

During 2014-15, it is proposed to train 44,500 persons involved in the seed industry, under the training programme of this Department.

## 6. Organic Certification

Organic Certification addresses a growing worldwide demand for organic food. It intends to assure quality and to promote commerce. Organic Certification essentially aims at regulating and facilitating the sale of organic products to consumers. It is extended to Crop production, Animal husbandry, Beekeeping, Food Processing, Input production, Trade and Export.

Organic Agriculture means, a process of developing a viable and sustainable agro eco system, which can achieve sustainable productivity without the use of artificial external inputs such as chemical fertilizers and pesticides.

Sufficient quantities of biodegradable material of microbial, plant or animal origin should be returned to the soil to increase its fertility and the biological activity. The primary objective of organic agriculture is to optimize the health and productivity of interdependent communities of soil life, plants, animals and people.

To carryout inspection and certification of organic production system in accordance with (NPOP) National Programme for Organic Production, Tamil Nadu Organic Certification Department (TNOCD) was established and was launched by Government of India in the year 2000 and notified in October 2001 under the Foreign Trade (Development and Regulation) Act 1992 (FTDR Act). Tamil Nadu Organic Certification Department is accredited by (APEDA) Agricultural and Processed Food Products Exports Development Authority, New Delhi, Ministry of Commerce and Industry, Government of India.

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During the year 2013-14, 11,339 Ha. of land have been registered under Organic Certification as against the annual target of 12,546 Ha. This includes 230 individual farmers possessing 3,359 Ha. of land, 13 groups containing 4,394 farmers having 7,788 Ha. of land and 26 corporate possessing 193 Ha. of land. It has been planned to bring 12,546 Ha. of land under Organic Certification during 2014-15.

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NPOP/NAB/0019 is the accreditation number allotted to Tamil Nadu Organic Certification Department. Organic Certification carried out by this Department is on par with standards of European Union. Tamil Nadu Organic Certification Department participated in the premier International Trade Fair on Organic Agriculture held at Bengaluru during November 2013. The Organic Certification Department imparts free training to registered organic farmers on National Standards for Organic Production, and for Tamil Nadu Organic Certification Department Standards.

### 6.1 Objectives of organic Farming

- ❖ To preserve tomorrows' nature than today's economy
- ❖ To Promote the Use of Natural products available in local area
- ❖ To Preserve Soil health for longer time
- ❖ To Avoid environmental pollution by avoiding Agricultural Technologies which aims only on higher yield
- ❖ To produce required quantity of nutritive food grains
- ❖ To Increase Agricultural Production as well increase the standard of living of farmers by bringing rain fed cropped area under organic cultivation /certification

### 6.2. Benefits of Organic Certification

This is towards assurance of quality, to produce genuine produce and to promote organic trade. When the product comes to consumer market there needs the third party certification, for assurance of quality. This ensures the use of allowable inputs in the established procedure of production.

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## 10. AGRICULTURAL MARKETING AND AGRI BUSINESS

### 1. Introduction

Agricultural Marketing and Agri Business plays a pivotal role in improving the agrarian economy of the country and it involves all aspects of market structure in the system, both functional and institutional, based on technical and economic considerations and includes pre and post-harvest operations viz., assembling, grading, storage, transportation and distribution. Creation of Marketing infrastructure is important not only for the performance of various marketing functions and expansion of size of the markets but also for transfer of appropriate price signals leading to improved marketing efficiency. **An efficient marketing system** would enable the farmers to get the best possible returns, narrow down the price spread between the producer and the consumer and make all products of farm origin available to consumers at reasonable price without impairing the quality of the produce. The Directorate of Agricultural Marketing and Agri Business is taking various technological interventions to ensure remunerative price to the farmers by creating more infrastructure facilities for marketing and post-harvest management. In addition to the above, thrust is being given for providing farmers with sufficient market information and intelligence, promotion of Farmer Producer Organization (FPO) and creation of aggregation and e-auctioning facilities to improve farmers' income.

Strengthening the marketing infrastructure, creating robust post-harvest supply chain and paving the way for market led agriculture would be impetus to achieve the target of the Vision Tamil Nadu 2023 "to be a global supplier

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of agricultural produce with robust infrastructure in Agriculture sector”.

### 1.1. Major interventions

1. Development of infrastructure facilities for marketing, post harvest management and processing of agricultural produce.
2. Formation of Commodity groups / Clusterisation of growers of lead commodities and creation of market linkages in order to empower farmers in efficient trading.
3. Promotion of Farmer Producer Organisation (FPO) for improved access to investments, technology, inputs and markets.
4. Rendering services to farmers to realize remunerative price for their produce through various marketing outlets which include regulated markets, farmers markets and specialized market complexes.
5. Curtailing the post harvest losses of farm produce and facilitating the farmers to handle their marketable surplus through storage godowns, cold storages, ripening chambers and drying yards.
6. Promoting the role of private players in infrastructure creation especially for value addition and processing of farm produce under Public Private Partnership (PPP) mode.
7. Disseminating the dynamic and forecasted market price information to the registered farmers through mobile and web portals.
8. Increasing the level of food processing and value addition in the State through National Mission on Food Processing and also through Incubation cum Training centers.
9. Sensitizing the farmers to adopt market-led agriculture by providing crop advisory, market information and

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for price display, Farmers rest room and free medical aid in the Regulated Markets functioning in the State for the benefit of farmers.

### 2.2. Modern Storage Godowns and Cold Storages in Regulated Markets

Capital intensive marketing infrastructure is necessary for protecting the agricultural produce from harvest season to consuming period. Inadequate scientific storage facilities cause heavy losses to farmers in terms of quantity and quality. Hence it is essential to protect the agricultural produce from deterioration. Seasonal fluctuations in prices aggravate in the absence of these facilities.

Farmers can store their agricultural produce in the godowns and get credit facilities in the form of pledge loan. The State Government has taken various steps in the past three years to further strengthen the Regulated markets. As announced in the Budget speech of 2011-12 and 2012-13, a total of 88 modern storage godowns with capacity of 2,000 MT (75 Nos), 5,000 MT (8 Nos) and 10,000 MT (5 Nos) and 20 cold storages with 25 MT capacity have been constructed at a total cost of Rs.133.96 crores with 95% financial assistance from NABARD under RIDF (Rural Infrastructure Development Fund) and 5% from Market Committee

Hon'ble Minister for Agriculture made an announcement during 2012-13 for the establishment of 50 cold storages with 25 MT capacity to reduce the post-harvest losses and to extend the shelf-life of fruits and vegetables at a cost of Rs.15.90 crores. Hon'ble Chief Minister of Tamil Nadu unveiled 22 modern storage

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extension services through Agro Marketing Intelligence and Business Promotion Center.

10. Imparting skills to the farmers on the techniques of post harvest management, processing, value addition, grading, etc., through capacity building programmes.

### 2. Agri Marketing Activities

#### 2.1. Market Committees and Regulated Markets

Regulated Markets act as a common forum to farmers and traders on equal footing for marketing of agricultural produce without middlemen. Competitive and remunerative prices are ensured for the produce sold by the farmers through closed tender system in the Regulated Markets. In Tamil Nadu, 21 Market Committees have been established to enforce the provisions of Tamil Nadu Agricultural Produce Marketing (Regulation) Act 1987, Rules 1991 and by-laws. Under these Market Committees, 277 Regulated Markets are functioning for better regulation of buying and selling of agricultural produce. No fee is collected from farmers for the services rendered. One percent of the sale value of the produce is collected as market fee from Traders. Besides, license fee is also collected from traders and weighmen. In the Regulated Markets, 59.13 L. MT of agricultural produce were sold by farmers and Rs.258.22 crores have been collected as market fee from traders from 2011-12 to 2013-14.

#### 2.1.1. Facilities available in Regulated Markets

The State Government have provided sufficient facilities such as Godowns, Drying yards, Transaction sheds, Trader Shops, Automatic weighing and bagging machines, Weigh bridge, Weighing balance, Market Complex, Cold storage, Rural Business Hub, Ticker boards

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godowns of 2,000 MT capacity and 1 cold storage unit through video conferencing for farmers' use on 19.02.2014.

#### 2.3. Rural Business Hub (RBH) in Regulated Markets

Rural Business Hub envisages development opportunities through which farmers have increased access to markets through forward linkages. These centers aim to achieve higher income for farmers by aggregating products enabling larger buyers and processors to make direct purchase from farmers. RBHs link up with farmers' groups formed in villages. These hubs provide infrastructure facilities like input shop, storage shed, drying yard, electronic balance, moisture meter and also serve as a knowledge centre.

At present, 10 Rural Business Hubs are functioning in the Regulated Markets of Sathyamangalam, Kalavai, Krishnagiri, Gangavalli, R.Ponnapuram, Ulundurpet, Panruti, Pavoorchatiram, Batlagundu and Rajapalayam. From 2011-12 to 2013-14, 644 commodity groups have been formed and 4,502 farmers have been benefitted.

To realise remunerative price for farmer's produce, the State Government is taking various interventions like creation of infrastructure facilities and dissemination of market information. In this regard, the Department of Agricultural Marketing and Agri Business created Rural Business Hubs, where post-harvest management trainings on grading, sorting, storage, value addition are organised and market information have been disseminated to farmers. Further, Department has organised interface workshop with traders to procure farmers produce at an assured price through MoU. A coconut grower, Thiru D.Dhanabalakrishnan, S/o.Devendren, R.Ponnapuram (Po), Pollachi North Block,

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Coimbatore District utilised the infrastructure facilities available in the Rural Business Hub and sold his coconut as copra – a value added product at a cost of Rs.75/ kg when the local market rate was Rs.70/kg. Due to timely intervention of the Department, the farmer got Rs.6,500/- as an additional income by selling 1,300 kg of copra at a margin of Rs.5/kg.

#### **2.4. Construction of own building for Regulated Markets**

Among 277 Regulated Markets, 92 Regulated Markets are functioning in rented buildings. State Government is taking sincere steps to provide own building with adequate infrastructure facilities to enable the farmers to get better price for their produce and more revenue to the Market Committees by inviting more farmers and attracting more arrivals.

Hon'ble Chief Minister made an announcement under Rule 110, in the floor of Assembly during 2013-14 for the construction of building for Bodinayakanur Regulated Market, Theni District at a cost of Rs.150 Lakhs under National Agriculture Development Programme and construction work is in progress.

#### **2.5. Pledge Loan**

Pledge loan helps the farmers to avoid distress sale during glut seasons, to prepare for next cropping season and also to meet their immediate money requirement. The State Government is providing pledge loan to farmers by storing their produce in the godowns of Regulated markets.

Small and marginal farmers can avail pledge loan upto 75% of the value of the produce and other farmers can

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prevailing agricultural produce price and commodity arrival in the web portal [www.agmarknet.nic.in](http://www.agmarknet.nic.in) on daily basis. In addition, 80 ticker boards are functioning in Regulated markets to disseminate spot prices of agricultural commodities marketed in Regulated markets. Similarly, 179 Farmers' markets are also disseminating the prevailing prices of fruits and vegetables in the web portal [www.tnsamb.gov.in](http://www.tnsamb.gov.in)

#### **2.7. Drying yards in villages**

Food grains when appropriately dried can be stored safely and protected from the storage pests, moulds and other microorganisms. The post production losses of farm produce account 10-15% in total cereals and pulses production. Considering the importance of Drying yards at village level or farm gate level, the State Government has constructed 1,359 village level Drying yards at a cost of Rs.2,734.50 Lakhs to help the farmers to handle their agricultural produce immediately after harvest for drying, cleaning, winnowing, etc.

#### **2.8. Market Complex for Paddy**

A Paddy Market Complex is functioning in an area of 9.85 acres at Mattuthavani, in Madurai district, at a total cost of Rs.1,706 Lakhs with facilities such as 314 shops for traders of paddy, flowers and agricultural inputs. In this complex, regulated market office, rural godown, auction shed, canteen, bank, post office and firefighting equipments are also available. Agricultural Produce of 1.98 L.MT has been transacted in the paddy Market Complex fetching a revenue of Rs.359.65 Lakhs during 2011-12 to 2013-14.

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avail 50% of the value of produce for a maximum period of 6 months. No interest is charged for first 15 days of loan period. Beyond 15 days, interest rate of 5% is charged. Hon'ble Minister for Agriculture announced during 2011-12 that the maximum amount of pledge loan is enhanced from Rs.1 Lakh to Rs.2 Lakhs. For the benefit of Turmeric growers, the State Government has enhanced the storage period for Turmeric from six months to one year.

During 2013-14, 2,995 farmers availed pledge loan to the tune of Rs.3,916.56 Lakhs, as against the pledge loan of Rs.2,563.73 Lakhs provided in the year 2012-13 to 2,251 farmers.

Registered Traders can avail pledge loan upto 50% of value of the produce limited to the maximum of Rs.1 Lakh with 9% interest rate upto 3 month's period. During 2013-14, about 325 traders have availed pledge loan of Rs.302.41 Lakhs, as against the pledge loan of Rs.205.72 Lakhs provided in the year 2012-13 to 211 traders.

#### **2.6. Dissemination of Market price information**

Provision of Market Price information is very important to farmers in planning production, marketing and equally to other stakeholders in arriving at optimal trading decisions. The existence and dissemination of complete and accurate marketing information is the key to achieve both operational and pricing efficiency in the marketing system. To establish an ICT based 'Agricultural Marketing Information Network', 210 computers were provided to 21 Market Committees and 189 regulated markets under Marketing Research and Information Network Scheme (MRIN). These regulated markets upload the information on

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#### **2.9. Mega Market (Velan Vilaiporul Perangadi)**

A Farmer's Mega Market (Velan Vilaiporul Perangadi) has been established in 15.50 acres at Ottanchathram of Dindigul District at a cost of Rs.308.20 Lakhs for fruits and vegetables with 50 shops, 216 floor space shops, grading hall and transaction shed. Steps are being taken to allot these shops to the traders of Gandhi Market.

#### **2.10. Flower Auction Centre**

Flower Auction Centre is established and functioning at Kavalkinaru in Tirunelveli District at a cost of Rs.163.40 Lakhs.

#### **2.11. AGMARK grading**

AGMARK is a quality certification mark on agricultural products in India, assuring that they conform to a set of standards approved by the Government of India. AGMARK is legally enforced by the Agricultural Produce (Grading and Marking) Act of 1937 (amended in 1986). Directorate of Marketing and Inspection of the Department of Agriculture and Cooperation, Ministry of Agriculture, Government of India is implementing the provisions of the Act and the Rules. The present AGMARK standards cover quality guidelines for 213 commodities. The term AGMARK is coined by joining the words 'Ag' to mean agriculture and 'mark' to mean certification mark. It is a voluntary scheme.

The AGMARK certification is implemented through State-owned Agmark laboratories located across the State which act as testing and certifying centers. In Tamil Nadu, 30 State Agmark Grading Laboratories and 1 Principal

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Agmark Grading Laboratory are functioning. Both Centralised and Decentralised commodities are graded under Agmark. In Tamil Nadu, the products graded under Agmark are Rice, Pulses, Ghee, Honey, Groundspices, Whole spices, Wheat products, Sago, Vegetable Oils, Gram flour, Compounded Asafoetida etc.,

Agmark is a symbol for quality food products. Agmark grading protects the consumers from harmful effects of consuming adulterated food products and ensures quality of food products. During 2011-12 to 2013-14, 47.65 Lakh quintals of food products have been graded through State Agmark Grading Laboratories.

### 2.12. Farmers' Markets (Uzhavar Sandhais)

At present, 179 Farmers' Markets (Uzhavar Sandhais) are functioning in Tamil Nadu. The Farmers' Market ensures fair price to the farmers' produce without intermediaries interference and supply of fresh fruits and vegetables to the consumers at a nominal price.

Farmers can avail facilities such as shops, balance for weighing, drinking water, sanitary facilities, telephone and vehicles parking etc., at free of cost. Luggage free transportation facility is available to farmers to bring their produce to the Uzhavar Sandhai. The unsold vegetables and fruits can be stored in the mini cold storage in the Uzhavar Sandhai at free of cost. Among 179 Uzhavar Sandhais, 27 Uzhavar Sandhais have cold storages with 2.0 MT Capacity. These Uzhavar Sandhais are functioning with Market Committee fund. During 2011-12 to 2013-14 on an average, 7,881.48 MT Vegetables and fruits worth of Rs.1,496.83 Lakhs are being sold by 28,924 farmers and 17.17 Lakh consumers are benefitted in Uzhavar Sandhais per day.

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### 3.2. Market Complex with Cold Storage facilities for Tomato

For the benefit of tomato growers a Market complex has been established at a cost of Rs.100 Lakhs and is functioning at Palacode Regulated Market in Dharmapuri District with cold storage facility under Tamil Nadu State Agricultural Marketing Board and State Government funds. About 2,062 MT of tomato have been stored and transacted upto 2013-14.

### 3.3. Market Complex with Cold Storage facilities for Grapes

The State Government has established a Market complex with cold storage facility at a cost of Rs.100 Lakhs for Grapes at Odaipatti in Theni District for the welfare of small and marginal grapes growing farmers. Steps are being taken to form Grapes commodity groups for effective utilization of the market complex.

During 2012-13, Hon'ble Minister for Agriculture announced that a Market complex with Cold storage for Grapes would be established in Cumbum Regulated Market, Theni District at a project cost of Rs.345 Lakhs under NADP. On completion of civil and electrical works, the complex will come to utilization to farmers.

### 3.4. Market Complex with Cold Storage facilities for Onion

In Pongalur Regulated Market in Tiruppur District, a Market complex with cold storage facility for onion has been established at a cost of Rs.100 Lakhs and functioning for the welfare of small and marginal farmers. During 2012-13 to 2013-14, 39 farmers have utilized this Market Complex and 31.45 MT of onion, copra, tomato and maize have been transacted.

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## 3. Agri Business Activities

Agri business denotes the collective business activities that are performed from farm to fork. It covers the supply of agricultural inputs, production and transformation of agricultural products and their distribution to final consumers. Agri business is characterized by raw materials that are mostly perishable, variable in quality and not regularly available. Traditional production and distribution methods are being replaced by more closely coordinated and better planned linkages between agribusiness firms, farmers, retailers and others in the supply chains.

Fetching remunerative price to farmers, reduction in post harvest losses and value addition of agricultural produce are vital. To reduce post harvest losses and to avoid distress sales during glut, infrastructure facilities like grading and sorting hall, godowns, pack houses, drying yards, pre-cooling room, cold storage etc., are essential. In this context, more specialized commodity markets have been developed with above facilities.

### 3.1. Market Complex with Cold Storage facilities for Mango

A Market Complex with cold storage facility for Mango has been established at a cost of Rs.100 Lakhs and functioning at Krishnagiri Regulated Market, Krishnagiri District, under Tamil Nadu State Agricultural Marketing Board and State Government funds for the welfare of small and marginal farmers. During 2012-13 to 2013-14, 370.23 MT of Mango and Banana has been stored in cold storage and 57 farmers have benefitted.

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### 3.5. Market Complex for Coconut

With an aim to help coconut growers of Thanjavur district to get better price, the State Government has created a Coconut Market Complex at Ponnavarayankottai, Ukkadai village at a cost of Rs.400 Lakhs. For augmenting value addition in Coconut, this Market complex has been provided with rural godown, transaction sheds, godowns, drying yards and solar drier for copra, grading and sorting hall, input shops, traders shops, coconut de-shelling hall, electronic weighing balances and coconut oil mill unit with automatic oil packing facility for the benefit of coconut growers. So far, 115 coconut commodity groups have transacted 93 MT copra and 18 Lakh coconuts in the market complex.

In addition to this Coconut Market Complex, the Government has established another Coconut Market Complex in Tiruppur District at Pethappampatti, at a cost of Rs.100 Lakhs under NADP. So far, 276 coconut growers transacted 2,278.70 MT of copra and stored 349.75 MT of copra in the godown.

### 3.6. Storage facilities for Onion and Cold storage for other vegetables

Perambalur is one of the major Onion producing districts. With an aim to help the Onion and other vegetables growers to fetch higher income, the State Government has established a Market complex with cold storage facility at a cost of Rs.114.90 Lakhs at Chettikulam, in Perambalur District under NADP for the benefit of the farming community.

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### 3.7. Market Complex with cold storage for Hilly Vegetables

Coimbatore and the Nilgiris districts are the major Vegetable growing districts. To facilitate hilly vegetable growers in and around Coimbatore District, the State Government has created a Market Complex with Cold Storage for hilly vegetables at Karamadai Regulated Market at a cost of Rs.100 Lakhs under NADP. During 2013-14, 26 hilly vegetable commodity groups were formed and 15.72 MT of vegetables transacted and 16.75 MT has been stored in cold storage.

### 3.8. Cold storage for Chillies

Chilli is grown in the districts of Ramanathapuram, Sivagangai, Virudhunagar and Thoothukudi districts in an area of 40,000 Ha. In order to help the chilli growing farmers, State Government has established a cold storage unit with a capacity of 100 MT for Chillies at Paramakudi Regulated Market in Ramanathapuram district at a cost of Rs.99.50 Lakhs under NADP.

### 3.9. Cold storage for Tomato

For the benefit of tomato growing farmers, a cold storage unit with 100 MT capacity is functioning at Mecheri in Salem district at a cost of Rs.100 Lakhs under NADP. So far, 552.81 MT of agriculture produce have been stored in the cold storage.

### 3.10. Cold storage units for fruits and vegetables

For the benefit of fruits and vegetables growing farmers, Cold storage units have been established at

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Market complex with cold storage for vegetables and fruits at Thuraiyur in Trichy district and Market complex for vegetables in 'The Nilgiris' district are being established at a total cost of Rs.380 Lakhs.

During 2013-14, Hon'ble Chief Minister announced under rule 110 for the establishment of infrastructure facilities such as building for Regulated Market at Bodinayakanur in Theni District, Transaction Shed at Dharmapuri, Krishnagiri, Anthiyur, Polur, Arani, Vandavasi and Vellakoil Regulated Markets, Tender Coconut Market Complex at Thippampatti, Pollachi Taluk in Coimbatore District, Perishable Commodity Market improvement through collection centres, specialized market complex for Banana at Ambasamudram at a total cost of Rs.1,525 Lakhs and construction works are in progress.

Further, Hon'ble Finance Minister announced in the Budget Speech 2013-14 to create an Integrated commodity management through aggregation at a cost of Rs.118 Lakhs and construction works are in progress.

Besides, during 2013-14, establishment of infrastructure facilities namely upgradation of Rural sandhais in Tamil Nadu at 10 places, Food Processing Incubation cum Training Centre in Srirangam and Kinathukadavu area at a total cost of Rs.460 Lakhs were announced by the Hon'ble Minister for Agriculture and construction works are in progress.

All the above infrastructure facilities are being established under National Agriculture Development Programme, Rural Infrastructure Development Fund and State Government fund.

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Oddanchatram (25 MT) in Dindigul District, Tindivanam (15 MT) in Villupuram District and Singanallur (15 MT) in Coimbatore District and 5 MT collection centres at Oddanchatram, Batalagundu and Palani at a total cost of Rs.100.10 Lakhs with the funds from APEDA (70%) and concerned Market Committee (30%).

### 3.11. Banana Ripening Chamber

In Tamil Nadu, Banana is cultivated in an area of 1.03 L.Ha with production of around 45 L.MT. Post harvest loss in Banana is around 30-40% due to lack of proper storage techniques. To avoid this loss, post harvest management is largely required. For facilitating uniform ripening of banana, the State Government has established ripening chambers at Trichy, Srivaikundam, Chinnamanur and Mohanur at a total cost of Rs.200 Lakhs under NADP. From 2011-12 to 2013 -14, about 15 banana commodity groups each at Trichy, Srivaikundam and Mohanur and 23 banana commodity groups in Chinnamanur have been formed for better utilization of these infrastructure facilities and for better price realization.

### 3.12. Additional Infrastructure facilities

Hon'ble Minister for Agriculture announced during 2012-13, in the floor Assembly for the establishment of various marketing infrastructure facilities viz. 500 MT cold storage for vegetables and fruits in Kinathukadavu, Coimbatore District, Market Complex with 500 MT capacity cold storage for vegetables and fruits in Mettupalayam in Coimbatore District, 500 MT cold storage unit for chillies in Sankarankoil Regulated Market in Tirunelveli district, 25 MT cold storage unit at Jolarpet in Vellore district and Buildings for 9 Agmark laboratories at a total cost of Rs.1,125.00 Lakhs and works are in progress. In addition,

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### 3.13. Establishment of Terminal Market Complexes (TMC)

Establishment of Terminal Market complex is a scheme of Government of India with the main objective to link farmers to markets by shortening supply chain of perishables and increase farmers' income. As per the revised guidelines framed by the Government of India, Terminal Market Complex project would be Built, Owned and Operated (BOO) by the selected Private Enterprise through competitive bidding process.

In Tamil Nadu, Terminal Market Complexes are being established at Chennai, Madurai and Coimbatore regions on a Hub and Spoke model. Terminal Market Complex is the Hub and the Collection Centers in the main production centers will act as Spokes. Hub will have marketing structures with "State of Art" technology. TMC will establish backward linkages with farmers through collection centers and forward linkages through wholesalers, distribution centers, processing units etc. Commodities to be marketed will include perishables like Fruits, Vegetables, Flowers, Spices, Herbs, etc.

For Coimbatore region, Terminal Market Complex is being set up in Perundurai, Erode District by the selected Private Enterprise, M/s.SPAC Terminal Market Complex with a project cost of Rs.120.62 crores. The foundation stone was laid by Hon'ble Chief Minister of Tamil Nadu on 03.03.2012 through video conferencing. Construction of Collection centres as well as market infrastructures in Hub is under progress.

In Chennai region, M/s.URC Construction Private Limited, Erode has been selected as Private Enterprise Complex at Navalur Village of Sriperumpudhur Taluk in Kancheepuram District at a project cost of Rs.135 Crores.

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M/s.URC Construction Private Limited and consortium partners formed a Special Purpose Vehicle (SPV) namely M/s. Ulavar Kalangiyam Limited.

In Madurai region, Terminal Market Complex will be established by the selected Private Enterprise, M/s.RR Industries Limited, Chennai at Mukkampatti and Thiruvathavur village, Melur Taluk, Madurai District at a project cost of Rs.120.06 Crores. M/s. RR Industries Limited and consortium partners formed a Special Purpose Vehicle (SPV) namely M/s. Bhumi Agri Markets Private Limited.

State Government will enter into an agreement called Operation Management and Development Agreement (OMDA) with the selected Private Enterprise and then construction works will be commenced for establishment of Chennai and Madurai Terminal Market Complexes.

### 3.14. Agri Export Zones

With a view to promote agricultural exports and ensure remunerative returns to the farming community in a sustained manner, Agri Export Zones have been set up for end to end development for export of specific products from a geographically contiguous area.

Export zones facilitate value addition for agriculture products and minimize post harvest losses thereby it ensures steady and better price realization to the farming community as well as availability of commodities in processed form to the consumer throughout the year. To promote Agri- Produce Exports from Tamil Nadu, four Agri Export Zones for specific commodities with private participation are functioning with modern infrastructure facilities like cold storage, grading and sorting yard, pack house, processing units and reefer vans for the direct export of value added agricultural produce, at the production centres.

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National Mission on Food Processing is a Centrally Sponsored Scheme being implemented from the year 2012-13 with the financial sharing pattern of 75:25 from Ministry of Food Processing Industries and Government of Tamil Nadu. Department of Agricultural Marketing and Agri Business is the State Nodal Agency for the implementation of the scheme. The Commissioner / Director of the Department of Agricultural Marketing and Agri business has been authorized as Mission Director for the State Nodal Agency to implement the projects under National Mission on Food Processing in Tamil Nadu from 2012-13.

#### Objectives:

- To promote facilities for post-harvest operations including setting up of food processing industries.
- To undertake decentralization of the schemes so far operated by the Ministry of Food Processing Industries (MoFPI) by considering the requirements suitable to the local needs.
- To augment the capacity of food processors and upscale their operations through capital infusion, technology transfer, skill upgradation and hand holding support.
- To support established Self Help Groups working in food processing sector to facilitate them to achieve SME status.
- Capacity development and skill upgradation through institutional training to ensure sustainable employment opportunities to the people and also to reduce the gap in requirement and availability of skilled manpower in food processing sector.
- To raise the standards of food safety and hygiene in order to meet the norms set up by Food Safety and Standards Authority of India (FSSAI).

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In Hosur, Krishnagiri District, an Agri Export Zone for cut-flowers has been established by a joint venture company of Tamil Nadu Industrial Development Corporation Limited (TIDCO) and a private promoter M/s.TANFLORA at a cost of Rs.24.85 crores. An Agri Export Zone for flowers at Ooty in the Nilgiris district has been established with the participation by M/s.Nilflora – a private promoter at a cost of Rs.15.89 crores. For the benefit of mango growers, an Agri Export Zone at Nilakkotai in Dindigul District has been established by an anchor promoter M/s.Maagrita Export Ltd., at a cost of Rs.21 crores. For cashew, an Agri Export Zone at Panruti in Cuddalore district has been established by Private Promoter M/s.Sattva Agro Export Pvt. Ltd., at a cost of Rs.16.54 crores.

During 2011-12 to 2013-14, cut-flowers worth of Rs.320 Lakhs has been exported by the firm M/s.Tanflora, M/s.Nilflora has exported Rs. 258 Lakhs worth of flowers, M/s. Maagrita Export Ltd. has exported Rs.207 Lakhs worth of mango and mango pulp and M/s.Sattva Agro Export Pvt. Ltd., has done a turnover of Rs.67 Lakhs worth of cashew.

### 3.15. National Mission on Food Processing (NMFP)

Food processing in the organized sector helps in achieving higher efficiency in the use of raw materials and by-products. Processing in the organized sector generates additional employment in trade and transport activities which may be quite substantial as compared to direct employment created in processing activities. Food processing is promoted in our State to reduce the wastage of agricultural produce, fetch remunerative price to the farmers and to ensure processed foods to the consumers throughout the year.

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- To facilitate food processing industries to adopt Hazard Analysis and Critical Control Points (HACCP) and ISO certification norms.
- To augment farm gate infrastructure, supply chain logistics, storage and processing capacity.
- To provide better support system to organized food processing sector.

#### 3.15.1. Schemes being implemented under the Mission during 2013-17:

The Major Programmes/Schemes being implemented under NMFP during the 12<sup>th</sup> Five Year Plan period (2013-17) are:

- (i) Scheme for Technology Up-gradation / Establishment / Modernisation of Food Processing Industries.
- (ii) Scheme for Cold Chain, Value Addition and Preservation Infrastructure for Non -Horticultural Products .
- (iii) Setting up / modernisation / expansion of Abattoirs (to be implemented w.e.f. 2014-17).
- (iv) Scheme for Human Resource Development (HRD).
  - (a) Creation of Infrastructure facilities for running Degree/Diploma/Certificate Courses in Food Processing Technology.
  - (b) Entrepreneurship Development Program (EDP).
  - (c) Food Processing Training Centre (FPTC).
- (v) Scheme for Promotional Activities.
  - (a) Organizing Seminar/Workshops.
  - (b) Conducting Studies/Surveys.
  - (c) Support to Exhibitions/Fairs.
  - (d) Advertisement & Publicity.
- (vi) Scheme for Creating Primary Processing Centres / Collection Centres in Rural Areas.
- (vii) Modernisation of Meat Shops.
- (viii) Reefer Vehicles.
- (ix) Old Food Parks.

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Till now, 47 proposals with the total project cost of Rs.104 Crores with grant request of Rs.1,744.02 Lakhs has been approved and sanctioned by State Level Empowered Committee (SLEC).

### 3.16. Agro Processing Units with farmers' participation

His Excellency, the Governor of Tamil Nadu during the Governor's Address announced in the Assembly that Agro Processing Units with farmers and private participation would be established at 5 places to minimize post harvest losses and maximize benefits from agricultural produce. "Agro Processing Units are to be established at 5 places" viz., in Pudukottai District for Pulses, in Dharmapuri District for Tomato, in Theni District for Banana, in Coimbatore District for Copra and in Villupuram District for Groundnut at a total cost of Rs.2,000 Lakhs. The State Government will bear 25% of the share capital on behalf of farmers and the remaining 75% of the share will be borne by the private entrepreneurs. Selection of entrepreneurs is under progress.

### 3.17. Tamil Nadu Irrigated Agriculture Modernization and Water Bodies Restoration and Management (TN - IAMWARM Project)

The World Bank assisted TN-IAMWARM Project is being implemented in phased manner covering 61 sub basins in Tamil Nadu. The main objective of Agri Marketing component is strengthening the market orientation of sub basin farmers. The revised project outlay of Department of Agricultural Marketing and Agri Business is Rs.6,614 Lakhs.

Creation of market infrastructure, Commodity group formation and market tie-up arrangement between farmers

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In the sub basin area for the empowerment of Commodity group farmers, 972 capacity building programmes were conducted viz., 418 technical trainings, 236 interface workshops, 206 Exposure visits inside the State, 101 Exposure visits outside the State and 11 awareness campaigns.

State Government is taking various steps to empower the sub basin farmers in efficient trading, improve their scale of operation and to promote market led agriculture in the State. In light of the above, Department of Agricultural Marketing and Agri Business has created marketing infrastructure, formed commodity groups and organised Buyer - Seller meets and interface workshops where the farmers had opportunity to interact with buyers and know about quality and grade specifications in addition to capacity building training and exposure visits. A cucumber grower, Tmt.S.Devi, W/o.Singaram, Kuppudayampatti, Pudukottai District prior to the Department intervention sold cucumber @ Rs.10/kg in the local market. After becoming a commodity group member, the farmer sold cucumber @ Rs.15/kg as per the MoU and earned an additional income.

By utilizing the facilities created under Agri marketing component of TN-IAMWARM, 1.52 Lakh commodity group farmers earned an additional income of Rs.7,367 Lakhs with the commodity transaction of 3.74 L. MT.

During 2014-15, post project management training is being conducted to the commodity group farmers and the project is proposed to end on 30.09.2014.

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and traders, capacity building activities to farmers are the main activities under Agri Marketing component.

With an aim to narrow down the institutional gap and link farmers with markets, Agri Business Centres (ABC) are constructed with infrastructure facility to create market opportunities for farmers through value chain linkages. The ABC operates on a Hub and spokes format wherein the ABC (the Hub) is linked to a number of spokes (commodity groups).

In the area of operation, 24 ABC have been created and are functioning. 116 Storage Sheds, 226 Drying Yards, 22 Collection Centers, 1 Pack house and 4 additional infrastructures were also created for the benefit of sub basin farmers. In addition to the infrastructure, important supporting equipments for value addition viz., 249 moisture meters, 285 Electronic weighing scales, 1,698 Tarpaulin, 6,203 dunnages, 22 Computers with internet connection, 2,860 Plastic crates, 8 Copra dryer, 6 Coconut Defibering units, 8 goods auto and 1 mini lorry for logistics were provided to commodity group farmers and are being utilized by them.

Commodity groups are being formed with the objectives of promoting the farmers to get additional income. Commodity group farmers are empowered themselves for their own problem solving, gaining techno economic support, improved access to resources, knowledge on infrastructure utilization, scale of operation, updated to current technological innovations, knowledge on market price, market led agriculture, credit facility and ultimately it will improve the economy of farmers. So far, 3,235 commodity groups have been formed and 2,567 MoU were signed between farmers and traders.

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### 3.18. Tamil Nadu Small Farmers Agri-business Consortium (TNSFAC)

The Tamil Nadu Small Farmers' Agri-business Consortium [TNSFAC] functions with the objectives of making formal / informal market arrangements, besides linking Small farmers to technologies as well as to markets by providing both forward and backward linkages through assured purchase at reasonable price for their farm produces. The TNSFAC is functioning in association with Government, Private sector, Co-operatives, banks / financial institutions notified by the Reserve Bank of India where the ownership of the Central / State Government is more than 50% to fulfill the above objectives.

#### Eligibility Criteria for funding:

- Projects should be from agriculture or allied sector or related to agricultural services.
- Project should provide assured market to farmers / producer groups.
- Project should encourage farmers to diversify into high value crops to increase farm income.
- Project should be accepted by banks / financial institutions for grant of term loan.

Quantum of Venture Capital Assistance (VCA) would be 26 % of the Promoter's equity (or) Rs.50 Lakhs whichever is lowest. For registered Farmer Producers Organisation, VCA would be 40 % of the Promoter's equity (or) Rs.50 Lakhs whichever is lowest.

Agri Business development in Tamil Nadu is achieved by sanctioning Venture Capital Assistance and Project Development Facility. So far, 64 projects have been

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sanctioned with Venture Capital Assistance of Rs.2,174 Lakhs by the Tamil Nadu Small Farmers' Agri-business Consortium (TNSFAC) to develop agri business activities. The major agri business projects on Mango pulp, Floriculture, Menthol (Mint), Coconut, cold storage, Mushroom cultivation, Medicinal plants, Gherkin processing, Ripening Chamber, Aloe vera gel and supplements, Miscellaneous fruits and vegetables, Anti cancer drug, Tea, Coconut shell charcoal and Food processing have been sanctioned with Venture Capital Assistance.

### 3.18.1. Farmer Producer Organisation:

Government of India launched a pilot programme for promoting member-based Farmer Producer Organizations [FPOs] during 2011-12, in partnership with State Governments, which is being implemented through the Small Farmers' Agribusiness Consortium. The purpose of the project is to collectivize farmers, especially small producers, at various levels to foster technology penetration, improve productivity, enable improved access to inputs and services and increase farmers' income, thereby strengthening their sustainable agriculture based livelihoods.

The project objectives are:

- Mobilising farmers into groups at the village level and building up their associations to an appropriate federating point, i.e., Farmer Producer Organisations [FPOs] to plan and implement product - specific cluster / commercial crop cycles.
- Strengthening farmer capacity through agricultural best practices for enhanced productivity.

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Collectivization of producers, especially small and marginal farmers, into Producer Organisations has emerged as one of the most effective pathways to address many challenges of agriculture, most importantly, improved access to investments, technology, inputs and markets. Government of Tamil Nadu promotes Farmer Producer Organisations registered under the special provisions of the Companies Act, 1956 as the most appropriate institutional form to mobilize farmers and build their capacity to collectively leverage their production and marketing strength. Hence, the Agro Marketing Intelligence and Business Promotion Centre, Trichy has been strengthened to facilitate Farmer Producer Organization in each commodity along with officials of Directorate of Agricultural Marketing and Agri Business at district level. There are 15 Farmer Producer Companies under different stages of formation in our state not only for doubling the production, but also enabling them to realize the due price to triple their net income.

### 3.20. Infrastructure facilities proposed for the year 2014-15.

Establishment of transaction sheds in Regulated markets, ripening chambers for banana, integrated market complex for chillies, storage godowns, spices complex, cold storage facilities and strengthening of Agmark laboratories by providing scientific equipments are proposed during 2014-15 under various schemes.

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- Ensuring access to and usage of quality inputs and services for intensive agriculture production and enhancing cluster competitiveness.
- Facilitating access to fair and remunerative markets including linking of producer groups to marketing opportunities through market aggregators.

In accordance with the policy and process guidelines of Farmer Producer Organization of Government of India, the TNSFAC, has proposed to promote 9 FPOs under National Agriculture Development Programme for the year 2014-15 with financial outlay of Rs.413 Lakhs.

### 3.19. Agro Marketing Intelligence and Business Promotion Center (AMI&BPC) at Trichy

The ability of farmers to sell their produce for income generation will depend on good access to markets. Farmers often lack information on current market prices and not able to negotiate better deals. Disseminating price information and Market intelligence advisories is necessary for increasing the bargaining power of farmers and also to make informed decisions about what to grow, when to harvest, to which markets produce should be sent, and whether to store it or not. In this context, as a new initiative, an institutional mechanism entitled 'Agro Marketing Intelligence and Business Promotion Centre' was established in Trichy. Through this Centre, crop specific Market Advisory services are rendered through text SMS and Voice SMS to the staff of the Departments, 19 Lakh farmers and other stakeholders who were registered under Farm Crop Management System (FCMS). Apart from Market Advisory services, Price information on agricultural and horticultural commodities in different markets are also disseminated daily through text SMS.

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## 11. TAMIL NADU STATE AGRICULTURAL MARKETING BOARD

### 1. Constitution of Board

Tamil Nadu State Agricultural Marketing Board was established by an executive order of the State Government vide G.O. Ms. No.2852, Agriculture Department, dated 24.10.1970. According to the Section 35 of "The Tamil Nadu Agricultural Produce Marketing (Regulation) Act 1987", the Tamil Nadu State Agricultural Marketing Board has been reconstituted as Statutory Board, as per G.O. Ms. No.299 Agriculture (AM.1) Department, dated 13.06.1995.

#### 1.1. Board Members

As per Section 36 of "The Tamil Nadu Agricultural Produce Marketing (Regulation) Act 1987", the Board consists of a President appointed by Government and of the following members, namely:

- I. Director / Commissioner of Department of Agricultural Marketing & Agri Business
- II. Agricultural Marketing Advisor, Government of India
- III. Managing Director, Tamil Nadu State Warehousing Corporation
- IV. Registrar of Co - operative Societies
- V. President, Tamil Nadu Co-operative Marketing Federation
- VI. An Officer from the Agriculture Department in the Secretariat not below the rank of Deputy Secretary to Government dealing with the subject Agricultural Marketing.
- VII. 21 Non-Official Members (Chairman / Special Officers of 21 Market Committees)

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