

**BILLS INTRODUCED IN THE LEGISLATIVE ASSEMBLY
OF THE STATE OF TAMIL NADU**

Under Rule 130 of the Tamil Nadu Legislative Assembly Rules, the following Bill which was introduced in the Legislative Assembly of the State of Tamil Nadu on 11th October 2023 is published together with Statement of Objects and Reasons for general information:—

L.A Bill No. 31 of 2023

**A Bill further to amend the Tamil Nadu Agricultural Produce Marketing
(Regulation) Act, 1987.**

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Seventy-fourth Year of the Republic of India as follows:-

Short title and commencement.

1. (1) This Act may be called the Tamil Nadu Agricultural Produce Marketing (Regulation) Second Amendment Act, 2023.

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

Amendment of section 2.

2. In section 2 of the Tamil Nadu Agricultural Produce Marketing (Regulation) Act, 1987 (hereinafter referred to as the principal Act),—

Tamil Nadu Act
27 of 1989.

(1) after clause (8-b), the following clause shall be inserted, namely:-

“(8-c) “Farmer Producer Company” means a producer company formed and registered as such, by a group of agricultural farmers, under the Companies Act, 1956;”;

Central Act 1 of
1956.

(2) after clause (14), the following clause shall be inserted, namely:-

“(14-a) “online trading platform” means an electronic platform, for conduct of trading in any agricultural produce and for matters connected therewith, provided under section 8-B;”;

Substitution of section 7-D.

3. For section 7-D of the principal Act, the following section shall be substituted, namely:-

“7-D. Dispute resolution.— Any dispute arising between or among licensees of direct marketing, private market yard or private market sub-yard, licence holders under section 8-A, markets, including special and subsidiary markets shall be referred to the Secretary of the market committee concerned for resolution. The Secretary shall resolve the issue in a summary manner within thirty days, after giving the parties to the dispute, a reasonable opportunity of being heard.”.

Insertion of new section 7-E.

4. After section 7-D of the principal Act, as so substituted, the following section shall be inserted, namely:-

“7-E. Appeal.— (1) Any person aggrieved by an order of the Secretary passed under section 7-D, may within thirty days from the date of receipt of such order, prefer an appeal in such form and manner as may be prescribed, to the Director, who shall be the Appellate authority.

(2) The Appellate authority shall, within thirty days, dispose of every appeal after giving the parties a reasonable opportunity of being heard:

Provided that the Appellate authority may entertain an appeal after the expiry of the said period, if sufficient cause is shown by the appellant for not preferring the appeal within the time limit.

(3) The Appellate authority, may, if it considers necessary so to do, grant a stay on the order appealed against for such period as it may deem fit.

(4) The order passed on an appeal shall be final and binding on the parties.”.

5. In section 8-A of the principal Act, for sub-section (1), the following sub-section shall be substituted, namely:- Amendment of section 8-A.

“(1) Notwithstanding anything contained in section 8, the Director or an officer authorised by him in this behalf, may grant licence to a person for buying, selling or operating in any other capacity, in relation to buying or selling of any agricultural produce throughout the State through online trading platform or otherwise. Every application for grant of licence shall be made in such form and manner and accompanied by such fee, as may be prescribed.”;

6. After section 8-A of the principal Act, as so amended, the following sections shall be inserted, namely:- Insertion of new sections 8-B and 8-C.

“8-B. Online trading platform.—(1) No person shall establish and operate an online trading platform without obtaining a licence under this section.

(2) Every application for grant of a licence to establish and operate an online trading platform shall be made to the Director or any officer authorised by him in such form and in such manner together with such fee and a bank guarantee not less than rupees ten lakhs as may be prescribed.

(3) The Director or any such officer authorised by him either grant or refuse to grant a licence:

Provided that no application for grant of licence shall be rejected, unless the applicant has been given a reasonable opportunity of being heard.

(4) A person who has been granted licence under this section shall provide all infrastructure facilities and services connected to online trading platform, as may be prescribed.

(5) The licensee is entitled to collect user charge on every online sale transaction of any agricultural produce at such rate as may be fixed by the market committee not exceeding the fee levied under section 24:

Provided that no user charge shall be collected from the producer of that agricultural produce.

(6) Trading of agricultural produce through online trading platform shall be made in such manner as may be prescribed.

8-C. Intergration with online trading platform.— A licensee of private market yard or private market sub-yard may apply for permission to the Government or any of its agency for integration with online trading platform, in such form and in such manner, as may be prescribed.”.

7. In section 10 of the principal Act, in sub-section (2), for the proviso to clause (a), the following provisos shall be substituted, namely:- Amendment of section 10.

“Provided that one of the farmers shall be from a Farmer Producer Company:

Provided further that where more than one agricultural produce has been notified in respect of any notified area, such nomination shall, as far as practicable, secure the interests of the producers of all the notified agricultural produces in that notified area;”.

Amendment of section 24.

8. In section 24 of the principal Act,—

(1) to sub-section (1), the following proviso shall be added, namely:-

“Provided that no fee shall be levied more than once on any notified agricultural produce bought or sold in any notified market area within the State.”;

(2) to sub-section(2), after the proviso, the following proviso shall be added, namely:-

“Provided further that the burden of proving that any notified agricultural produce is not liable for levy of fee or the fee payable has already been paid under this section, shall lie on the person claiming such non-liability or such payment, as the case may be.”.

Insertion of new section 46-A.

9. After section 46 of the principal Act, the following section shall be inserted, namely:-

“46-A. Powers, functions and duties of the Secretary.—The Secretary shall,—

(i) be the chief executive officer of the market committee;

(ii) carry into effect the resolutions passed by the market committee;

(iii) exercise control and superintendence over the staff of the market committee;

(iv) ensure collection of fees and other moneys leviable by or due to the market committee;

(v) account for all the moneys received and payments made on behalf of the market committee;

(vi) attend the meetings of the market committee and sub-committees and take part in the discussion:

Provided that the Secretary shall have no right to vote;

(vii) tender advice on matters referred to by the market committee;

(viii) supervise all construction works in the markets;

(ix) undertake inspection of the markets to ensure its proper functioning.”.

Substitution of Schedule.

10. For the Schedule to the principal Act, the following Schedule shall be substituted, namely:-

“THE SCHEDULE**[See section 2(1)]****Names of Agricultural Produce**

1. Paddy.
2. Cholam(Jowar).
3. Cumbu (Bajra).
4. Ragi.
5. Maize.
6. Thinai.
7. Kudiraivali.
8. Varagu.
9. Samai.
10. Red gram(Thuvarai- whole).
11. Black gram (Ulundu- whole).
12. Green gram (Pachaippairu- whole).
13. Bengal gram (Kondakadalai- whole).
14. Lab (Mochai).
15. Cowpea (Karamani).
16. Horse gram (Kollu).
17. Moth Bean.
18. Groundnut (Pods or Kernels-Whole).
19. Gingelly or Sesamum seeds or Ellu.
20. Castor (Pods or seeds).
21. Sunflower seeds or Kernels.
22. Cotton seeds.
23. Neem seeds.
24. Tobacco.
25. Gloriosa superba seeds
26. Tapioca tubers.
27. Chillies or Red chillies.
28. Garlic.
29. Coriander (Dhania seeds).
30. Cardamom.
31. Arecanut (whole or splits).
32. Tamarind (with or without skin and seeds).
33. Cashew nuts
34. Ginger (inji, sukku).
35. Turmeric in all forms (bulb or finger).
36. Sugarcane Jaggery (Jaggery powder, brown sugar).
37. Palmgur Jaggery.
38. Raw rubber in all forms, pale latex crepe, sole crepe and centrifuged latex rubber, all grades of rubber sheets including estates brown crepe grades.
39. Silk cotton in all forms.
40. Coconut (in all forms except tender coconut”).

STATEMENT OF OBJECTS AND REASONS

The Tamil Nadu Agricultural Produce Marketing (Regulation) Act, 1987 (Tamil Nadu Act 27 of 1989) envisages free trade practices. The farmer has the liberty to sell their agricultural produce in any market of his choice. Efforts are being made to dispense with cash transactions, by migrating to digital mode. The said Act needs to be amended to suit the present day requirements of digital technology in marketing / trading in a larger scale, for better price discovery to farmers and to protect their interest.

2. Keeping in view the above objects, the Government, in G.O. (3D) No. 24, Agriculture-Farmers Welfare (AM3) Department, dated 31.3.2022 constituted a High Level Committee with 13 members to recommend and suggest appropriate changes for the better functioning of Market Committees and Regulated Markets. On considering the various objections and suggestions received from the stakeholders, the High Level Committee has recommended certain amendments to the said Act.

3. After careful consideration of the recommendations of the said High Level Committee, the Government have decided to amend the Tamil Nadu Agricultural Produce Marketing (Regulation) Act, 1987 (Tamil Nadu Act 27 of 1989) suitably for the purpose.

4. The Bill seeks to give effect to the above decision.

M.R.K. PANNEERSELVAM,
Minister for Agriculture–Farmers Welfare.

Secretariat,
Chennai-600 009,
11th October 2023.

K. SRINIVASAN,
Secretary.