

# Open Trade in Farm Produce, Role of E-Trading Platforms

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# Themes

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- The Farmers Produce Trade and Commerce(Promotion and Facilitation) Ordinance, 2020.
- Electronic Trading Platforms.
- Financing facility of 1 lakh crore under 'Agri Infra Fund'.
- New Scheme for FPO promotion.
- Digital and Smart Farming Initiatives.

# Trade and Commerce Ordinance.

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- Farmers Produce includes:
  - Foodstuffs : cereals, pulses, oilseeds, fruits & vegetables
    - Fruits, nuts, spices and sugarcane
    - Products of piggery, goatery fishery, poultry & dairy
  - Cattle fodder including oil cakes and other concentrates
  - Raw Cotton, cotton seeds and raw jute.

# Trade and Commerce Ordinance.

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- Freedom to farmers and traders for sale and purchase of Farmers Produce.
- Remunerative Prices of farmers produce through competitive alternative trading channels.
- Barrier free intra state and inter state trade.
- Regulations of APMC limited to physical boundaries of notified yards.
- Facilitative framework for electronic trading.
- New players can enter the market without any licensing.

# Trade and Commerce Ordinance.

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- All farmers produce covered whether notified or not.
- Wider definition of 'person' to include all collectives like FPOs, Cooperatives, Groups formed under any scheme.
- Concept of 'Trade Area' introduced to include farm gate, factory premises, warehouses, silos, cold storages any other structure or place.
- Physical boundary of APMC Act notified market yard, private market yard, sub yard etc. are excluded from 'Trade Area'.

# Trade and Commerce Ordinance.

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- Trader only requires PAN number to be eligible.
- Electronic Trading Platform may be set up by a body corporate or farmers collective for delivery based trade.
- No fee or cess for trade in 'Trade Area'
- Market intelligence and price dissemination platform may be set up by Central Government.

# Trade and Commerce Ordinance.

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- Payment to farmer maximum within 3 days of delivery.
- Procedure and norms for e-registration may be prescribed.
- Conciliation and dispute resolution mechanism provided for.
- No provision of imposing criminal liability.
- Provision for pecuniary penalties.
- Rule making power with the Central Government.

# Electronic Trading Platform

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- Platform set up to facilitate direct and online trade of farmers produce.
- Network of electronic devices and internet applications.
- Facilitation of transactions resulting in physical delivery only.
- Any person other than individual having PAN may set up such platform including FPOs and Cooperatives.



# Electronic Trading Platform

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- Such platform to prepare and implement guidelines for fair trade practices:
  - Mode of trading
  - Fees
  - Technical parameters including interoperability
  - Logistics arrangements
  - Quality assessment
  - Timely payment

# Electronic Trading Platform

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- Central Government may specify registration.
- Code of conduct, technical parameters and other guidelines may also be specified.
- Information regarding trades will have to be provided, if so required
- Regulator at the Central level or State level if so decided empowered to decide in case of contravention.
- Suspension of operation or penalty upto Rs. 10 lakhs.

# Agri Infra Fund

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- Financing facility of Rs. 1 lakh crore for investment over a four year period.
- Funding for PACs, Marketing Cooperatives, FPOs, Agri entrepreneurs, start ups and agri tech players.
- Projects for PHM infra including cold chains, e-marketing points etc. and community farming assets including smart agriculture are eligible.
- Interest subvention and credit guarantee to be provided.

# Agri Infra Fund

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- NABARD to provide refinancing facility for lending entities in case they require.
- Scheduled commercial banks, cooperative banks, NCDC, NBFCs can participate for lending.
- Convergence with other government schemes allowed.
- Interest subvention for a period of 7 years.
- PMU and hand holding structure to be provided.
- Moratorium of loan repayment to be minimum 6 months may extend upto 2 years.

# Franchisee Model

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- E-Trading platforms may leverage this scheme to build a franchisee model for E-Marketing points.
- A PHM center can also provide linkage to market through E-trading platform dealing with a particular farm produce.
- Selection of promoter and project preparation of such marketing nodes can be done by such platforms.

# FPO Promotion Scheme

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- Promotion of new FPOs on one district one product concept.
- Equity grant upto Rs. 15 lakh.
- Management grant upto Rs. 18 lakh for a period of 3 years.
- Credit guarantee facility for loans upto Rs. 2 crores.
- Minimum membership of 300 in plains and 100 in hill states.

# FPO Promotion Scheme

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- Monitoring and hand holding support through SFAC, NCDC and NABARD.
- National Project Management Agency to be set up.
- Cluster Based Business Organizations to be engaged for formation and hand holding of FPOs.
- Capacity building and hand holding support for 5 years.
- National fund sanctioning committee, State and District level monitoring committees set up.

# Digital and Smart Agriculture

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- Leveraging of PM KISAN data base to set up comprehensive and dynamic Farmers Data Base.
- Linkage to states land records and land holding GIS data.
- Enabling a Digital Agri Stack built on the foundation of Farmers Data Base.
- Data standardization for onboarding information from satellite imagery, IOT devices and data bases both in private and public domain.



# Digital and Smart Agriculture

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- Digital Agri Stack to be in public domain for private and public agencies to build digital and advisory services for farmers.
- Services based on AI and block chain.
- Services like DBT, accurate weather and crop advisories , optimization of inputs, setting up of efficient supply chains, yield estimation etc.
- A model for monetization of data on Agri Stack may be built in to ensure sustainability.

Thank you

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