

**L. A. BILL No. XVIII OF 2021.**

**A BILL**

*to amend the Farmers' Produce Trade and Commerce  
(Promotion and Facilitation) Act, 2020, in its  
application to the State of Maharashtra.*

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21 of 2020. WHEREAS it is expedient to amend the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020, in its application to the State of Maharashtra, for the purposes hereinafter appearing; it is hereby enacted in the Seventy-second Year of the Republic of India as follows:—

10 1. (1) This Act may be called the Farmers' Produce Trade and Commerce (Promotion and Facilitation) (Maharashtra Amendment) Act, 2021.

Short title,  
extent and  
commencement.

(2) It shall extend to the whole of the State of Maharashtra.

(3) It shall come into force on such date, as the State Government may, by notification in the *Official Gazette*, appoint.

Amendment of section 1 of Act 21 of 2020. **2.** In section 1 of the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020, in its application to the State of Maharashtra (hereinafter referred to as "the principal Act"), for sub-section (2), the following sub-section shall be substituted, namely :—

"(2) It shall come into force on such date as the State Government may, by notification in the *Official Gazette*, appoint."

Amendment of section 2 of Act 21 of 2020. **3.** In section 2 of the principal Act,—

(1) before clause (a), the following clauses shall be added, namely:—

"(1a) "Appellate Authority" means the Appellate Authority appointed under sub-section (4) of section 8; 10

(2a) "Competent Authority" means the Competent Authority specified in sub-section (1A) of section 4;";

(2) after clause (f), the following clause shall be inserted, namely:—

"(f-1) "Maharashtra APMC Act" means the Maharashtra Agricultural Produce Marketing (Development and Regulation) Act, 1963;"; 15 Mah. XX of 1964.

(3) for clause (i), the following clause shall be substituted, namely:—

"(i) "prescribed" means prescribed by rules made by the State Government under this Act;".

Amendment of section 4 of Act 21 of 2020. **4.** In section 4 of the principal Act, for sub-section (1), the following sub-sections shall be substituted, namely:— 20

"(1) Any trader may, engage in the inter-State trade or intra-State trade of scheduled farmers' produce with a farmer or another trader, in a trade area.

(1A) Notwithstanding anything contained in the Act, no trader shall trade in any scheduled farmers' produce unless such trader has a valid license granted by the Competent Authority, as may be prescribed : 25

Provided that, marketing of agricultural produce specified in all the entries of items VII-Fruits, VIII - vegetables and entries (2), (3), (4) and (5) of item X - Condiments, spices and others of the Schedule appended to the Maharashtra APMC Act, by any person outside the market established under section 5 of the Maharashtra APMC Act, except as provided in section 5D of the said, Act, shall not require any license or permission, and shall not be regulated under this section. 30

(1B) The manner of making application and granting of license under sub-section (1A) shall be such, as may be prescribed." 35

5. For section 8 of the principal Act, the following section shall be substituted, namely:—

Substitution of section 8 of Act 21 of 2020.

Dispute resolution mechanism.

“8. (1) In case of any dispute arising out of a transaction between the farmer and a trader under section 4, the parties may seek the solution by filing an application to the Competent Authority.

(2) The Competent Authority on its own motion or on an application from the farmer or on the reference from any Government agency, take cognizance of any contravention of the provisions of section 4 or rules made thereunder and take action under sub-section (3).

(3) The Competent Authority shall decide the dispute or contravention under this section in a summary manner within thirty days from the date of its filing and after giving the parties an opportunity of being heard, he may,—

(a) pass an order for the recovery of the amount under dispute; or

(b) impose a penalty as stipulated in sub-section (1) of section 11; or

(c) pass an order for restraining the trader in dispute from undertaking any trade and commerce of scheduled farmers' produce, directly or indirectly under this Act, for such period, as it may deem fit.

(4) Any party aggrieved by the order of the Competent Authority may, prefer an appeal before the Appellate Authority, as may be prescribed, within thirty days of such order, who shall dispose of the appeal within thirty days from the date of filing of such appeal.

(5) Every order of the Appellate Authority under this section shall have force of the decree of a civil court and shall be enforceable as such, and decretal amount shall be recovered as arrears of land revenue.

(6) The manner and procedure for filing of an application before the Competent Authority and appeal before the Appellate Authority shall be such, as may be prescribed.”

6. After section 16 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 16A in Act 21 of 2020.

“16A. Notwithstanding anything contained in any other law for the time being in force, if any trader causes harassment to the farmer, such trader shall be guilty of an offence of harassment to the farmer and shall be punishable with imprisonment for a term which shall not be less than three years or fine of not less than five lakh rupees, or with both.

Punishment for harassment to farmer.

*Explanation.*— For the purpose of this section, an offence of harassment shall be treated to be committed where the trader does not make the payment to the farmer in accordance with the terms of the agreement or within seven days from the date of receipt of delivery of goods, whichever is earlier.” 5

Insertion of  
new section  
18A in Act 21  
of 2020.

7. After section 18 of the principal Act, the following section shall be inserted, namely:—

Power to  
make rules.

“18A. (1) The State Government may, by notification in the *Official Gazette*, make rules to carry out the purposes of this Act.

(2) Every rule made under this Act shall be laid, as soon as may be, 10 after it is made, before each House of the State Legislature, while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or 15 both Houses agree that the rule should not be made, and notify such decision in the *Official Gazette*, the rule shall, from the date of such notification, have effect only in such modified form or be of no effect, as the case may be; so, however that, any such modification or annulment shall be without prejudice to the validity of anything 20 previously done or omitted to be done under that rule.”.

Power to  
remove  
difficulties.

8. (1) If any difficulty arises in giving effect to the provisions of this Act, the State Government may, as occasion arises, by an order published in the *Official Gazette*, do anything not inconsistent with the provisions of this Act, which appears to it to be necessary or expedient for the purposes of removing 25 the difficulty :

Provided that, no such order shall be made after the expiry of the period of two years from the date of commencement of this Act.

(2) Every order made under sub-section (1) shall be laid, as soon as may be, after it is made, before each House of the State Legislature. 30

## STATEMENT OF OBJECTS AND REASONS

The Parliament has enacted the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020 (Central Act No. 21 of 2020) (hereinafter referred to as "the Central Act"), to provide for the creation of an ecosystem where the farmers and traders enjoy the freedom of choice relating to sale and purchase of farmers' produce which facilitates remunerative prices through competitive alternative trading channels; to promote efficient, transparent and barrier-free inter State and intra-State trade and commerce of farmers' produce outside the physical premises of markets or deemed markets notified under various State agricultural produce market legislations; to provide a facilitative framework for electronic trading.

2. In the Central Act, for trading in the trade area, the condition is, the trader has a permanent account number. There is no provision of license for trading in the trade area. There will be no any control over the trader in case of default in payment of amount of agricultural product to the farmer. Section 8 provides dispute resolution mechanism for farmers. In the said section, Sub-Divisional Magistrate is the Competent Authority and Collector is Appellate Authority to resolve the dispute between the farmer and trader. Considering the work load on the Revenue Authorities such as Sub-Divisional Magistrate and Collector, it may not be possible for them, to give sufficient time to resolve the disputes between farmers and traders within stipulated time.

3. To assure that the farmer should get the price of his agricultural produce within time and to protect the interest of the farmers effectively, the Government of Maharashtra considers it expedient to amend the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020, in its application to the State of Maharashtra. The following amendments are proposed in the Bill, —

(a) in section 4, in sub-section (1A), it is proposed that, no trader shall trade in any scheduled farmers' produce unless such trader has a valid license of a Competent Authority;

(b) no license or permission is required for marketing of agricultural produce specified in all the entries of items VII-Fruits, VIII - vegetables and entries (2), (3), (4) and (5) of item X - Condiments, spices and others of the Schedule appended to the Maharashtra APMC Act by any person outside the market established under section 5 of the Maharashtra APMC Act, except as provided in section 5D of the said Act;

(c) in case of any dispute arising out of a transaction between the farmer and a trader under section 4, the parties may seek the solution by filing

an application to the Competent Authority and appeal against the order of Competent Authority to the Appellate Authority;

(d) provision for punishment of imprisonment of not less than three years and fine of not less than five lakh rupees, or with both for harassment to farmer is also made;

(e) provision for power of State Government to make rules is also made.

4. The Bill is intended to achieve the above objectives.

Mumbai,

Dated the 6th July 2021.

BALASAHEB PATIL,  
Minister for Marketing.

## MEMORANDUM REGARDING DELEGATED LEGISLATION

The Bill involves the following proposals for delegation of legislative power, namely:—

*Clause 1(3).*— Under this clause, power is taken to the State Government to bring into force the provisions of the Act, on such date, as the State Government may, by notification in the *Official Gazette*, appoint.

*Clause 2.*— Under this clause, power is taken to the State Government, to bring into force the provisions of the Farmer's Produce Trade and Commerce (Promotion and Facilitation) Act, 2020, on such date, as the State Government may, by notification in the *Official Gazette*, appoint.

*Clause 4.*— Under this clause, which seeks to substitute sub-section (1) of section 4 of the principal Act,—

(a) in sub-section (1A), power is taken to the State Government to prescribe the Competent Authority for the purposes of the Act ;

(b) in sub-section (1B), power is taken to the State Government to prescribe the manner of making application and granting license under sub-section (1A).

*Clause 5.*— Under this clause, which seeks to substitute section 8 of the principal Act,—

(a) in sub-section (4), power is taken to the State Government to prescribe the Appellate Authority to prefer an appeal against the order of the Competent Authority ;

(b) in sub-section (6), power is taken to the State Government to prescribe the manner and the procedure for filing an application before the Competent Authority and appeal before the Appellate Authority.

*Clause 7.*— Under this clause, which seeks to insert section 18A in the principal Act in sub-section (1), power is taken to the State Government, to make rules, by notification in the *Official Gazette*, to carry out the purposes of the said Act.

*Clause 8(1).*— Under this clause, power is taken to the State Government to issue an order in the *Official Gazette*, for removing any difficulty which may arise in giving effect to the provisions of the Act.

2. The above-mentioned proposals for delegation of legislative power are of normal character.

**ANNEXURE TO THE L.A. BILL No. XVIII OF 2021.— THE FARMERS  
PRODUCE TRADE AND COMMERCE (PROMOTION AND  
FACILITATION) (MAHARASHTRA AMENDMENT) BILL 2021.**

**[ Extracts from the Farmers produce Trade and Commerce  
(Promotion and Facilitation) Act, 2020.]**

**( XXI of 2020 )**

**1. (1)** \* \* \* \* \* **Definitions**

(2) It shall be deemed to have come into force on the 5th day of June, 2020.

**2.** In this Act, unless the context otherwise requires.—

**(a) to (h)** \* \* \* \*

(i) "prescribed" means prescribed by the rules made by the Central Government under this Act.

**(j) to (n)** \* \* \* \*

**3.** \* \* \* \*

**4. (1)** Any trade may engage in the inter-State trade or intra-State trade of scheduled farmers produce with a farmer or another trade in a trade area :

**Trade and  
commerce of  
scheduled  
farmers  
produce.**

Provided that no trader, except the farmer producer organisations or agricultural co-operative society, shall trade in any scheduled farmers produce unless such a trade has a permanent account number allotted under the Income-tax Act, 1961 or such other document as may be notified by the Central Government.

**(2) and (3)** \* \* \* \*

**5. to 7.** \* \* \* \*

**8. (1)** In case of any dispute arising out of a transaction between the farmer and a trader under section 4, the parties may seek a mutually acceptable solution through conciliation by filing an application to the Sub-Divisional Magistrate who shall refer such dispute to a Conciliation Board to be appointed by him for facilitating the binding settlement of the dispute.

**Dispute  
Resolution  
Mechanism for  
farmers.**

(2) Every Board of Conciliation appointed by the Sub-Divisional Magistrate under sub-section (1), shall consist of a chairperson and such members not less than two and not more than four, as the Sub-Divisional Magistrate may deem fit.

(3) The chairperson shall be an officer serving under the supervision and control of the Sub-Divisional Magistrate and the other members shall be persons appointed in equal numbers to represent the parties to the dispute and any person appointed to represent a party shall be appointed on the recommendation of that party:

Provided that, if any party fails to make such recommendation within seven days, the Sub-Divisional Magistrate shall appoint such persons as he thinks fit to represent that party.

(4) Where, in respect of any dispute, a settlement is arrived at during the course of conciliation proceedings, a memorandum of settlement shall be drawn accordingly and signed by the parties to such dispute which shall be binding upon the parties.

(5) If the parties to the transaction under sub-section (1) are unable to resolve the dispute within thirty days in the manner set out under this section, they may approach the Sub-Divisional Magistrate concerned who shall be the "Sub-Divisional Authority" for settlement of such dispute.

(6) The Sub-Divisional Authority on its own motion or on a petition or on the reference from any Government agency take cognizance of any contravention of the provisions of section 4 or rules made thereunder and take action under sub-section (7).

(7) The Sub-Divisional Authority shall decide the dispute or contravention under this section in a summary manner within thirty days from the date of its filing and after giving the parties an opportunity of being heard, he may—

(a) pass an order for the recovery of the amount under dispute;  
or

(b) impose a penalty as stipulated in sub-section (1) of section 11;  
or

(c) pass an order for restraining the trader in dispute from undertaking any trade and commerce of scheduled farmers' produce, directly or indirectly under this Act for such period as it may deem fit.

(8) Any party aggrieved by the order of the Sub-Divisional Authority may prefer an appeal before the Appellate Authority (Collector or Additional Collector nominated by the Collector) within thirty days of such order who shall dispose of the appeal within thirty days from the date of filing of such appeal.

(9) Every order of the Sub-Divisional Authority or Appellate Authority under this section shall have force of the decree of a civil court and shall be enforceable as such, and decretal amount shall be recovered as arrears of land revenue.

(10) The manner and procedure for filing a petition or an application before the Sub-Divisional Authority and appeal before the appellate authority shall be such as may be prescribed.

9. to 20.

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