

## **Frequently Asked Questions (FAQs)**

**relating to**

**The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020**

### **A. The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020:**

- 1. Question: A farmer' SHG promoted and sponsored by any Government of India undertaking such as NABARD is considered as FPO or not?**

**Reply:** Farmers SHGs promoted by NABARD or central government organizations are considered as FPOs, provided they are promoted under a scheme or programme sponsored by Central or State Governments.

- 2. Questions: Under new ordinance, whether the farmer has to register anywhere for selling his produce?**

**Reply:** No

- 3. Question: Who can buy the produce?**

**Reply:** Any trader with a PAN card can buy the farmers' produce in trade area. The trader includes processor, exporter, wholesaler, miller, and retailer.

- 4. Question: What are the benefits obtainable by the farmer through this ordinance?**

**Reply:** The ordinance provides an opportunity to farmers and traders alike to enjoy the freedom of choices relating to sale and purchase of farmers produce. It facilitates an alternative trading channel which promotes competition and thereby remunerative prices to farmers. Reduced transport cost, no commission payment, reduced transaction cost, and access to a large number of buyers are the benefits offered to farmers.

- 5. Question: What are the benefits offered to Trader?**

**Reply:** Trader will have access to a large number of sellers, be it inter-State or intra-State. A trader can have access to prospective buyers like processor, miller, exporter, bulk buyers, retailer, and wholesalers with no fee/levy/user charge for the trade.

- 6. Question: Whether a trader can operate in APMC yard and trade area?**

**Reply:** Yes, Any trader can operate in both APMC and trade area depending on his choice. For trading in APMC, the trader should have a valid licence/registration as provided in the State APMC Act.

- 7. Question: What is the method of trade and commerce of scheduled farmers' produce?**

**Reply:** Trade can be done through electronic platform or through physical trade in the trade area including farm-gate and FPO premises.

**8. Question: Whether FPOs/Agriculture Cooperative Society can act as a trader?**

**Reply:** Yes.

**9. Question: What are the benefits to FPOs/Agriculture Cooperative Societies?**

**Reply:** The FPOs/Agriculture Cooperative Societies can buy across Trade Area throughout India. In addition, FPOs can sell their produce like farmers in trade area.

**10. Question: Whether FPOs can create their own electronic platform?**

**Reply:** Yes.

**11. Question: Is there any restriction and payment of market fee/cess/levy for entry of scheduled farmers' produce from trade area of one State to trade area of another State directly by farmers?**

**Reply:** No.

**12. Question: Who will be point of contact in case any dispute arises in the trade area between farmer and trader?**

**Reply:** Sub Divisional Magistrate of jurisdiction for trade area of transaction.

**13. Question: In case, a farmer sells in Thanjavur, Tamil Nadu, purchased by trader in Lucknow, Uttar Pradesh, where to file a complaint in case a dispute arises between farmer and trader?**

**Reply:** Thanjavur, Tamil Nadu.

**14. Question: Whether farmers need to register for inter-State trade or Intra-State trade?**

**Reply:** No.

**15. Question: Whether farmers, FPOs/FPCs, and Cooperative societies need Pan Card or any other document for trade and commerce for farmers' produce in trade area?**

**Reply:** No.

**16. Question: Whether farmer/seller needs to pay commission to anybody?**

**Reply:** No commission needs to be paid for trade and commerce of farmers' produce by farmers in the trade area.

**17. Question: Who can establish electronic trade and transaction platform in trade area?**

**Reply:** Any person ( partnership firm, a company , a limited liability partnership, a cooperative society, a society or any association or body of association duly incorporated or recognized as a group under any ongoing programmes of the central government or state governments) other than an Individual can establish, manage and operate electronic trade and transaction platform.

**18. Question: What is the requirement to establish and operate an electronic trading and transaction platform?**

**Reply:** Person (as mentioned above) establishing and operating an electronic trading and transaction platform shall prepare and implement the guidelines for fair trade practices such as mode of trading, fees, technical parameters including interoperability with other platforms, logistics arrangements, quality assessment, timely payment, dissemination of guidelines in local language of the place of operation of the platform etc.

**19. Question: Is any licence from any authority at this moment required for establishing electronic trade and transaction platform in trade area?**

**Reply:** Not required under this Ordinance

**20. Question: Which is the authority to impose penalty on person who has established and operating electronic trade and transaction platform for contravention of related provisions of Ordinance?**

**Reply:** It is Agriculture Marketing Adviser, Directorate of Marketing and Inspection, Govt. of India.

**21. Question: Can Conciliation Board impose a penalty?**

**Reply:** No. It will amicably resolve the dispute between farmer and trader.

**22. Question: How much penalty Sub-Divisional Authority can impose?**

**Reply:** Sub-Divisional Authority can impose penalty which shall be not less than twenty five thousand rupees but which may extend to five lakh rupees , and where the contravention is continuing one , further penalty not exceeding five thousand rupees for each day after the first day during which the contravention continues.

**23. Question: Whether farmers/traders can nominate relatives for representing in Conciliation Board which will look into the dispute?**

**Reply:** Yes, the farmer/producer or trader can nominate a person of their choice.

**24. Question: Whether farmer/seller and trader can approach the civil court regarding dispute in Trade and Commerce?**

**Reply:** No, The dispute settlement mechanism provided in the ordinance is to approach SDM for settlement and finally Collector/Additional Collector as Appellate Authority.

**25. Question: Whether APMCs can collect any fees from the Producer, seller and buyer for trade in trade area?**

**Reply:** No. Authority under State APMC Act is restricted to market yard/sub-yard/Market Sub-Yard/Direct Marketing Collection Centres/Deemed Markets as notified/licensed under State APMC Act

**26. Question: Whether the ordinance provisions are applicable to stock exchange and clearing corporation?**

**Reply:** No

**27. Question: Has the proposal to have the State level authorities for implementation of model APMCs been dropped?**

**Reply:** State level authorities will continue to implement the respective APMC Acts and improve the marketing facilities and marketing systems in markets notified under APMC Acts. While for developing “One Nation One Market” barrier free transaction, movement of goods, immediate payment to farmers and accessible, quick and cost effective dispute settlement mechanism, inter-state and intra-state trade through trade area are to be facilitated under this ordinance.

**28. Question: The ordinance says that a trader has to necessarily make payment to the farmer in such out-of-mandi/trade area transaction within three days of delivery of goods.**

**Reply:** Payment is to be made on the same day to the farmer or within maximum three days if procedurally so required. The three days are provided as in some of the transactions which takes place in the evening and online payment is not possible on the same day. Therefore, this mechanism has been provided.

**29. Question: How to settle quality related disputes?**

**Reply:** Dispute between farmer and trader in trade area pertaining to quality of produce traded will be handled as prescribed in Ordinance through Conciliation Board, SDM etc.

**30. If part payment is made, part is delayed... or not given after taking delivery, what are the settlement options?**

**Reply:** Dispute redressal mechanism starting from Conciliation Board to District Collector is available to settle these issues in the Ordinance for trade in trade area.