

Agricultural Produce Market Committee (APMC)

Agricultural Produce Market Committees (APMC) are the marketing boards established by the state governments in order to eliminate the exploitation incidences of the farmers by the intermediaries, where they are forced to sell their produce at extremely low prices.

All the food produce must be brought to the market and sales are made through auction. The market place i.e, Mandi is set up in various places within the states. These markets geographically divide the state. Licenses are issued to the traders to operate within a market. The mall owners, wholesale traders, retail traders are not given permission to purchase the produce from the farmers directly.

What is APMC?

- Agricultural Produce Market Committee (APMC) is a system operating under the State Government since agricultural marketing is a State subject.
- The APMC has Yards/Mandis in the market area that regulates the notified agricultural produce and livestock.
- The introduction of APMC was to limit the occurrence of Distress Sale by the farmers under the pressure and exploitation of creditors and other intermediaries.
- APMC ensures worthy prices and timely payments to the farmers for their produce.
- APMC is also responsible for the regulation of agricultural trading practices. This results in multiple benefits like:
 - Needless intermediaries are eliminated
 - Improved market efficiency through a decrease in market charges
 - The producer-seller interest is well protected

e-NAM & APMC

The [National Agriculture Market \(NAM\)](#) is a pan-India electronic trading portal, which links the existing Agricultural Produce Market Committee (APMC) mandis across the country to form a unified national market for agricultural commodities.

The [e-NAM](#) portal is a single-window service for any information and services related to APMC that includes:

- Commodity arrivals and prices
- Buy and sell trade offers
- Provision to respond to trade offers, among other services

The NAM reduces the transaction costs and information irregularity even when the agriculture produce continues to flow through the mandis.

The states can administer agriculture marketing as per their agri-marketing regulations, under which, the State is divided into various market areas and each market area is administered by a separate APMC which will impose its own marketing regulation that includes fees.

Model APMC Act of 2003

The Government of India designed a model Agricultural Produce Market Committee (APMC) Act in 2003 as a first attempt to bring reforms in the agricultural markets.

Provisions under this act were:

- New market channels other than APMC markets
- Private wholesale markets
- Direct purchase
- A contract for buyers and farmers

The Market Committees under the APMC Act, 2003 were responsible for:

- Ensuring transparency in the transactions and pricing system of the market area
- Providing market-led extension services to farmers
- Ensuring that farmers are paid for the produce sold on the same day
- Promoting agricultural processing that will increase the value of the produce
- Making the availability and dates public on which the agricultural produce is brought to the market
- Promoting and establishing public-private partnerships (PPP) in these markets.

Click on the link to read more about [Issues related to Indian Agricultural Sector](#).

UPSC Questions related to Agricultural Produce Market Committee (APMC)

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What are APMC and eNAM?

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How APMCs get benefitted from eNAM?

Benefits from eNAM for an APMC are:

1. Free Software for System integration/ Automation of recording transactions
2. Complete information on trade
3. Real-time arrival recording
4. Analyze price trends, arrival and trading activities
5. Automated record of financial information

Reduction in manpower requirement

Related Links:

[Does India's Agriculture Policy need a Rereook](#)

[National Bank for Agriculture and Rural Development \(NABARD\)](#)

[IAS SUCCESS STORIES](#)

[Farm Loan Waiver](#)

[Pradhan Mantri Fasal Bima Yojana \(PMFBY\)](#)

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