

- 22.(1) Subject to the directions of the Director, the superintended, direction and control of the preparation of the lists of voters for and the conduct of all elections to the Market Committee , shall be vested in the District Collector.
- (2) Government/ Administration shall make available to the District Collector such staff and Funds as may be necessary for the discharge of the functions and responsibilities conferred on District Collector under this Act.
- (3) All expenditure in connection with or incidental to the election of Chairperson, Vice-Chairperson and Members to the Market Committee shall be met from the consolidated Fund of the State/UT.
- (4) Notwithstanding anything contained in any law for the time being in force , Government/Administration or State Election Commission or any other body authorized therefor may issue instructions relating to all matters connected with elections to the Market Committee including directions for cancellation of the calendar of events or postponement of polls.

Election of Chairperson and Vice-Chairperson.

- 23.(1) Every person shall , unless disqualified under the provisions of this Act or any other law for time being in force , as the Chairperson and the Vice-Chairperson of the Market Committee, be qualified to be elected by direct election by the persons qualified to vote for the election of representatives of agriculturists under Section 20, traders, commission agents and other market functionaries under Section 18:

Provided that no person shall be eligible for election as Chairperson and Vice-Chairperson unless he is

qualified to be elected under Section 20.

- (2) Reservation of seats to election of the Chairperson and the Vice-Chairperson for scheduled castes, scheduled tribes, other backward classes and women will be as per the Government policy, as may be prescribed.
- (3) No person shall be eligible to contest election simultaneously for office of the Chairperson, Vice-Chairperson and a Member.
- (4) If any delineated market area fails to elect a Chairperson and/ or Vice-Chairperson, fresh election proceedings shall be initiated to fill the office within six months :

Provided that pending the election of Chairperson under this sub-section the Vice-Chairperson elected shall discharge all the functions of the Chairperson.

Provided further that pending the election of Chairperson and Vice-Chairperson under this sub-section, the officer authorized by the Director shall discharge all the functions of the Chairperson.

Term of the office of Chairperson, Vice-Chairperson and Members.

- 24.**(1) The Chairperson, Vice-chairperson and elected Member shall, save as otherwise provided in this Act, hold office for term of 5 years from the day of assuming the office or till the continuation of Market Committee, whichever is earlier.
- (2) Notwithstanding anything contained in sub-section (1), a person who is a nominated Member of Market Committee by virtue of being a representative of co-operative marketing society, agriculture/ horticulture department and Gram Panchayat or Zilla Panchayat, as the case may be, shall cease to be such member on his ceasing to be a Member of the managing committee of the society or Gram Panchayat or Zilla Panchayat concerned by efflux of his term of office or otherwise, or re-nomination by the department, as the case may be.

Commencement of terms of office of Chairperson, Vice-Chairperson and Members.

25. (1) The term of office of the Chairperson, Vice-Chairperson and elected Members of a Market Committee shall commence on the date immediately after the expiry of the term of office of the outgoing office bearer of the Market Committee or on the date of first meeting of the committee convened.
- (2) When not less than half of representative of agriculturists, and not less than half of total members to the Market Committee are available to function as Members after general election or at any time, the Market Committee shall, notwithstanding anything contained in this Act, be deemed to be duly constituted or duly functional, and such Market Committee shall be competent to exercise the powers and perform the functions of the Market Committee.

Resignation of Members.

26. A Member of the Market Committee other than *ex officio* Member may resign from his membership in writing delivered or caused to be delivered to the Chairperson of the Market Committee who shall acknowledge the receipt of same and the seat of such Member shall become vacant on the expiry of fifteen days from the date of acknowledgement of resignation unless within such period such Member withdraws his resignation in writing addressed to the Chairperson.

Resignation by Chairperson and Vice-Chairperson and vacancy in their office.

27. (1) The Chairperson and Vice-Chairperson may resign from their office at any time in writing addressed to the Minister, in-charge of agricultural marketing and the Chairperson respectively; and the office shall become vacant on the expiry of fifteen clear days from the date of such resignation, unless within the said period of fifteen days they withdraw the resignation in writing addressed to the Minister, in-charge of agricultural marketing or Chairperson, as the case may be.
- (2) During the vacancy caused by resignation, death, removal or otherwise in the office of the Chairperson, the Vice-chairperson, shall exercise the powers and

perform the functions of the Chairperson till the Chairperson is duly elected, and if the office of Vice Chairperson is also vacant, then notwithstanding anything contained in this Act, the Director may, with the prior approval of Minister, in-charge of agricultural marketing, appoint an Officer , who shall exercise the powers and perform the functions of the Chairperson till the Chairperson is duly elected. During the vacancy caused by resignation, death ,removal or otherwise in the office of the Vice –Chairperson, the Chairperson shall exercise the powers and perform the functions of the Vice –Chairperson till the Vice –Chairperson is duly elected.

No confidence motion against Chairperson and Vice-Chairperson.

28. (1) A motion of no confidence may be moved against the Chairperson and/ or the Vice-Chairperson at a meeting specially convened for the purpose under sub-section (2), and if the motion is passed by a majority of the total Members of the Committee and not less than two-third of the Members present and voted, cease to be the Chairperson or Vice-Chairperson , as the case may be.
- (2) For the purpose of sub-section (1) a meeting of the Market Committee shall be held in the prescribed manner within thirty days of the date of receipt of the notice of motion of no confidence. No *ex officio* Member of the Market Committee shall move the notice of no confidence. The ex-officio Member shall also not have power to vote on “no confidence motion” brought.
- (3) The Chairperson or Vice-Chairperson shall not preside over the meeting, as the case may be, but such meeting shall be presided over by an Officer, which the Director may, in consultation with Minister , in-charge of agricultural marketing , appoint for the purpose. However, the Chairperson or Vice-Chairperson as the case may be, shall have the right to speak and otherwise to take part in the proceedings of the meeting.
- (4) If the motion of no confidence is not accorded as

aforesaid or if the meeting could not be held for want of quorum, no notice of any subsequent motion expressing vote of confidence in the same Chairperson or Vice-Chairperson shall be made until after the expiry of six months from the date of such scheduled meeting.

Leave of absence to Chairperson and Vice-Chairperson and consequences of absence without leave.

29.(1) Subject to the Rules made in this behalf, every Chairperson and every Vice-Chairperson officiating as Chairperson, who absents himself from three consecutive meetings of the committee, without leave of the Minister ,in-charge of agricultural marketing , shall cease to be the Chairperson on and from the date on which the such third meeting is held.

(2) Subject to the provisions of sub-section (1), every Vice-Chairperson, who absents himself from three consecutive meetings of the committee, without leave of the Chairperson, shall cease to be the Vice-Chairperson on and from the date on which the such third meeting is held.

(3) Leave under sub-section (1) or (2) shall not be granted for six consecutive meetings of the Market Committee. Whenever such leave in extreme exigencies as prescribed is granted to the Chairperson or Vice-Chairperson, the Market Committee shall elect such eligible members to discharge the duties and functions as Chairperson and Vice-Chairperson of the Market Committee, as may be prescribed.

Refusal to hand over the charge to new Chairperson or Vice-Chairperson.

30.(1) On election of the Chairperson or Vice-chairperson, as the case may be, the outgoing Chairperson or Vice-Chairperson shall forthwith hand over the charge of his office to the successor in office.

(2) If the outgoing Chairperson or Vice-Chairperson fails or refuses to hand over the charge of his office, under sub-section (1), the Director or any Officer authorized by him in this behalf may, with the prior approval of Minister, in-charge of agricultural marketing , by order in writing

direct the outgoing Chairperson or Vice-Chairperson, as the case may be, forthwith to hand over the charge of his office together with all records, Funds and property of the Market Committee, if any, in his possession.

- (3) If the outgoing Chairperson or Vice-Chairperson to whom a direction has been issued under sub-section (2) does not comply with such direction, the Director or any Officer authorized in this behalf shall have the same powers as are vested in a Civil Court under the code of Civil Procedure, 1908 (5 of 1908) while executing a decree.

Seizure and taking possession of record and property of Market Committee under certain conditions.

31. (1) Where the Director/Managing Director is satisfied that the books and records of a Market Committee are likely to be suppressed, tampered with or destroyed, or the funds and property of a Market Committee are likely to be misappropriated or misapplied, the Director/Managing Director may order for seizure and taking possession of the record and property of the Market Committee.

- (2) On receipt of the Order under sub-section (1), the police officer not below the rank of sub-Inspector of the local area shall enter and search any place where the records and property are kept or are likely to be kept and to seize them and hand over possession thereof to the Director/ Managing Director or the person authorized by him, as the case may be.

Establishment and Composition of Market Committee of MNI.

32.(1) Save as provided under Section 14(1), the Government/ Administration may, by notification, constitute a separate Market Committee for effective implementation of provisions of this Act for such market yard(s) located in the State/ UT which is / are considered as the Market Yard (s) of “National Importance” (MNI).

- (2) All provisions for and in relation to the Market Committee, including election of Chairperson, Vice-chairperson and Members made in the Act, shall

mutatis mutandis apply to the Market Committee constituted for “Market yard of National Importance”.

(3) Save as provided under Section 18, Market Committee of Market Yard of National Importance shall consist of –

- (i) Chairperson..... 1
- (ii) Vice-Chairperson1
- (iii) Agriculturist.....10
including 2 agriculturists one each from two other States where from arrivals are received in the MNI (to be nominated by respective State Governments on receipts of requests for such nomination received from the Govt. where MNI is located)
- (iv) Trader holding the single unified licence, resident of a delineated market area, possessing such qualifications, as may be prescribed, elected from amongst the licenced traders resident of such delineated market area of MNI..... 1
- (v) Trader holding the inter-state trading licence nominated by Government/ Administration, as may be prescribed -----1
- (vi) One representative of licenced commission agent as member , as may be prescribed-----
-----1
- (vii) Agricultural Marketing Adviser to the Gol or his nominee not below the rank of Under Secretary to Gol -----1
- (viii) CEO/ Municipal Commissioner of the area or his nominee -----1
- (ix) Chief Town Planner or the authority exercising

such powers or his nominee -----1

- (x) Director or his nominee (ex-officio) not below the rank of Under Secretary to the Gol-----1
- (xi) M.D. , SAMB (ex- officio) or his nominee not below the rank of Under Secretary to the Gol--
-----1
- (xii) Executive Member (to be appointed by the Government/ Administration, who shall function as the Secretary or CEO of Market Committee of MNI)-----1

Appointment and functions of Secretary of the Market Committee of MNI.

33. The Secretary functioning as CEO of the Market Committee shall be appointed by the Government/ Administration from amongst the State's/ UT's Civil Service Officers at least with ten years of service or from the panel of professionals so maintained or on deputation from Central/ State Government with experience of 10 years in agricultural marketing.

Executive Committee of MNI.

34.(1) The Executive Committee for MNI shall consist of -

- (i) Chairperson of MNI..... 1
- (ii) Trader holding the single unified licence of MNI.....1
- (iii) Director or his nominee (ex-officio) not below the rank of Under Secretary to Gol.....1
- (iv) M.D. , SAMB (ex- officio) or his nominee not below the rank of Under Secretary to Gol.....1
- (v) Executive Member of the Market Committee of MNI who shall be as the member Secretary of the Executive Committee1

(2) In case of emergency, the executive committee may decide issues requiring approval of the Market Committee. However, such decisions shall be approved

by the Market Committee within forty five days from the date such decisions are taken. Failure in doing so or in event of disapproval of such decisions by the market committee, such decision shall stand null and void, so however, that any such disapproval shall be without prejudice to the validity of anything previously done under that decision:

Provided that if the Market Committee makes any modifications in such decision, the decision shall have effect only in such modified from the date of such modification.

- (3) The Executive Committee shall meet as often as necessary but at least once in a calendar month.
- Term of office of Members of the Executive Committee of MNI.** 35. The Members of the executive committee shall hold the office during the pleasure of the Government/ Administration.
- Other provision of this Act also to apply to Market yard of National Importance.** 36. All other provisions of this Act, not specified for “Market yard of National Importance”, shall *mutatis mutandis* apply to MNI established and notified under Section 9 of this Act.

CHAPTER-IV

CONDUCT OF BUSINESS AND POWERS AND DUTIES OF CHAIRPERSON, VICE-CHAIRPERSON, SECRETARY AND MARKET COMMITTEE

- Powers and duties of Chairperson.** 37.(1) Without prejudice to the powers conferred under any other provision of this Act , the Chairperson of the Market Committee shall be the chief controlling and supervising officer of the Market Committee.
- (2) The Chairperson shall-
- (a) preside over the meetings of the Market Committee and the sub-committees and conduct business of such meetings;

- (b) watch over the financial, developmental and executive administration;
- (c) in case of emergency , direct the execution of stoppage of any work or the doing of any act which requires the sanction of the Market Committee.

Powers and duties of Vice – Chairperson.

- 38.** The Vice –Chairperson of the Market Committee shall-
- (a) save as otherwise provided in this Act or the Rules , in the absence of Chairperson, preside over the meeting of the Market Committee;
 - (b) exercise the powers and perform the duties of the Chairperson pending the election of the Chairperson or during the absence of the Chairperson.

Meeting etc. of the Market Committee.

- 39.** A Market Committee shall meet for the transaction of its business at least once in every month on such date and at such time , as the Chairperson may determine:

Provided that the Market Committee may, in special circumstances meet at any time and at any place in the delineated market area, as may be prescribed.

Quorum and procedure at meeting.

- 40.** One-third of the total number of Members of Market Committee shall form a quorum for transacting the business at a meeting of the committee. The procedure of the meeting will be followed, as may be prescribed.

Powers and duties of the Market Committee.

- 41.(1)** Subject to the provisions of this Act, it shall be the duty of the Market Committee-
- (i) To implement the provisions of this Act, the Rules and the Bye-laws made thereunder in the principal market yard , sub-market yard (s) and market sub-

yard(s).

(ii) To provide such facilities for marketing of notified agricultural produce including livestock therein as the Director/Managing Director or the Government/ Administration may from time to time direct.

(iii) To perform such other acts as may be required in relation to the superintendence, direction and control of principal market yard, sub-market yard (s) and market sub-yard(s) or for facilitating marketing of notified agricultural produce including livestock therein, and for the purposes connected with the matters aforesaid, and for that purpose may exercise such powers and discharge such functions as may be provided by or under this Act.

(iv) To do all such other acts to bring about complete transparency in pricing system and transactions taking place in the principal market yard, sub-market yard (s) and market sub-yard (s).

(2) Without prejudice to the generality of the forgoing provisions, Market Committee shall -

(i) maintain and manage the principal market yard, sub-market yard(s) and market sub-yard(s) within the delineated market area;

(ii) provide the necessary facilities for the marketing of notified agricultural produce including livestock within the principal market yard, sub-market yard(s) and market sub-yard (s) in the delineated market area;

(iii) grant/ renew a licence to market functionaries, except traders, or refuse it to do so;

(iv) suspend or cancel licence granted/ renewed to market functionaries, except traders, and supervise the conduct of the market functionaries and enforce conditions of licence;

(v) regulate or supervise the auction, including e-auction of notified agricultural produce including livestock in accordance with the provision and procedure laid down under the Rules made under this Act or Bye-laws of the Market Committee ;

(vi) regulate the making, carrying out and enforcement or cancellation of agreements of sales, weighment, delivery, payment and all other matters relating to the market of notified agricultural produce including livestock in the manner prescribed;

(vii) provide for the settlement of all disputes between the seller and the buyer arising out on any kind of transaction, including online, connected with the marketing of notified agricultural produce including livestock and all matters ancillary thereto;

(viii) promote Public Private Partnership for carrying out extension activities in its delineated market area viz., collection, maintenance and dissemination of information in respect of production, sale, storage, processing, prices and movement of notified agricultural produce;

(ix) take measures for the prevention of purchases and sales below the minimum support prices as fixed by the government from time to time;

(x) levy, take, recover and receive rates, charges, fees and other sums of money to which the Market Committee is entitled;

(xi) employ the necessary number of Officers and servants for the efficient implementation of the provisions of this Act, the Rules and the Bye-laws as prescribed;

(xii) prosecute persons for violating the provisions of this Act, the Rules and the Bye-laws and

compound such offences;

(xiii) acquire land and dispose of any moveable or immovable property for the purpose of efficiently carrying out its duties;

(xiv) impose penalties on persons who contravenes the provisions of this Act, the Rules or the Bye-laws or the orders or directions issued under this Act, the Rules or the Bye-laws by the Market Committee , its Chairperson or by any Officer duly authorised in this behalf;

(xv) institute or defend any suit, prosecution, action, proceeding, application or arbitration and compromise such suit, action proceeding, application or arbitration;

(xvi) handle the issues relating to pay, pension, allowances, gratuities, contribution towards leave allowance, provident Fund of the officers and servants employed by the Market Committee in the manner prescribed;

(xvii) administer Market Committee Fund referred to in Section-82 and maintain the account thereof in the prescribed manner;

(xviii) carry out publicity about the benefits of regulation, the system of transaction, facilities provided in the principal market yard , sub- market yard (s) , etc. through such means as poster, pamphlets, hoardings, cinema slides, film shows, group meetings, electronic media etc., or through any other means considered more effective or necessary; and

(xix) ensure payment in respect of transactions which take place in the principal market yard, sub-market yard(s) and market sub-yard(s) or at e-platforms to be made on the same day to the seller or in the

maximum next day, if procedurally so required. In default to make the payment as aforesaid, provisions of Section 65(2) will apply. Save as provided in this clause, procedure of payment to the seller in case of e-trading will be *mutatis mutandis* to Section 59(2).

(3) Without prejudice to the generality of the forgoing provisions, Market Committee may –

(i) take all possible steps to prevent adulteration of notified agricultural produce including livestock, if any;

(ii) set up and promote Public Private Partnership in management of the agricultural markets;

(iii) promote linking of consumers to farmers or their groups through appropriate digital technology;

(iv) regulate the entry of persons and vehicles, traffic into the principal market yard, sub-market yard(s) and market sub-yard(s) vesting in the Market Committee;

(v) inspect and verify scales, weights and measures in use in a market yard and sub-market yard and also the books of accounts and other documents maintained by the market functionaries in such manner as may be prescribed;

(vi) arrange to obtain fitness (health) certificate from veterinary doctor in respect of animals, cattle birds etc., which are bought or sold in the principal market yards, sub-market yard(s), and market sub-yard(s);

(vii) recover the charges in respect of weighmen and hammals (loaders) and distribute the same to weighmen and hammals (loaders/unloaders) if not paid by the purchaser/seller as the case may be;

- (viii) collect and maintain information in respect of production, sale, storage, processing, prices and movement of notified agricultural produce and disseminate such information as directed by the Director/ Managing Director / Government/ Administration; and
 - (ix) reasonably act in the manner that traders do not hoard the agricultural produce and market functionaries may not form any cartel to jeopardize the interest of agriculturist –sellers.
- (4) With the prior sanction of the Director/Managing Director, the Market Committee may undertake -
- (i) construction of internal/connecting roads, godowns and other infrastructure in the principal market yard, sub-market yard (s), market sub-yard (s) and delineated market area to facilitate marketing of agricultural produce including livestock and for the purpose give grant or advance Funds to the Board, or any other Department or undertaking of the State Government or any other agency authorized by the Director/ Managing Director;
 - (ii) maintenance of stocks of fertilizer, pesticides, improved seeds, agricultural equipments, inputs for sale and establish Soil Testing Laboratories; and
 - (iv) to provide on rent storage facilities for stocking of agricultural produce to agriculturists.
- (5) To promote and encourage e-trading, Market Committee may establish regulatory system, create infrastructure and undertake other activities and steps needed thereto.
- (6) Market Committee may establish or allow to be established 3rd party assaying /testing labs , and, therefor, constitute a committee , as may be

prescribed , to promote assaying, grading and activities and services incidental thereto.

Appointment of sub-committee and delegation of powers.

42. Subject to such conditions and restrictions as may be prescribed, the Market Committee may appoint one or more sub-committees consisting of such Members of the committee, as it may think fit, for the performance of any of its duties or functions, as it may think fit to assign.

Power to borrow.

43.(1) The Market Committee may, with the previous sanction of the Director/Managing Director, raise money from banks , financial institutions or issue debentures required for carrying out the purpose for which it is established on the security of any property vested in it and of any fees/user charge leviable by it under this Act.

(2) The Market Committee may, for the purpose of meeting the initial expenditure on lands, building, staff and equipments required for establishing the market, obtain a loan from the Government / Administration or State/UT Agricultural Marketing Board or other financial institution.

(3) The conditions subject to which money or loan under sub-section (2) shall be raised or obtained and the time within which the same shall be repayable shall be subject to the previous sanction of the Government/Administration or the Director or the Managing Director.

Compounding of offences.

44.(1) The Market Committee may accept from any person who has committed or is reasonably suspected of having committed an offence (other than contravention of Section 64 against this Act or the Rules or Bye-laws, made thereunder by way of compounding of such offence —

(a) Where the offence consists of the failure to pay or

the evasion of any fee/user charge, or other amount recoverable under this Act or the Rules or the Bye-laws in addition to the fee/user charge or other amount so recoverable a sum of money not less than the amount of the fee or other amount and not more than five times the amount of fee or other amount to the maximum extent of rupees ten thousand.

(b) In other cases a sum of money not exceeding ten thousand rupees.

- (2) On the compounding of any offence under subsection (1), no proceeding shall be taken or continued against the person concerned in respect of such an offence, and if any proceedings in respect of that offence have already been instituted against him in any court, the compounding shall have effect of his acquittal.

Power to write off irrecoverable fee etc.

45. The Market Committee may write off any fee/user charge or amount whatsoever due to it, whether under a contract or otherwise, or any amount payable in addition therewith if in its opinion such a fee/user charge or an amount is irrecoverable:

Provided that the Market Committee shall, before writing off any such fee/ user charge, or amount obtain the sanction of the Managing Director, if the fee or amount exceeds rupees twenty five thousand.

Power to remove encroachment on market yard.

46. Any officer or servant of the Market Committee, empowered by the Government/Administration in this behalf, shall have power to remove any encroachment in a space in the principal market yard and sub-market yard (s) and the expenses of such removal shall be paid by the person who has caused the said encroachment and shall be recovered in the same manner as arrears of land revenue.

Use of weighing instruments, weight and measure, their inspection.

47.(1) Only electronic weighing instruments which also satisfy the requirements of such weights and measures as are prescribed by the State Weights and Measure Act and the Rules made thereunder shall be used for weighing or measuring agricultural produce including livestock, as required, in the principal market yard, sub-market yard (s), market sub-yard(s), private market yard (s) and farmer – consumer market yard(s):

Provided that in transactions of sale and purchase of agricultural produce including livestock, as the case may be, electronic balance shall preferably be used.

(2) Weighing instruments, weights and measures kept by the committee under this section may at any time be inspected, examined and checked by the Director or the Managing Director or any other authorized Officer.

Mode of making contract.

48.(1) Every contract or agreement entered into by a Market Committee for the purchase, sale, lease, mortgage or other transfer of, or acquisition of interest in immovable property shall, in writing, be executed on behalf of Market Committee jointly by its Chairperson, Vice-Chairperson and the Secretary, with the sanction of the Market Committee, as may be prescribed.

(2) No contract other than a contract executed as provided in sub-section (1) shall be valid and binding on the Market Committee.

Act of Market Committee etc. not to be invalidated.

49. No act of Market Committee or of any sub-committee thereof or of any person acting as a member, Chairperson, Vice-Chairperson, presiding authority or the Secretary shall be deemed to be invalid by reason only of some defect in the constitution or appointment of such Market Committee, sub-

committee, Members, Chairperson, Vice-Chairperson, presiding authority or the Secretary or on the ground that they or any of them were disqualified for such office, or that formal notice of the intention to hold a meeting of the committee or of the sub-committee was not given duly or by reason of such Act having been done during the period of any vacancy in the office of the Chairperson, Vice-chairperson or the Secretary or Member of such committee or sub-committee or for any other informality not affecting the merits of the case.

CHAPTER –V

STAFF OF MARKET COMMITTEE

Secretary of Market Committee.

50. Every Market Committee shall have a Secretary , who shall be the chief executive of the Market Committee administering principal market yard, sub-market yard(s) and market sub-yard(s)and the custodian of all the records and properties of the principal market yards, sub-market yard(s) and market sub-yard(s)in the delineated market area:

Provided that the Secretary should be graduate in agriculture / horticulture, agricultural economics/marketing/ agribusiness and has also undergone minimum three months in-service training or such training undertaken after recruitment.

Provided further that Director/ Managing Director may maintain a panel of professionals, which may include professionals from open market, for appointing to the post of Secretary to the Market Committee, as may be prescribed in the Rules. The Director/ Managing Director shall have powers to appoint Secretary from the services of the Government/Administration /Board and on deputation also and such appointments shall be

binding on the Market Committee.

**Powers,
functions and
duties of the
Secretary.**

51. The Secretary shall exercise and perform the following functions and duties in addition to such other duties as may be specified in this Act, the Rules or Bye-laws, namely-

(i) To convene the meetings of the Market Committee and of the sub-committees, if any, and maintain minutes of the proceedings thereof.

(ii) To attend the meetings of the Market Committee and of every sub-committee and take part in the discussions but shall not move any resolution or vote at any such meeting.

(iii) To take action to give effect to the resolution of the committee and of the sub-committees, and report about all actions taken in pursuance of such resolution to the committee as soon as possible.

(iv) To prepare the budget proposal.

(v) To furnish to the Market Committee such returns, statements, estimates, statistics and reports as the Market Committee may from time to time, require including reports regarding-

(a) fines and penalties levied on and any disciplinary action taken against the Members of the staff and the market functionaries and others;

(b) over-trading by any trader;

(c) contravention of the provisions of the Act, the Rules, the Bye-laws, the standing orders by any person;

(d) suspension or cancellation of licence by the Chairperson or the Director; and

(e) administration of the Market Committee and

the regulation of the marketing in the principal market yard, sub-market yard (s) and market sub-yard(s) .

(vi) To produce before the Market Committee such documents, books, registers and the likes as may be necessary for the transaction of the business of the committee or the sub-committee, and also whenever called upon by the Market Committee to do so.

(vii) To exercise supervision and control over the acts of all officers and servants of the Market Committee.

(viii) To collect fees/user charge and other money leviable by or due to the Market Committee .

(ix) To be responsible for all moneys credited to or received on behalf of the Market Committee.

(x) To make disbursements of all moneys lawfully payable by the Market Committee.

(xi) To report to the Chairperson and the Director/ Managing Director as soon as possible in respect of fraud, embezzlement, theft or loss of Market Committee Fund or property.

(xii) To prefer complaints in respect of prosecutions to be launched on behalf of the Market Committee and conduct proceedings, civil or criminal, on behalf of the Market Committee.

Appointment of Accountant.

52.

The Director/ Managing Director may, with such qualification as may be prescribed in Rules/Bye-laws , appoint an accountant , who shall be responsible for maintenance of books of accounts of the Market Committee and assist the Secretary in discharge of his duties and perform of such duties as may be delegated to him by the Market Committee or the Secretary.

Appointment of staff by the Market Committee.

53.(1) Every Market Committee may appoint such other Officers and servants as may be necessary and proper for the efficient discharge of its duties:

Provided that no post shall be created save with the prior sanction of the Director/ Managing Director:

(2) Subject to provisions in this Act/Rules , the Market Committee may make Bye-laws for regulating the appointment, pay, leave, leave allowances, pensions, gratuities, contribution to provident Fund and other conditions of service of Officers and servants appointed under sub-section (1) and for providing for the delegation of powers , duties and functions to them.

(3) Notwithstanding anything contained in this Act or any Rules or Bye-laws made thereunder, the Director/Managing Director may, subject to the conditions specified in sub-section (4) , transfer on deputation any Officer or servant of any Market Committee carrying a maximum scale of pay as prescribed to any other Market Committee of the Revenue Division and it shall not be necessary for the Director/ Managing Director to consult either the Market Committee or the Officer or servant concerned before passing an order of transfer on deputation under this sub-section.

(4) The Officer or servant concerned transferred under sub-section (3) shall,-

(a) have his lien on the post held in the parent Market Committee ;

(b) not be put to disadvantageous position in respect of pay and allowances which he would have been entitled to, had he continued in the parent Market Committee ;

(c) be entitled to deputation allowance at such rate as the Director/Managing Director may by general or special order, specify; and

(d) be governed by such other terms and conditions including disciplinary control as the Director/Managing Director may, by general or special orders, specify.

CHAPTER-VI

E-TRADING

Establishment/Promotion of electronic trading platform.

54.(1) No person shall establish and run any electronic trading platform for trading in notified agricultural produce including livestock without obtaining a licence under this Section.

(2) Save as provided in sub-section (1), the Government/Administration or its agencies may, however, establish and run e-trading platform for trading in notified agricultural produce including livestock, as may be prescribed.

Grant/ Renewal of licence to establish electronic trading platform

55.(1) Any person desirous of establishing an e-trading platform under Section 54 (1) shall apply to the Director or the Officer authorized by him in such form and manner along with such fee and security/ bank guarantee and fulfilling such conditions , as may be prescribed.

(2) The application received under sub-section (1) for grant or renewal of licence may be accepted or rejected for reasons recorded in writing by the Licensing Authority :

Provided that the application received under this section shall be liable to be rejected on the condition(s) *mutatis mutandis* to condition(s) laid down for private market yard under Section 73.

(3) The e-trading platform managed and operated by a person or Government/Administration or its agencies, as the case may be, shall provide all infrastructures and services connected to e-trading , as may be prescribed .

(4) The licensee or its management committee, may collect user charge on sale transaction of notified agricultural produce including livestock on the e-trading platform:

Provided that no user charge shall be collected from agriculturist-seller.

Provided further that Government/ Administration in public interest may from time to time, by notification, put ceiling on the rate of collection of user charge.

(5) The e-trading platform licensee shall contribute, of such user charge collection, to the separate “Revolving Marketing Development Fund” maintained by the Director at the rate in percentage at par with APLMC. The Fund will be utilized for the purposes and in the manner *mutatis mutandis* to Section 10 (5) of this Act.

Integration of warehouses/silos/ cold storages or other such structure or space, declared as market sub-yard to e-platform.

56. A licence holder under Section 73 (1) for market sub- yard , desirous to link to e- platform of Government of India, may apply, through concerned Government/ Administration, or its agencies, to the Department of Agriculture, Cooperation & Farmers’ Welfare, in the form and manner , as may be prescribed.

Integration of private market.

57. A licensee of private market yard, desirous of integrating with e-trading portal, may apply through State Government /Administration or its agencies to

the Central Government, as may be prescribed.

Interoperability of e-trading platforms.

58. In order to evolve a unified National Agricultural Market and integrate various e-platforms, the applications in the e-platform(s) should be interoperable as per specifications and standards laid down by the Director or the Authority designated therefor.

Payment to the sellers and maintenance of accounts.

59.(1) Notwithstanding anything contained in this Act, payment of notified agricultural produce including livestock traded on electronic platform shall be made same day of the sale transaction to the seller or in the maximum next day, if procedurally so required. In procedural exigencies on electronic trading, the payment to the seller may be made as prescribed in Rules and Bye-laws.

(2) The licensee or APLMC, as the case may be, shall maintain accounts of all the transactions taken place on electronic platform and submit such periodical reports and returns to the Managing Director or the authorized Officer, at such time and in such forms, as may be specified by the competent authority, from time to time.

Suspension or Cancellation of licence of electronic trading platform.

60. The Director may, for the reasons to be recorded, specifying the breach of any provision of Act/Rules/Bye-laws, instructions, orders, suspend or cancel the licence ,granted under Section 55 , by passing a speaking order:

Provided that no order for suspension or cancellation of licence shall be passed without giving a reasonable opportunity of being heard.

Dispute settlement-

61. Any dispute arising between/among licensees of e-trading platforms, or between /among the licensees and APLMC/State/UT agencies, shall be resolved by the Director or the Officer authorized by him, in

(i)between/

among licensees under Section 55(1) ; and

(ii) between/ among licensee and APLMC.

Dispute settlement with regard to intra-State trade – transaction.

Dispute settlement with regard to Inter-State trade transaction

summary manner within thirty days, after giving the parties reasonable opportunity of being heard.

62. In case of any dispute with regard to intra-State transaction on e-platform, the redressal thereof shall be done at the level of management committee of the licensee or the Market Committee, as the case may be, through an administrative process, or through the process of conciliation and arbitration, or otherwise within seven working days; while in case of perishables it shall be within three working days . The management committee or Market Committee , as the case may be, shall dispose of the matter by issuing speaking order.

63. In case of any dispute arising out of inter-State trade transaction on e-platform or any other such platform, the Government/Administration can subscribe to become part of such Authority, which may be constituted by the Union Government or State Government/UT Administration under the existing law or any law to be framed therefor.

CHAPTER-VII

REGULATION OF TRADING

Sale-transaction of notified agricultural produce and livestock.

64. (1) All notified agricultural produce including livestock shall ordinarily be sold in the principal market yards, sub-market yards and market sub- yards licenced under this Act or not, private market yards or at the electronic trading platforms :

Provided that the notified agricultural produce including livestock may be sold at other places also to a licence holder especially permitted in this behalf

under this Act.

- (2) In relation to agricultural produce, nothing in the sub-section (1) shall apply to the following sale and purchase where -
 - (i) sale is made by the producer himself to any person for his domestic consumption in quantity up to the limits prescribed under the Rules;
 - (ii) brought for sale by head load;
 - (iii) purchase and sale is made by a petty trader;
 - (iv) purchase is made by an authorized fair price shop dealer from the Food Corporation of India, "the State Commodities Trading Corporation" or any other agency or institution authorized by the Central or/ and State Government/ UT Administration for distribution of essential commodities through the public distribution system; and
 - (v) the transfer of such agricultural produce to a cooperative society for the purpose of securing an advance there from.
- (3) In relation to livestock, nothing in the sub-section (1) shall apply on the business of purchasing or selling of livestock not exceeding such value, as may be prescribed.
- (4) The price of the notified agricultural produce including livestock, brought for sale into the principal market yards, sub-market yards , private market yards, market sub-yards shall be settled by tender bid or open auction including e-auction or any other transparent system and no deduction shall be made from the agreed price on any account whatsoever from the seller.
- (5) Weighment or measurement or counting of all the

notified agricultural produce including livestock so purchased shall be done by such a person and such system as is provided in the Bye-laws or at any other place specified for the purpose by the Market Committee.

Terms and procedure of buying and selling.

65. (1)

Except in the commercial transaction between two traders, any other person who buys notified agricultural produce including livestock in the principal market yards, sub-market yards and market sub-yards, shall execute an agreement in triplicate in such form, as may be prescribed in favour of the seller. One copy of the agreement shall be kept by the buyer, one copy shall be supplied to the seller and the remaining copy shall be kept in the record of Market Committee.

(2)

(a) The price of the notified agricultural produce transacted in the principal market yards, sub-market yards, private market yards, market sub-yards or at e-platforms shall be paid on the same day to the seller or in the maximum next day if procedurally so required. Payment on notified agricultural produce shall also be made to agriculturist-seller, if sold to the direct marketing licensee, on the same day there itself.

(b) In case purchaser does not make payment under clause (a), he shall be liable to make additional payment at the rate of one percent, per day of the total price of the agricultural produce, payable to the seller within five days.

(c) In case the purchaser does not make payment with additional payment to the seller under clause (a) and (b) above, within five days from the day of such purchase, his licence shall be deemed to have been cancelled on the sixth day and he shall not be granted any licence or permitted to operate under this Act for a period of one year from the date of such cancellation.

- (3) Commission agent shall recover his/its commission from his/ its principal trader at the rate not exceeding two percent *ad valorem* on transacted non-perishable agricultural produce; while in case of perishable agricultural produce, it shall not exceed 4 percent *ad valorem* on transacted produce, including all expenses as may be incurred by him in storage of the produce and other services rendered by him/ it:

Provided that no commission shall be collected from farmer-seller.

Levy of market fee (single point levy of market fee).

- 66.(1) The Market Committee shall levy and collect market fee from buyer in respect of notified agricultural produce including livestock bought by such buyer in the principal market yard or sub -market yard(s) or market sub-yard(s) either brought from outside the State/ UT or from within the State/ UT, at such rate as may be notified but not exceeding two percent *ad valorem* on transacted produce in case of non-perishable agricultural produce and not exceeding one percent *ad valorem* in case of perishable agricultural produce and livestock:

Provided that Market fee specified under this section shall not be levied for the second time, in whatever name it is called, i.e. cess, user charge ,service charge, etc., in any principal market yard, sub -market yard, market sub-yard, private market yard, electronic trading platform within the State/ UT provided that market fee at applicable rate has already been paid on that notified agricultural produce in any principal market yard, sub-market yard, market sub-yard, private market yard, electronic trading platform of the State/ UT and the evidence to this effect has been furnished , by the concerned person that market fee has already been paid as aforesaid in the State/UT.

Provided further that in case of commercial transactions between traders, the market fee shall be collected and paid by the seller.

Provided also in case buyer is not licensee and seller is farmer, the liability of payment of market fee shall be of commission agent, who will collect the market fee from buyer and deposit to the Market Committee.

- (2) The Market Committee may levy and collect entrance fee on vehicles which may enter into market yard(s) at such rate as may be specified in Bye-laws:

Provided that no such fee shall be levied and collected from agriculturist –sellers .

Levy of user charge by Market Committee.

- 67.(1) Notwithstanding anything contained in this Act, the Market Committee may allow trade even in those item (s) of the agricultural produce including livestock which is/are not notified for regulation under the Act or are not specified in the schedule to the Act for regulation.
- (2) The Market Committee may collect user charge, as prescribed in Bye-laws, for allowing trade as provided under sub-section (1) at the rate not exceeding two percent *ad valorem* in case of non-perishable transacted agricultural produce and not exceeding one percent *ad valorem* in case of perishable agricultural produce and livestock.
- (3) Save as otherwise provided in this Act, Market Committee shall neither enforce regulation nor levy and collect applicable market fee on sale-transactions of fruits and vegetables taking place outside the principal market yard, sub-market yard(s) and market sub-yard (s).

Power to grant exemption from market fee.

68. The State Government/ UT Administration may, by notification and subject to such conditions and restrictions, if any, as may be specified therein, exempt in whole or in part any agricultural produce including livestock brought for sale or bought or sold in the principal market yards, sub-market yards and market sub-yards specified in such notification, from the payment of market fee for such period as may be specified therein.

Any notification issued under this section may be rescinded before the expiry of the period for which it was to have remained in force, and on such rescission such notification shall cease to be in force.

Grant /Renewal of licence to market functionaries other than traders.

69.(1) Subject to the provisions of this Act and Rules made in this behalf, every person who, in respect of notified agricultural produce including livestock, desires to operate in the principal market yard or sub-market yard or market sub-yard as commission agent, weighman, measurer, hammal (loader-unloader) or such other market functionary, except trader, shall apply to the Market Committee for grant or renewal of licence in such form and such manner as may be prescribed.

(2) The Market Committee or its Chairperson, if so authorized by the Market Committee may, on an application made under sub-section (1) and after making such inquiries as it deemed fit, grant or renew the licence, or may refuse to grant or renew any such licence on the basis of one or more of the following reasons-

- (i) The applicant is minor or not *bonafide*.
- (ii) The applicant has been declared defaulter under the Act or Rules made thereunder and Bye-laws.
- (iii) The applicant has been found guilty under the Act.
- (iv) Any dues relating to Market Committee and/or

Board and/or department/directorate of agricultural marketing are outstanding against the applicant.

(v) Any other reason(s), as may be prescribed.

- (3) The Market Committee or its Chairperson, if so authorized under sub-section (2) shall dispose off the application received under sub-section (1) within twenty days from such date when application is complete in all respects.

Explanation: The Market Committee shall, on scrutiny of application and the documents annexed therewith within five working days from the date of its receipt, grant /renew the licence within twenty working days from such date when application is found complete in all respects; or may, after recording the reason (s) in writing therefor , refuse to do so.

- (4) On expiry of a period of twenty working days as under sub-section (3), if the application has not been disposed off, it shall be deemed that licence has been granted or renewed, as the case may be.

- (5) The Market Committee or its Chairperson, if so authorized may, for reasons to be recorded, specifying the breach of any provision of Act/Rules/Bye-laws, instructions, orders, suspend or cancel the licence ,granted under this section , by passing a speaking order:

Provided that no order for suspension or cancellation of licence shall be passed without giving a reasonable opportunity of being heard.

**Grant / Renewal
of unified
single trading
licence.**

70.(1)

There shall be a single licence applicable to the whole of the State/ UT, for the trader to be granted/ renewed by the Director or the Officer authorized by him in such manner and in such form, as may be

prescribed, to operate as trader in any principal market yard, sub-market yard, market sub-yard private market yard & sub-yard, e-trading platform or any other space identified for the purpose, in the State/ UT. The existing trader licences granted by the Market Committees shall be converted into State/ UT wide single trader licence by the Director or the Officer authorized by him, within six months from the date of commencement of the State/ UT Agricultural Produce and Livestock Marketing (Promotion & Facilitation)Act, 2017. Until then, the existing trader licences granted by the Market Committees are deemed to have been the State/ UT wide single trader licences.

Explanation: Private market licensee or other such licensee or its management committee may, register the unified single trading licence holder issued by Director or the Officer authorized by him, to allow to operate in such market yards.

- (2) Any person desirous of obtaining or renewing a licence under sub-section (1) as trader, shall apply to the Director or the Officer authorized by him in Form with reasonable fee, as may be prescribed.
- (3) Subject to provisions of this Act and the Rules made in this behalf, the Director or the Officer authorized by him, on application under sub-section (2), after making such inquiries as deemed fit , may grant or renew the licence in the form and for such a period, as may be prescribed:

Provided that notwithstanding anything contained in this Act and the Rules, there shall be no consideration of domicile, compulsory requirement of purchase /collection centre and minimal quantity for grant/ renew of such licence.

Provided further that such licence granted or renewed shall entail to the licensee to carry out trade

of any form i.e. primary or secondary or whatsoever, without any discrimination.

Suspension or Cancellation of unified single trading licence granted/ renewed under Section 70.

(4) The licence issued by the Director or the Officer authorized by him under this section shall bear Unicode, as may be prescribed.

71.(1) The Director or the Officer authorized by him may, after such inquiry as he deems fit to make and after giving , in the prescribed manner , the licensee a reasonable opportunity of being heard , suspend or cancel a licence issued under Section 70 on any of the following ground(s):

(a) that, the licence has been obtained through willful misrepresentation or fraud;

(b) that, the licensee himself or in collusion with other licensee(s) commits any act or obtains from carrying on his normal business in the market with intention to willfully obstruct , suspend or stop the marketing of notified agricultural produce in any type of market and in consequence whereof, the marketing of notified agricultural produce has been obstructed, suspended or stopped ;

(c) that, the licensee is found to have contravened any of the provisions of this Act or the Rules or Bye-laws;

(d) that, the licensee has been convicted of an offence punishable under this Act or Rules or regulations;

(e) that, the licensee has become insolvent; or

(f) that, the licensee incurs any disqualification on grounds prescribed.

(2) Having been licence suspended/cancelled under this section , the holder of such licence shall

forthwith produce the same in the office of the Director or the Officer authorized for being endorsed in the prescribed manner and shall not be entitled to any claim on account of such suspension/cancellation any compensation or refund of the whole or any part of the licence fee or any of the other money.

Recognition of unified single trading license granted/ renewed under Section 70 for inter-state trade.

72.(1) Notwithstanding anything contained in this Act, the State/ UT may allow holder of unified single trading licence bearing Unicode, issued by any other State/ UT to undertake trade transaction within its geographical jurisdiction on e-platform or any other format including physical that may be in operation, as trader, as may be prescribed in Rules/ Bye-laws under this Act.

(2) Such licensee shall be liable to pay the market fee and other marketing charges at the rate applicable in the State/ UT, where trade transaction has taken place, in the manner as may be prescribed.

(3) In case of contravention of any of the provisions of this Act/ Rules/ Bye-laws or instructions or orders, the Director/ Managing Director/ Market Committee shall, after giving an opportunity to be heard, blacklist such licensee for trading purpose only within their respective jurisdiction, when a contravention has occurred, for a certain period or forever based on the gravity of breach/violation of provisions of this Act/ Rules/ Bye-laws or instructions or orders.

Explanation: The expression 'blacklisting' for a certain period to be deemed to be suspended for such a period in the jurisdiction as under sub-section (3), while 'forever' deemed to have been cancelled in the jurisdiction as under sub-section (3).

(4) The Director/ Managing Director/ Market Committee of the respective jurisdiction, wherein the

contravention occurs, may simultaneously submit a proposal detailing the type and nature of contravention with evidence, to the concerned licence issuing State/ UT Authority for taking further appropriate action against the contravener.

Grant/Renewal of licence for private market yard, farmer-consumer market yard and market sub-yard.

- 73.(1) Any person who, under Section 10, desires to establish private market yard, or under Section 11, desires to establish farmer-consumer market yard, or under Section 12 to be desirous of such a place being declared as market sub -yard, shall apply to the Director or the Officer authorized by him for grant or renewal of licence, as the case may be, in such form and in such manner; and also for such period but not less than three years, as may be prescribed.
- (2) An application for grant or renewal of licence, as the case may be, for private market yard or farmer-consumer market yard or market sub –yard under Section 73 (1), shall be accompanied with such reasonable licence fee and security/ bank guarantee, as may be prescribed.
- (3) An application received under sub-section (1) for grant or renewal of licence may be accepted or rejected for the reasons recorded in writing by the Licensing Authority:

Provided that the application received under this Section shall be liable to be rejected on the condition(s) :

- (i) that, the applicant is a minor or not *bona fide*;
- (ii) that, the applicant has been declared defaulter under the Act and Rules and Bye-laws made there under;
- (iii) that, any dues relating to Market Committee and/or Board and/or

department/directorate of agricultural marketing are outstanding against the applicant;

(iv) that, the concerned authority is satisfied that the applicant does not possess the infrastructure credentials, experience or adequate capital for investment or any other requirements as may be prescribed for establishment of a private market yard or farmer-consumer market yard; and/ or

(v) for any other reasons, as may be prescribed.

(4) The licence granted or renewed under this section shall be subject to such terms and conditions, as may be prescribed; and the licensee shall be bound to follow the terms and conditions of the licence as prescribed. The licensee shall also follow the provisions of this Act and Rules made thereunder.

Suspension or Cancellation of licence granted /renewed under Section 73.

74.(1) Subject to the provisions of Section 73, the Licensing Authority ,as the case may be, may for the reasons to be communicated to the licence holder in writing, suspend or cancel the licence, if:

(a) the licence has been obtained through willful misrepresentation or fraud; and/or

(b) the holder of licence or its representative or anyone acting on his behalf with his expressed or implied permission, commits a breach of any of the Rules, regulations and terms or conditions of licence; and/or

(c) the holder of licence himself or in combination with other licence holder commits any act or abstains from carrying on his normal business in the market area with the intention of willfully obstructing, suspending or stopping the

marketing of notified agricultural produce;
and/ or

(d) the holder of the licence has become insolvent; and/or

(e) the holder of the licence incurs any disqualification, as may be prescribed; and/or

(f) the holder of the licence is convicted of any offence under this Act.

(2) No licence shall be suspended or cancelled under this section without giving a reasonable opportunity of being heard to its holder.

(3) Subject to the provisions of Section 74 , the Licensing Authority shall communicate to the licence holder by speaking order to suspend or cancel its licence granted or renewal under Section 73.

Grant/ Renewal of licence for direct marketing.

75.(1) Any person, including a Farmers' Cooperative, Farmers' Producer Organisation (FPO) and Processor/Exporter, under Section 13, desires to purchase agricultural produce directly from farmers outside the principal market yard, sub- market yard, market sub-yard, private market yard , shall apply to the Director or the Officer authorized by him for grant or renewal of licence, as the case may be, in such form and in such manner; and also for such period , as may be prescribed.

(2) An application for direct marketing shall accompany such reasonable licence fee and security/ bank guarantee, as may be prescribed.

(3) The application received under Section 75 (1) for grant or renewal of licence may be accepted or rejected in the cause and manner *mutatis mutandis* to Section 73(3).

(4) A direct marketing licence granted or renewed under this section shall be subject to such terms and conditions, as may be prescribed; and the licensee shall be bound to follow the terms and conditions of the licence as prescribed. The licensee shall also follow the provisions of this Act and Rules made thereunder.

Suspension or Cancellation of direct marketing licence.

76. Subject to the provisions of Section 13, the Licensing Authority, who has issued the licence, may suspend or cancel the licence granted/ renewed under Section 75 in the cause and manner *mutatis mutandis* to Section 74.

Dispute settlement-

77. Any dispute arising between/among licensees for private market yard, farmer-consumer market yard, market sub-yard and direct marketing, or between/among licensee (s) and APLMC (s) may be resolved by the Director or the Officer authorized by him, in a summary manner within thirty days, after giving the parties a reasonable opportunity of being heard.

(i) between/
among
licensees

(ii) between/
among licensee
and APLMC.

Appeal.

78. (1) Any person aggrieved by the order of the Director or the Officer authorized by him, passed under Section 61 & 77, as the case may be, may prefer an appeal to the Government/Administration or the Officer authorized by it, in the form and manner as prescribed, within thirty days from the date of receipt of such order. The Appellate Authority shall dispose of the appeal within thirty days, after giving the parties a reasonable opportunity of being heard.

(2) Any person aggrieved by the order of the Market Committee or management committee of private market yard, farmer-consumer market yard, market sub-yard, electronic trading platform may prefer an appeal to the Director or the Officer authorized by

him, in the form and manner *mutatis mutandis* to sub section (1), within thirty days from the date of receipt of such order. The Appellate Authority shall dispose of the appeal within thirty days, after giving the parties a reasonable opportunity of being heard.

- (3) Save as provided in Section 78(1), the appeal with respect to inter-State trade on e-platform or any other such platform under Section 63, will be in accordance with the provisions to be provided under any law constituting the Authority.
- (4) The Appellate Authority, if it considers it necessary so to do, grant a stay on the order appealed against for such period as it may deem fit.
- (5) The order passed in the appeal by the Appellate Authority under this section shall be final and binding on all parties. Such order issued by the Appellate Authority shall have the force of the decree of a Civil Court and shall be enforceable as such.

**Registration of
wholesale ad-
hoc buyer.**

79.(1) Any person desirous of wholesale buying either from the market-yard or from outside the market-yard, on day to day basis for own consumption even without valid licence granted under Section 75, may register with the concerned Market Committee, in the form and in the manner, as may be prescribed:

(a) Such buyer will specify the place and day of purchase while making the registration; or afterward before purchase;

(b) In case of such buying undertaken in the market yard, the buyer shall be liable to pay Market fee at the applicable rate to the Market Committee and on buying undertaken outside the market yard, the buyer shall pay one-fourth of the applicable market fee to the Market Committee:

Provided that such wholesale purchases cannot be made more than three times in a month across the State/UT.

- Bar of jurisdiction on Civil Courts.**
- 80.(1) No Civil Court shall have jurisdiction to settle, decide or deal with any question or to determine any matter which is by or under this Act required to be settled, decided or dealt with.
- (2) No court shall take cognizance of an offence under this Chapter, except upon a complaint by the Director or Managing Director or by any other Officer authorized by him in this behalf.

CHAPTER-VIII

BUDGET AND MARKET COMMITTEE FUND

- Preparation and sanction of budget.**
- 81.(1) Every Market Committee shall prepare and pass the budget of its income and expenditure for the ensuing year in the prescribed form and shall submit it to the Managing Director for sanction before the prescribed date every year. The Managing Director shall sanction the budget with or without modification within one month from the date of receipt thereof. If the budget is not returned by the Managing Director within one month, it shall be presumed to have been sanctioned.
- (2) The Managing Director may also seek the consent of the Director, on the budget so passed under subsection (1). If the budget with the comments of the Director is not returned within fifteen days from the date of its receipt, it shall be presumed that the Director has consented to.
- (3) The Market Committee may sanction and cause to undertake execution of construction works out of its Fund other than the permanent Fund referred to in

sub-section (7) on the basis of the plans and designs approved by the Market Committee, in such manner as may be prescribed by the Board.

No expenditure except payment of pension will be made out of pension fund.

- (4) No expenditure shall be incurred by a Market Committee on any item if there is no provision in the sanctioned budget thereof unless it can be met by re-appropriation from saving under any other head. The sanction for re-appropriation may be obtained from the Managing Director provided that in case of re-appropriation from minor heads under one major head, sanction for re-appropriation will not be required.
- (5) A Market Committee at any time during the year for which any budget has been sanctioned, cause a revised or supplementary budget to be passed and sanction in the same manner as if it were an original budget.
- (6) The Market Committee shall make provision in its budget for crediting the amount into the permanent Fund up to thirty percent of its gross receipt comprising of licence fee and market fee and to the pension Fund as prescribed from time to time by the Managing Director. No expenditure from the permanent Fund shall be incurred except with the prior approval or as per direction given by the Managing Director. No expenditure from this Fund or from amount as provided under sub-section (2) of Section 82 shall be proposed in the budget referred to in sub section (1).
- (7) The Managing Director/Board while according sanction for construction work may at its discretion, direct that the execution of the works shall be entrusted to the Public Works Department of the Government/ Administration or Board or any other

agency authorized by the Government / Administration for this purpose.

**Market
Committee
Fund.**

82.(1) Save as provided in sub-section (2) all moneys received by a Market Committee shall be paid into a fund to be called 'The Market Committee Fund" and all expenditure incurred by the Market Committee under or for the purposes of this Act shall be defrayed out of the said fund. Any surplus remaining with the Market Committee after such expenditure has been met, shall be invested in such manner as may be prescribed.

(2) Any money received by the Market Committee by way of arbitration fee or as security for costs in arbitration proceedings relating to disputes or any money received by the committee by way of security deposit, contribution to provident fund or for payment in respect of any notified agricultural produce including livestock, or charges payable to market functionaries as required and such other money received by the Market Committee may be provided in the Rules or Bye-laws, shall not form part of Market Committee Fund, and shall be kept in such manner as may be prescribed.

(3) Save as otherwise provided in this Act, the amount to the credit of the Market Committee Fund and also other money received by the Market Committee shall be kept in a scheduled nationalized commercial banks or in post office saving bank or in any other mode with the approval of the Managing Director.

**Application of
Market
Committee
Fund.**

83. Subject to the provisions of Section 82, the Market Committee in order to discharge functions and perform duties entrusted to it under this Act, may use the Market Committee Fund. Without prejudice to generality of this provision the Market Committee Fund may be used for the following purposes, namely-

(i)The acquisition of a site or sites for the market yard.

(ii)The establishment, maintenance and improvement of the market yard.

(iii)The construction and repairs of building necessary for the purpose of the market yard and for convenience or safety of the persons using the market yard.

(iv)The maintenance of standard weights and measures.

(v)The meeting of establishment charges including payment and contribution towards provident fund, pension and gratuity of the Officers and servants employed by a Market Committee.

(vi)Loans and advance to the employee of the Market Committee.

(vii)The payment of interest on the loans that may be raised for the purpose of development of the market yard(s) and other works as included in the work plan; and provisions of sinking fund in respect of such loans.

(viii)The collection and dissemination of information relating to crop statistics and efficient marketing of agricultural produce.

(ix)Expenses incurred in auditing the account of the Market Committee.

(x)Payment of honorarium, travelling allowance, sitting fee to Chairperson, Vice-Chairperson and other Members excepting ex-officio Member(s) of the Market Committee.

(xi)Contribution to Marketing Development Fund

maintained by Board and Revolving Marketing Development Fund maintained by Director.

(xii)Contribution to any scheme for development of agricultural marketing including transport & other logistics.

(xiii)To provide facilities like grading, standardization and quality certification services and activities incidental thereto.

(xiii) Payment of expenses on elections under this Act in exigencies .

(xv)Incurring of all expenses on research, extension and training in development of marketing of agricultural produce including livestock.

(xvi)To incur expenses on promotion of pledge financing and marketing credit.

(xvii)To create and promote on its own or through public private partnership infrastructure of post harvest handling of agricultural produce including livestock, cold storages, pre-cooling facilities pack houses and all such infrastructure to develop modern marketing system.

(xviii)Any other purpose(s) connected with the marketing of agricultural produce including livestock under this Act whereon the expenditure of the Market Committee Fund is in the public interest subject to the prior sanction of the Managing Director.

CHAPTER-IX

CONSTITUTION OF STATE/ UT AGRICULTURAL MARKETING BOARD

**Establishment
of the State/UT
Agricultural Mar**

84.

The Government/ Administration shall, for coordinating and undertaking the activities relating to development of markets and marketing infrastructures and services

Marketing Board.

incidental thereto and also exercising such other powers and performing such functions as are conferred or entrusted by or under this Act, establish and constitute a State/ UT Agricultural Marketing Board.

Incorporation of Board.

85. The Board shall be a body corporate having perpetual succession and common seal and may sue and be sued in its corporate name and shall be competent to acquire and hold property both moveable and immovable and to lease, sell or otherwise transfer any such property, to contract and to do all other things necessary for the purpose for which it is established.

Constitution of the State/ UT Agricultural Marketing Board.

86. The Board shall consist of a Chairperson, Vice-Chairperson and such other Members as may be elected or appointed by the Government/ Administration.

Composition of the State/ UT Agricultural Marketing Board.

87. The composition of the Board shall be -
1. Chairperson - elected by Chairpersons, Vice-Chairpersons and other elected Members of the Market Committees of State/ UT as prescribed:

Provided that the Chairperson shall be an agriculturist.

2. Vice-Chairperson - elected by Chairpersons, Vice-Chairpersons and other elected Members of the Market Committees of State/ UT as prescribed.

3. (i) Six Members to be nominated by the Government/ Administration from amongst the Chairpersons of Market Committees as prescribed.

(ii) One Member each to be nominated by the Government/ Administration from amongst the licensees of private market yard, direct marketing, market sub-yard and electronic trading platform, if

available, as may be prescribed.

(iii) One Member to be nominated by the Government/ Administration from amongst the registered Farmers'-Producer Company, if any.

(iv) One Member to be nominated by the Government/ Administration from amongst the single unified licence holders, as may be prescribed.

(v) One member to be nominated by the Government/ Administration from amongst the inter-state trade licence holder, as may be prescribed.

4. Other ex-officio members -

(i) Principal Secretary/ Secretary, in-charge of agriculture, horticulture agricultural marketing, cooperation, animal husbandry and fisheries or his nominee not below the rank of Deputy Secretary to the Government of India.

(ii) Principal Secretary/ Secretary, Urban/Rural Development or his nominee not below the rank of Deputy Secretary to the Government of India.

(iii) Agricultural Marketing Advisor to the Govt. of India or his nominee not below the rank of Under Secretary to the Government of India.

(iv) Representative of the National Bank for Agriculture and Rural Development not below the rank of Deputy General Manger.

(v) Registrar of Co-operative Societies/ Commissioner for Co-operation.

(vi) Managing Director of State/ UT Agricultural Marketing Board.

Appointment of Managing Director, Officers and Servants of the Board.

- 88.**(1) (1) The Board shall have a Managing Director who shall be appointed by the Government/Administration and he shall be the Chief Executive Officer of the Board.
- (2) The Managing Director appointed under sub-section (1) shall also function as the ex-officio Secretary of the Board.
- (3) The Board may appoint other Officers and servants as may be necessary for the efficient discharge of its duties and functions under the Act.
- (4) The superintendence and control over all the Officers and servants of the Board shall vest in the Managing Director.

Term of Officer of the non-official Members of the Board.

- 89.**(1) The term of office of the non-official Members of the Board shall be for five years. However, the Members may hold the office at the pleasure of the Government/Administration .

The Government/Administration may ,if it thinks fit, remove any Member of the Board before the expiry of his term of office.

- (2) No person may be Member of the Board exceeding two terms.
- (3) The Government/Administration may, on its own motion or on resolution passed by a majority of total Members and 2/3rd of the Members of the Board voted, remove a Chairperson or Vice-Chairperson of the Board for misconduct or neglect of or incapacity to perform his duty and on such removal he shall not be eligible to serve as a Chairperson or Vice-Chairperson for a period of 5 years from the date of such removal:

Provided that no order of such removal shall be passed unless a reasonable opportunity to be heard

has been given to the concerned.

Term of official Members. **90.** The tenure of an official Member of the Board shall come to an end as soon as he ceases to hold the office by virtue of which he was nominated.

In the event of supersession of the Market Committee from where the Member(s) have been nominated on the Board, the concerned Member shall cease to a Member on it.

Allowance to Members of the Board. **91.** The Members of the Board other than an ex-officio Member shall be paid from the Marketing Development Fund for such sitting fee and allowances for attending its meetings and for attending to any other work as may be fixed by the Government/Administration from time to time.

Filling of casual vacancy. **92.** In the event of death or resignation or disqualification or removal of any Member of the Board or any vacancy arising otherwise before the expiry of his term of office, a casual vacancy shall be deemed to have occurred in such office and such vacancy shall be filled, as soon as may be, by nomination by the Government/ Administration . The person so nominated shall hold such office for the un-expired term of his predecessor.

Resignation of Chairperson, Vice-Chairperson and Members. **93.** The Chairperson, Vice –Chairperson and a Member of the Board may resign from respective post by tendering his resignation to the Government/Administration and the seat of such incumbent shall become vacant on the date of acceptance of his resignation:

Provided that Vice-Chairperson and a Member of the Board may resign from respective post by tendering his resignation to the Government/Administration under intimation to the Chairperson of the Board.

**Disqualification
of Member of
the
Board.**

- 94.** No person shall be a Member of the Board who-
- (a) is, or at any time has been, adjudged insolvent; or
 - (b) is, or has been convicted of an offence which, in the opinion of the Government/Administration involves moral turpitude; or
 - (c) is of unsound mind and stands so declared by the competent court; or
 - (d) is a Director or a Secretary, Manager or other salaried officer or employee of any company or firm having any contract with the Board or a Market Committee ;or
 - (e) is, or at any time been, found guilty under Section(s) 114 and/ or 126 of this Act ; or
 - (f) has so abused, in the opinion of the Government/Administration, his position as a Member , as to render his continuance on the Board detrimental to the interest of the general public.

**Appointment of
Sub-committee.**

- 95** The Board may appoint sub-committees consisting of three or more of its Members which shall also include Chairperson and the Managing Director, for the performance of any of its duties or functions or for giving advice on any matter incidental thereto and may delegate to such sub-committee any of its duties or functions as may be deemed necessary.

**Superintendenc
e of the Board.**

- 96.** The Government/Administration shall exercise superintendence and control over the Board and its Officers and may call for such information as it may deem necessary and, in the event of it being satisfied, that the Board is not functioning properly, it may suspend the Board and, till such time as a new Board is constituted, make such arrangements for the exercise of the functions of the Board as it may think

fit:

Provided that the Board shall be constituted within six months from the date of its suspension.

Functions & powers of the Board.

97.(1)

The Board shall, subject to the provisions of this Act, perform the following functions and shall have power to do such thing as may be necessary or expedient for carrying out these functions:

(i) Coordination of the working of the Market Committees and other affairs thereof including programs undertaken by such Market Committees for the development of principal market yards, sub-market yards and market sub-yards; and also in delineated market areas.

(ii) Undertake State/UT level planning of the development of agricultural produce including livestock in principal market yards, sub-market yards and market sub-yards .

(iii) Administer the State/UT Marketing Development Fund.

(iv) Give direction to the Market Committees in general or any Market Committee in particular with a view to ensuring improvement thereof.

(v) Any other functions specifically entrusted to it under this Act.

(vi) Such other functions of like nature as may be entrusted to it by the Government/ Administration.

(2)

Without prejudice to the generality of the foregoing provisions , such functions of the Board shall include:

(i) approval of the proposals for selection of new sites by the Market Committees for establishment of principal market yard or sub-market yard or market

sub-yard ;

(ii)approval of the proposals for constructing infrastructure facilities in the principal market yard, sub-market yard and marker sub-yards ; and also in delineated market area;

(iii)supervision of and guidance of the Market Committees in preparation of plans and estimates of construction programme undertaken by the Market Committee ;

(iv)execution of all works chargeable to the Board's fund;

(v)maintenance of the accounts in such form as may be prescribed and get the same audited in such manner as may be laid down in the regulation of the Board;

(vi)publishing annually at the close of the year its progress report, balance sheet and statement of assets and liabilities; and send copies thereof to each member of the Board and the Government/ Administration;

(vii) set up separate Marketing Extension Cell in the Board for transfer of marketing technology and extension services. Board may also make necessary arrangements for awareness generation campaign on matters related to regulated marketing of an agricultural produce including livestock and development of marketing facilities therefor;

(viii) providing facilities for the training of officers and servants of the Market Committees after assessing the demand for trained personnel in agricultural marketing at all levels. Set up a Training Cell with college/centers for training in agricultural marketing for various market functionaries, Market Committee members and farmers etc., in the State Marketing

Board with necessary academic support from the Directorate of Marketing and Inspection of Government of India, a National level Nodal agency.

(vi) provide facilities for linking of consumers to farmers or their groups through appropriate technology;

(ix) help prepare budget for the ensuing year;

(x) granting subventions on loans to Market Committee for the purposes of this Act on such terms and conditions as the Board may determine;

(xi) arranging or organizing seminars/ workshops/ exhibitions etc. on subjects related to agricultural marketing;

(xii) doing such other things as may be of general interest to Market Committees or considered necessary for the efficient functioning of the Board;

(xiii) facilitating Market Committee in promoting grading and standardization of notified agricultural produce including livestock, setting up of assaying labs and other infrastructures for on-line trading and activities incidental thereto ;

(v) providing logistic support to promote on-line trading on-line to develop barrier market for notified agricultural produce including livestock; and

(vi) setting up an advisory committee with technical support of Directorate of Marketing and Inspection to promote efficient marketing of notified agricultural produce and livestock , including issues relating to grading, standardization , packaging , quality certifications, as may be prescribed.

Regulations.

98.(1)

The Board may, with the previous approval of the Government/Administration, make regulations, not

inconsistent with this Act and Rules made thereunder for the administration of the affairs of the Board.

(2) In particular and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters-

(a) summoning and holding of meetings of the Board, the time and date when such meetings are to be held, the conduct of business at such meetings and the number of persons necessary to form a quorum thereof;

(b) powers and duties of the officers and other employees of the Board;

(c) salaries and allowances and other conditions of service of officers and other employees of the Board and of officers of the Market Committees;

(d) management of the property of the Board;

(e) execution of contracts and assurances of property on behalf of the Board;

(f) maintenance of accounts and the preparation of balance sheet by the Board;

(g) procedure for carrying out the functions of the Board under this Act;

(h) other matter for which provision is to be or may be made in regulation.

“Marketing Development Fund”.

99. All money received by or on behalf of the Board shall be credited to a Fund called “Marketing Development Fund.”

Payments incurred by the Board.

100. All payments incurred by the Board shall be defrayed out of the “Marketing Development Fund”.

- Contribution towards “Marketing Development Fund”** **101.** Every Market Committee shall pay to “Marketing Development Fund” maintained by Board in percentage upto twenty percent of its income derived from licence fees and market fees, as may be prescribed, to meet the expenses of establishment of the Board and expenses incurred in execution of the functions assigned to the Board under this Act.
- Borrowing by issue of bonds or stocks.** **102.** The Board may, for carrying out the provisions of this Act, borrow money from the Government / Administration or may with the previous approval of the Government/ Administration -
- (i)from any other agency; or
- (ii)issue debentures on the authority of any property vested in it or on the security of a part of its future income accruing to it under this Act, or the Rules made there under.
- Utilization of Marketing Development Fund Maintained by Board.** **103.(1)** The Market Development Fund shall be utilized by the Board either on its own or through public private partnership for discharge of functions entrusted to the Board under this Act.
- (2) Without prejudice to generality of this provision, the Market Development Fund may be utilized for the following purposes, namely-
- (i)Payment of administrative expenditure of the Board.
- (ii)Payment of travelling and other allowance to the Chairperson , Vice-chairperson and Members of the Board.
- (iii) Payment of legal expenses incurred by the Board.
- (iv)Granting aid to financially weak Market Committees in the form of loan or grant for development proposes.

(v) Propaganda and publicity on matters relating to marketing of agricultural produce.

(vi) Training of the officers and staff of the Market Committees and Board and also to market functionaries and agriculturists.

(vii) Organizing and arranging workshops, seminars, exhibitors etc., on development of marketing.

(viii) Promotion and construction of infrastructural facilities in the principal market yard, sub-market yard and in also common market infrastructural facilities in the delineated market area.

(ix) Undertaking skill development and pledge financing activities.

(x) Undertaking market survey and research, grading and standardization, quality assaying, quality certification of agricultural produce, on-line trading and other activities connected thereto.

(xi) Acquisition or constructions or hiring by lease or otherwise of buildings or land for performing the duties of the Board.

(xii) Internal audit of the Board and the Market Committees.

(xiii) Development of Haat Bazars and farmer-consumer markets for marketing of agricultural production in the delineated market areas; and explore the possibility of developing such markets for livestock also.

(xiv) any other purpose, deemed necessary for execution of the functions assigned to the Board under this Act or as directed by the Government/ Administration .

Audit of accounts of the Board.	104.	<p>(1) The accounts of 'the Board shall be subject to audit under the State/UT Local Fund Audit Act or by a certified Chartered Accountant or by other agency as the Government/Administration deems fit.</p> <p>(2) The Board may make arrangement for internal audit of accounts, as it may deem fit.</p> <p>(3) The annual accounts and balance sheet of the Board shall be prepared by the Managing Director and all moneys accruing to or received by the Board from whatever source and all amounts disbursed or paid shall be entered in the accounts.</p> <p>(4) At the time of audit, the Managing Director shall cause to be produced all accounts, registers, documents and other relevant papers which may be called for by the audit officer for the purposes of the audit. Any explanation called for by such officer for the removal of any discrepancy shall be immediately furnished to him.</p> <p>(5) The accounts when audited shall be printed. The copies of accounts and audit report with comments thereon shall be placed before the Board.</p>
Delegation of powers.	105.	<p>(1) (i) Subject to the provisions of this Act, the Board may by general or special order, delegate to the Managing Director/ Member Secretary or sub-committee appointed by it or to any Officer 'of the Board such of the powers and duties under the Act, as it may deem fit.</p> <p>(2) The Chairperson or the Member Secretary of the Board may delegate his power under this Act to any Officer of the Board.</p>
Supervision and control of the Chairperson/ Chief Executive.	106.	<p>(1) The Chairperson of the Board shall preside over the meeting.</p> <p>(2) Subject to the superintendence of the Board, the</p>

general control and direction over all the officers and servants of the Board shall be vested with the Chief Executive of the Board.

Functions & powers of the Managing Director.

107.

The Managing Director shall:

(i) exercise supervision and control over officers and servants of the Board in matters of executive administration, concerning accounts and records and disposal of all questions relating to the service of the employees as per procedure prescribed;

(ii) appoint officers and staff of the Board as per direction and procedure prescribed by the Board;

(iii) incur expenditure from the Marketing Development Fund on the sanctioned items of work;

(iv) in case of emergency, direct the executions or stoppage of any work and doing of any act which requires the sanction of the Board;

(v) prepare annual budget of the Board;

(vi) arrange for internal audit of the Board;

(vii) arrange for the meetings of the Board and maintain records of the proceedings of the meetings of the Board as per procedure prescribed;

(viii) take such steps as deemed necessary for execution of the decision of the Board;

(ix) inspect the construction work undertaken by the Market Committees either from their own funds or loans and /or grants provided by the Board or any other agencies and take corrective measures;

(x) report, such acts either of the Market Committees or of the Board which are contrary to the provisions laid down under this Act or Rules and Bye-laws made

thereof, to the Government/Administration ;

(xi) take such steps as deemed necessary for effective discharge of the functions of the Board.

- Conduct of business of the Board.** **108.**(1) The Board shall meet for the transaction of its business at least once in every three months at such a place and at such times as the Chairperson may determine.
- (2) Save as otherwise provided in sub-section (1) the provisions of chapter IV shall *mutatis mutandis* apply for the conduct of the business of the Board.
- (3) All proceedings of 'the Board shall be authenticated by the signature of the Chairperson, Member-Secretary/Managing Director and all other orders and other instruments issued by the Board shall be authenticated by the signature of the Chairperson, Member-Secretary/ Managing Director or such other officer of the Board as may be authorized in this behalf by regulation.
- (4) The Board shall conduct the business in a manner prescribed under the Rule.
- Powers of Chairperson of Board.** **109.** The Chairperson of the Board shall exercise such powers as may be prescribed.

CHAPTER-X

APPOINTMENT OF DIRECTOR AND ITS POWER AND FUNCTIONS

- Appointment of Director of Agricultural Marketing.** **110.** The Government/Administration may , by notification, appoint any Officer to exercise or perform such of the powers or functions of the Director of Agricultural Marketing under the provisions of this Act and the Rules made thereunder:

Provided that Director of Agricultural Marketing

shall not concurrently hold the office of Managing Director of the Board.

Power and functions of the Director of Agricultural Marketing.

111.(1)

Subject to the provisions of this Act, the Director may exercise such powers and perform such functions other than those prescribed for the Managing Director of the Board under this Act, which would enable proper execution of the provisions of this Act. The State Govt. may delegate any or all the regulatory powers vested in it under this Act, Rules to the Director.

(2)

In particular and without prejudice to the generality of the provisions of the Section 116, the functions of the Director may include-

(i) grant /renewal and suspension or cancellation of licence granted to the person for establishing and/or operating private market yard, farmer-consumer market yard, private market sub-yard, electronic trading platform and direct marketing ;

(ii) grant/renewal and suspension or cancellation of unified single trading licence for the State/UT;

(iii) grant/renewal and suspension or cancellation of inter-state trading licence ;

(iv) black listing the operation of inter-state trading licence within the State/ UT jurisdiction issued by another State/UT;

(v) supervision on the Market Committees for effective execution of provisions of the Act and Rules made thereunder relating to transaction of agricultural produce including livestock taking place in the principal market yards, sub-marker yards and market sub-yards ;

- (vi) enforcement of regulation in the delineated market areas;
- (vii) launch of prosecution for contravening the provision(s) of the Act and Rules made thereunder;
- (viii) suggestion to the Government/ Administration for undertaking amendments to the Act and Rules for effective execution of the objectives of the Act;
- (ix) approval of the Bye-laws framed by the Market Committee under this Act and Rules;
- (x) identifying person(s) or organization for conducting the audit of accounts of the Market Committee and Board.
- (xi) consenting the approval of the budget of the Market Committee;
- (xii) accord sanction to the creation of posts of officers and staff of the Market Committee;
- (xiii) appointment and transfer of the personnel of the State Agricultural Marketing Services, if any, and act as the cadre controlling authority for them;
- (xiv) taking steps for timely and proper conduct of the elections of the Market Committee and Board and activities connected thereto;
- (xv) acceptance of resignation of the Chairperson of the Market Committee;
- (xvi) to act as dispute resolution authority for the licensee of private market yard, farmer-consumer market yard, private market yard, sub - market yard, electronic platform and direct marketing and holder of single unified licence and inter-state trading licence;

(xvii) to act as appellate authority from any person aggrieved by a order of the Market Committee ;

(xviii) approval of the resolution passed by Market Committee;

(xix) removal of Chairperson/Vice-chairperson or member(s) of the Market Committee in the manner as may be prescribed; and

(xx) to inspect or cause to be inspected accounts and offices of the Market Committee, if so required.

Revolving Marketing Development Fund.

112.(1) The Director shall maintain a separate “Revolving Marketing Development Fund” to account the receipts realized as contribution from licensees of private market yard , private market sub-yard, e-trading platform, direct marketing and from such other contribution including Market Committee .

(2) Every Market Committee shall contribute five percent of its income derived from licence fees and market fees, as may be prescribed, to “Revolving Marketing Development Fund” maintained by Director.

(3) The Director will spend the fund, so maintained under sub-section (1), in development of common marketing infrastructure, skill development, training, research and pledge financing and such other activities as will aid in creating an efficient marketing system in the State/ UT/ Country.

Offices and staff of the Director of Agricultural Marketing.

113.(1) The Director, to discharge such duties and perform such functions as assigned under this Act/ Rules, may, with the previous sanction of the Government/ Administration, establish offices at district level.

(2) The district level offices should be headed by an officer, with such qualification and experience but not below the rank of Deputy Director or Under Secretary to Government of India.

- (3) The other Officers at the district level may be posted with such qualification and experience as may be prescribed, from the State's Agricultural Marketing Service cadre, if any, or otherwise or on deputation as per Rule.

CHAPTER –XI

PENALTIES

- Penalty for contravention of Act, Rules and Bye- laws.** **114.** Any person who contravenes any provision of this Act, or of any Rule or Bye-laws or order issued thereunder shall be punishable with simple imprisonment which may extend to six months or with fine which may extend to five thousand rupees or with both:
- Provided that in the case of a continuing contravention of the provisions of Section 65, he shall be liable to be punished with a further fine which may extend to two hundred rupees for every day during which the contravention is continued after the first conviction.
- Recovery of market dues.** **115.** Whenever any person is convicted of any offence punishable under this Act, the Magistrate shall in addition to any fine which may be imposed, recover summarily and pay over to the Market Committee the amount of fees or any other amount due from him under this Act or Rules or Bye-laws made thereunder and may, in his discretion, also recover and pay over to the Market Committee costs of the prosecution.
- Cognizance of offences.** **116.** No court shall take cognizance of any offence punishable under this Act or any Rule or any Bye-laws made there under except on the complaint made by the Director or Officer authorized in this behalf or by the Chairperson, Vice-Chairperson, Secretary of the Market Committee or any person duly authorized by the Market Committee in this behalf.

CHAPTER-XII

CONTROL

**Inspection,
inquiry ,
submission of
statements etc.**

117.(1) On his own motion , the Managing Director or any Officer authorized by him, or on direction of Government/Administration or Director, may -

(a) inspect or cause to be inspected the account and offices of Market Committee ;

(b) hold enquiry into the affairs of a Market Committee;

(c) call from any return, statement, accounts or reports which he may think fit to require such committee to furnish;

(d) require a. Market Committee to take into consideration-

(i) any objection on the ground of illegality or inexpediency or impropriety which appears to him to exist to the doing of anything which is about to be done or is being done by or on behalf of such committee; or

(ii) any information he is able to furnish and which appears, to him to necessitate the doing of a certain thing by such committee; and

(iii) to make written reply to him within a reasonable time stating the reason for doing or not doing such thing.

(e) direct that anything which is about to be done or is being done should not be done, pending consideration of the reply, and anything which should be done but is not being done should be done within such time as he may direct.

(2) When the affairs of a Market Committee are

investigated under this section or the proceedings of any Market Committee are examined by the Managing Director under Section 124, the Chairperson, Vice-Chairperson, Secretary and all other Officers and servants and Members of such committee shall furnish such information in their possession in regard to the affairs or proceedings of the Market Committee as the Managing Director, or the Officers authorized by him, as the case may be, may require.

(3) An officer investigating the affairs of a Market Committee under sub-section (1) or the Director or the Government/ Administration examining the proceeding of any Market Committee under Section 125 shall have the power to summon and enforce the attendance of Officer(s) or Member(s) of the Market Committee and to compel him/ them to give evidence and to produce documents by the same means and as far as possible in the same manner as is provided in the case of a Civil Court under the Code of Civil Procedure, 1973.

(4) Where the Managing Director has reason to believe that the books and records of a Market Committee are likely to be tampered with or destroyed or the funds or property of a Market Committee are likely to be misappropriated or misapplied, the Managing Director may issue order directing a person duly authorized by him in writing to seize and take possession of such books and records, funds and property of the Market Committee and the Officer (s) of the Market Committee responsible for the custody of such books, records, funds and property shall give delivery thereof to the person so authorized.

Powers of Director to remove Chairperson or 118.(1) The Director may remove Chairperson in consultation with Government/ Administration ; or Vice-Chairperson and Members of Market Committee in consultation with Chairperson where

Vice-Chairperson or Member of the Market Committee.

he is of the opinion that the said functioning:

(a) has been guilty of misconduct or gross negligence of duty as Chairperson, Vice-Chairperson or a Member ;

(b) ceases to hold the qualifications necessary for being a Chairperson, Vice-Chairperson or Member.

(2) No order of removal under sub-section (1) shall be passed unless the person concerned has been given reasonable opportunity of being heard in respect of the allegations against him.

(3) The Director may suspend any Chairperson, Vice-Chairperson or a Member of a Market Committee in the manner and way *mutatis mutandis* to sub-section (1) , who has been served with notice under sub-section (1) or sub-section (2) as the case may be, and against whom any complaint has been received or who commits irregularities after the service of such notice, for period from the date of receipt of complaint or the date of noticing of irregularities by the Director till the final decision is taken in his case.

Supersession of the Market Committee.

119. Where the Director, on his own motion or after considering the submission of Managing Director, is of the opinion that a Market Committee has failed in the performance of its functions or discharge of its duties or has exceeded or abused the powers conferred on it by or under this Act, may, on prior consultation with Government/ Administration, by notification in the Gazette, supersede the Market Committee :

Provided that no order of supersession shall be passed unless the Director has given a reasonable opportunity to the Market Committee of being heard in respect of the allegations made against it.

Consequence of

120. Upon publication of the notification superseding a

**supersession of
Market
Committee.**

Market Committee under Section 119, the following consequences shall ensue :

(i) The Chairperson, Vice-chairperson and all the Member of the Market Committee shall, as with effect from the date of publication of the notification, be deemed to have vacated their offices.

(ii) The Government/ Administration or the Director shall direct that the steps be taken for constitution of a new Market Committee under Section 17 and till such time as a new Market Committee under Section 17 is constituted as aforesaid, the Director shall make such arrangements for carrying out the functions of the Market Committee as he may deem fit for the period not exceeding six months and may, for that purpose, direct that all the functions, powers and duties of the Market Committee and its Chairperson, under this Act, shall be performed, exercised and discharged by such person or authority as the Director may appoint in this behalf and such person or authority shall be deemed to be the Market Committee or Chairperson, as the case may be.

**Supersession of
the Board.**

121.

Where the Government/ Administration is of the opinion that the Board has failed in the performance of its functions or discharge of its duties or has exceeded or abused the powers conferred on it by or under this Act, it may, by notification in the Gazette, supersede the State/ UT Agricultural Marketing Board:

Provided that no order of supersession shall be passed unless the Government/ Administration has given to the Board a reasonable opportunity of being heard in respect of the allegations against it.

**Consequence of
super session of
Board.**

122.

Upon publication of the notification superseding a Board under Section 121, the following consequences shall ensue :

(i) The Chairperson, Vice-Chairperson and all the Members of the Board shall, as with effect from the date of publication of the notification, be deemed to have vacated their offices.

(ii) The Government/ Administration shall direct that steps be taken for constitution of a new Board under this Act and till such time as a new Board under Section 86 is constituted as aforesaid, the Government/Administration shall make such arrangements for carrying out the functions of the Board as it may deem fit, for the period not exceeding six months and may, for that purpose, direct that all the functions, powers and duties of the Board and its Chairperson, under this Act, shall be performed, exercised and discharged by such person or authority as the Government/ Administration, may appoint in this behalf and such person or authority shall be deemed to be the Board or Chairperson, as the case may be.

Power of Director to direct Market Committee for amending Bye-laws.

123.(1)

If it appears to the Director, that it is necessary or expedient in the interest of agricultural marketing to make any Bye-law (s) or to amend any existing Bye-law (s) , he may, by order, direct the Market Committee concerned to make Bye-law(s) or amend existing Bye-law (s) within such time as he may specify in such order.

(2)

If the Market Committee fails to make such Bye-law(s) or such amendment of the Bye-law(s) within the time specified, the Director may, after giving the Market Committee a reasonable opportunity to explain , make such bye-law (s) or such amendment of the bye-law (s) and thereupon subject to any order under sub-section (3), such bye-law (s) or such amendment of the bye-law (s) shall be deemed to have been made or amended by the Market Committee in accordance with the provision of this Act or the Rules made thereunder and thereupon

such bye-law (s) or amendment (s) shall be binding on the Market Committee.

- (3) An appeal shall lie to the Government/ Administration against any order of the Director under sub-section(2) within thirty days from the date of such order and decision of the Government/ Administration on such appeal shall be final and binding.

Power of the Managing Director to prohibit execution or further execution of resolution passed or order made by the Market Committee.

124.(1) The Managing Director may, on his own motion, or on report or complaints received, by order, prohibit the execution or further execution of a resolution passed or order made by the Market Committee or its Chairperson or any of its Officers or servants, if he is of the opinion that such resolution or order is prejudicial to public interest, or is likely to hinder efficient running of the business in any market yards or sub-market yards or is against the provisions of this Act or Rules or Bye-laws made thereunder.

- (2) Where the execution or further execution of a resolution or order is prohibited by an order made under sub-section(1) and continuing in force, it shall be the duty of the market committee, if so required by the Managing Director, take such action which the Market Committee would have been entitled to take if the resolution or order had never been made or passed and which is necessary for preventing the Chairperson or any of its officers or servants from doing or continuing to do anything under the resolution or order.

Power to call for proceedings of Market Committee and Managing Director/Director

125.(1) The Director/ Managing Director may, on his own motion, or on an application made to him, call for and examine the proceeding of any Market Committee and the Government/ Administration may on its own motion or on an application made to it, call for and examine the proceedings of the Director/Managing Director, for the purpose of satisfying himself or itself

as the case may be, as to the legality or propriety of any decision taken or order passed and as to the regularity of the proceedings of the Market Committee or the Director/Managing Director, as the case may be. If in any case, it appears to the Director/Managing Director or the Government/ Administration that any such decision or order or proceeding so called for should be modified, annulled, reversed, or remitted for reconsideration he or it may pass such order thereon as he or it may deem fit:

Provided that every application to the Government / Administration for the exercise of the powers under this section shall be preferred within sixty days from the date on which the decision or order to which the application relates was communicated to the applicant.

Provided further that no such order shall be passed under sub-section(1) without giving a reasonable opportunity of being heard to the parties affected thereby.

- (2) The Government / Administration, may suspend the execution of the decision taken or order passed by the Market Committee /Director/Managing Director, pending exercise of its powers under sub-section (1).

Liability of Chairperson, Vice Chairperson, Members and Employees for loss, waste or misappropriation etc. 126.(1)

If in the course of enquiry or inspection under Section 117 or in the course of audit under this Act, it is found that any person who is or was entrusted with the management of Market Committee or any deceased, past or present Chairperson, Vice-Chairperson, Member, Officer-in-charge of Market Committee, or any other officer or employee of Market Committee or an Officer of the Government / Administration has made or directed by assenting or concurring or participating in any affirmative vote or proceeding related thereto, any payment or application of any money or other property belonging

to, or under the control of such committee to any purpose contrary to the provisions of this Act or Rules or Bye-laws made thereunder or has caused any deficiency or loss by gross negligence or misconduct or has misappropriated or fraudulently retained any money or other property belonging to the Market Committee , the Director/Managing Director may, on his own motion or on the application of the Market Committee , enquire himself or direct any officer subordinate to him duly authorised by him by an order in writing in this behalf to enquire into the conduct of such person within two years of the date of report of audit, enquiry or inspection as the case may be.

- (2) If on enquiry made under sub-section (1), the Director/ Managing Director is satisfied that there are good grounds for an order thereunder, he may make an order requiring such person, or in the case of a deceased person, his legal representative who inherits his estate, to repay or restore the money or property and any part thereof, with interest at such rate, or to pay contribution and costs or compensation to such extent as he may consider just and equitable:

Provided that no order under this sub-section shall be made unless the person concerned has been given a reasonable opportunity of being heard in the matter.

Provided further that the liability of a legal representative of the deceased shall be to the extent of the property of the deceased which is inherited by such legal representative.

- (3) Any person aggrieved by an order made under sub-section (2) may, within thirty days from the date of communication of the order to him, appeal to the Government/ Administration and the Order of the

latter shall be final and binding:

Provided that in computing the period of limitation the time required for obtaining a copy of the order appealed against shall be excluded.

- (4) No order passed under sub-section (2) or sub-section (3) shall be called in question in any court of Law.
- (5) Any order made under sub-section (2) or sub-section(3) shall, on the application of the Director/ Managing Director , be-enforced by any Civil Court having local jurisdiction in the same manner as if it were a decree of such court, or any sum directed to be paid by such Order may be recovered as arrears of land revenue.

Power of the Government/Administration to amend schedule.

- 127.** The Government/ Administration may, by notification, add to or amend or delete any of the items of agricultural produce specified in the schedule and thereupon the schedule shall be deemed to have been amended accordingly:

Provided that no notification shall be issued under this section without publishing in the Gazette previous notice of not less than 30 days as the Government /Administration may consider reasonable of its intention to issue such notification.

Power of the Government/Administration to give direction.

- 128.(1)** The Government/ Administration may give directions to the Board and Market Committees.
- (2) The Board and the Market Committees shall be bound to comply with the directions issued by the Government / Administration under sub-section (1).

Recovery of sums due to Board/Market Committee.

- 129.** Any sum due to a Market Committee or the Board on account of any charge, costs, expenses, fees, rent and any other account under the provision of this Act or any Rule or Bye-laws made thereunder shall be

recoverable in the same manner as arrears of land revenue.

- Chairperson, Vice-Chairperson, Members, Officer and Servant etc. of Market Committee & Board to be public servant.**
- 130.** The Chairperson, the Vice-Chairperson , the Members, Secretary, other Officers and servants of a Market Committee and the Chairperson, Vice-Chairperson , the Members, the Officers and other servants of the Board shall be deemed to be public servants within the meaning of Section 21 of the Indian Penal Code, 1860 (No. 45 of 1860).
- Delegation of power by Government/Administration.**
- 131.** The Government/Administration may delegate to the any Officer of the Government /Administration not below the rank of Director, any of the powers conferred on it by or under the Act other than the powers to make Rules under Section 136.
- The officer so delegated under this section may sub-delegate any of his powers to any Officer of the Government/Administration not below the rank of Deputy Director in the State/UT or Under Secretary to the Government of India .
- Bar to civil suit & protection to person acting in good faith.**
- 132.** No suit, prosecution or legal proceedings in respect of anything done in good faith or intended to be done under this Act or Rule or Bye-laws made thereunder, shall lie against the Director/ Managing Director or Officer of the Government/Administration or against the Board or any Market Committee or against any officer or servant of the Board or any Market Committee or against any person acting under and in accordance with the directions of the Director/ Managing Director , such officer, or such committee.
- Bar to suit in absence of notice.**
- 133.** Notwithstanding anything contained in any section of any Act, no suit shall be instituted against the Board or any Market Committee , until the expiration of two months next after notice in writing stating the cause of action, name and place of abode of the intending

plaintiff. Every such suit shall be dismissed unless it is instituted within six months from the date of the accrual of alleged cause or action.

Duty to Local Authority to give information and assistance.

134. It shall be the duty of every Local Authority to give all the necessary information in the possession of or under the control of its officers to the Market Committee or its officers authorized in that behalf, relating to the movement of notified agricultural produce into and out of the area of the local authority, free of any charges.

It shall also be the duty of every Local Authority and its officers and staff concerned with the collection of octroi to give all the possible assistance to any officer of the Market Committee in exercising his powers and discharging his duties under this Act.

Act not to be invalidated by informality, vacancy etc.

135. No act done or proceeding taken under this Act by the Board, by a Market Committee or a sub-committee appointed by the Board shall be invalidated merely on the ground of-

(a) any vacancy or defect in the constitution of Board or sub-committee; or

(b) any defect or irregularity in the appointment of a person acting as a member thereof; or

(c) any defect or irregularity in such Act or proceeding, not affecting the substance.

CHAPTER-XIII

RULES AND BYE-LAWS

Power to make Rules.

136. (1) The Government/Administration may, after previous publication, make Rules for carrying out the

purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such Rules may provide for-

(i) declaration of “special commodity market yard(s) and Market yard (s) of National Importance (MNI) based on annual throughput & income and infrastructure under Section 8 & 9 respectively and constitution of Market Committee therefor ;

(ii) classification of Market Committee based on annual throughput & income and infrastructure under Section 14 (4);

(iii) procedure for constitution of the first Market Committee and subsequent Market Committee including qualifications of representatives under Section 17(1) ;

(iv) election for Chairperson, Vice-Chairperson, agriculturist Members and other Members of the Market Committee and reservation of seats therefor;

(v) meeting of Market Committee, leave of Chairperson & Vice-Chairperson, quorum and powers and duties of Market Committee;

(vi) appointment of sub-committee and delegation of powers under Section 42; mode of making contract under Section 48 and appointment of Secretary of Market Committee under Section 50;

(vii) the periodical inspection of all weights and measures and the weighing and measuring instruments in use in a market yards;

(viii) powers, functions and duties of the Secretary of Market Committee under Section 51, appointment of Accountant and Staff of Market Committee, their pay, allowances and pension

etc.;

- (ix) fixation of quantity of sale under clause (i) of Section 64 (2);
- (x) the procedure for recovery of market fees, fine for evasion of market fees and manner for assessment of market fees in default of furnishing return;
- (xi) procedure for grant/renewal and suspension/cancellation of licence to market functionaries , other than trader, under Section 69;
- (xii) procedure for grant/renewal and suspension/ cancellation of unified single trading licence under Sections 70 & 71;
- (xiii) procedure for allowing unified single trading licence for inter-state trade under Section 72 and its blacklisting ;
- (xiv) procedure for grant/renewal of licences to set up private market yard , farmer-consumer market yard , market sub-yard, electronic trading platform and for direct marketing and suspension/cancellation thereof ;
- (xv) procedure and condition for registration of wholesale ad-hoc buyers;
- (xvi) procedure and terms and conditions for declaring warehouse/silos/ cold storage or other such structure or space as market sub-yard ;
- (xvii) the provisions for the persons by which and the forms in which copies of documents and entries in the books of the Market Committee may be certified and the charge to be levied for the supply of such copies;
- (xviii) the trade allowance which may be made or received by any person in any transaction in the

notified agricultural produce in a market yard;

(xix) manner of dispute settlement between/among the licensees and between/among the licensees and Market Committee ;

(xx) facilities for the settlement of any dispute between a buyer and seller of notified agricultural produce or their agents including disputes regarding the quality or weight of the articles, payment in respect of the price of goods sold and the allowances for wrapping, containers, dirt or impurities or deductions for any cause by mediation, arbitration or otherwise;

(xxi) the preparation of plans and estimates for works proposed to be constructed partly or wholly at the expense of the Market Committee , and the grant of sanction to such plans and estimates;

(xxii) the form in which the accounts of a Market Committee shall be kept, the audit and publication of such audit and the inspection of audit memoranda of the account and supply of such memoranda;

(xxiii) the preparation and submission for sanction of the annual budget and the report and returns to be furnished by a Market Committee and issues related to maintenance of accounts of Board under Section 97 (2 (v));

(xxiv) the time during which and the manner in which a trader or commission agent shall furnish such returns to a Market Committee as may be required by it;

(xxv) procedure for setting up of assaying labs including in private sector and promotion of quality certification system. Constitution of committee with technical member of Directorate of Marketing & Inspection to promote quality certification system;

- (xxvi) provide necessary infrastructure and logistic support for e-trading platform;
- (xxvii) the keeping of records of arrivals and prices of agricultural produce by Market Committee and other licensees;
- (xxviii) the manner in which auctions of agricultural produce including e-auction shall be conducted and bids made and accepted;
- (xxix) the recovery and disposal of fees leviable by or under this Act;
- (xxx) compounding of offences and fixing compensation thereof under this Act or Rules or Bye-laws made thereunder;
- (xxxi) manner of constitution of State Agricultural Marketing Services;
- (xxxii) recruitment, qualification, appointment, promotion, scale of pay, leave, leave allowance, acting allowance, loans, pension, gratuity, annuity, compassionate Fund, dismissal, removal, conduct, departmental punishment, appeals and other service conditions of the members of the State Agricultural Marketing service;
- (xxxiii) limits of honorarium, travelling allowance, sitting fees and any other payments payable to the Chairperson, Vice-Chairperson and Members for attending the meetings, etc.;
- (xxxiv) manner of investment of surplus in the Market Committee Fund;
- (xxxv) manner and terms & conditions of contribution by licensee of private market yard, market sub-yard, electronic trading platform and direct marketing to Marketing Development Fund and expenditure

thereof;

(xxxvi) procedure for framing of Bye-laws, their amendments or cancellation and for their previous and final publication;

(xxxvii) term of the office of the Chairman, Vice-chairman and members of the Board;

(xxxviii) the powers to be exercised by the Chairman and Vice-chairman and the Chief Executive of the Board;

(xxxix) all matters required to be prescribed by Rules under this Act;

(xl) mode of service of notice under this Act;

(xli) generally for the guidance of Market Committee .

(3) In making any Rule, the Government/Administration may direct that breach thereof shall be punishable with fine which may extend to two thousand rupees.

(4) Every Rule made under this Act Shall be laid on the table of the Legislative Assembly.

Power to make Bye-laws.

137. (1)

Subject to the provisions of this Act and the Rules made thereunder, a Market Committee may, in respect of a principal market yard and sub-market yard under its management, make Bye-laws for—

(i) the regulation of business of the Market Committee;

(ii) the condition of trading in a principal market yard and sub-market yard ;

(iii) delegation of powers, duties and functions to the officers and servants, appointment; pay, punishment, pensions, gratuities, leave, leave allowances,

contributions by them to any provident Fund which may be established for the benefit of such officers and servants and other conditions of service;

(iv) the delegation of powers, duties and functions to a sub-committee, if any;

(v) market functionaries, other than traders, who shall be required to take licence;

(vi) enabling and regulating provisions relating to e-trading and activities and services incidental thereto ;

(vii) any other matters for which Bye-laws are to be made under this Act or it may be necessary to frame Bye-laws for effectively implementing the provisions of this Act and the Rules made thereunder.

(2) No Bye-laws under sub-section (1) shall take effect until it has been confirmed by the Director.

(3) In making any Bye-laws, the Market Committee may direct that a breach thereof shall be punishable with fine which may extend to two thousand rupees and where the breach is a continuing one with further fine which may extend to two hundred rupee for everyday after first during which the breach is provided to have been persisted in.

CHAPTER-IXV

REPEAL AND SAVINGS

Repeal and savings. 138. (1) The _____ State/UT Agricultural Produce Marketing (Regulation) Act _____ are hereby repealed.

(2) Notwithstanding such repeal—

(i) The repeal shall not affect the previous operation of any enactment so repealed, and anything done or action taken (including any appointment, delegation or declaration made, notification, under Rule, direction or notice issued, Bye-laws framed, market area, markets, sub-markets and yards declared, established or notified, licences granted, fees levied and collected, instruments executed, any Fund established or constituted) by or under the provisions of any such enactment shall in so far as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the corresponding provisions of this Act and shall continue in force unless and until superseded by anything done or any action taken under this Act;

(ii) The Government/Administration may, by notification, make such provisions as appears to it to be necessary or expedient-

(a) for making omission from, addition to and adaptations and modifications of the Rules, notifications and orders issued under the repealed enactment; and

(b) for specifying the authority, officer or person who shall be competent to exercise such functions exercisable under any of the repealed enactment or any Rules, notifications and orders issued thereunder as may be mentioned in the said notification.

(iii) Unless the Government/Administration otherwise directs, the Market Committee referred to in clause (i) and the Chairperson, Vice-chairperson and members thereof shall continue until the expiry of their term under the repealed Act or till a Market Committee is constituted in accordance with the provisions of this Act, whichever is earlier.

(iv) On issue of a direction under clause (ii) of sub-

section (2), the provisions of Section shall apply as from the date specified in the direction as if the Market Committee stood dissolved on that date.

Power to remove difficulty.

139.

If any difficulty arises in implementation of any provisions of this Act, Government/ Administration may, as exigency requires, by order not inconsistent with the provisions of this Act, do anything which appears to it to be necessary or expedient for the purpose of removing the difficulty.