



AGRICULTURE DEPARTMENT

POLICY NOTE

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INDEX

Sl. No.	Contents	Page No.
	Introduction	1
1.	Agriculture	4
2.	Horticulture	37
3.	Agricultural Engineering	54
4.	Agricultural Education, Research and Extension	66
5.	Seed Certification and Organic Certification	83
6.	Agricultural Marketing and Agri Business	88
7.	Tamil Nadu Watershed Development Agency (TAWDEVA)	101

6. AGRICULTURAL MARKETING AND AGRI BUSINESS

1. Introduction

The Department of Agricultural Marketing was created in the year 1977 with twin objectives of establishing markets for ensuring remunerative price to the farmers and development of infrastructure for reducing post harvest losses.

This Department manages Regulated Markets, Farmers Markets and Specialized Market Complexes for the sale of agricultural produce of the farmers. It also extends facilities of Storage godowns, cold storages, ripening chambers and drying yards to the farmers for minimising post harvest losses. Capacity building of farmers on post harvest management, processing, value addition, grading of agricultural produce is also carried out by the Department. The Department is also involved in formation of Farmer Producer Organization (FPO) and dissemination of information on market price.

2. Activities under Agricultural Marketing and Agri Business

2.1. Regulated Markets

Tamil Nadu Agricultural Produce Marketing (Regulation) Act 1987, entrust upon State Government with regulating sale and purchase

of agriculture produces in the notified areas. Under this Act, 21 Market Committees have been constituted and notified. These Market Committees facilitate the functioning of Regulated Markets. One percent of the sale value of the produce is collected as market fee from Traders. License fee is also collected from traders and weighmen. No fee is collected from farmers for the services rendered at the Regulated Markets. During the year 2014-15 in the Regulated Markets, 23.13 lakh MT of agricultural produce were sold by farmers and Rs.104.87 crore has been collected as market fee from the traders.

The Regulated markets extend warehousing facilities to farmers at nominal charges. Pledge loan is also given to the farmers to avoid distress sale during glut season. Loans are offered at 75% of value of produce to small and marginal farmers and 50% of value of produce to other farmers subject to a maximum of Rs.2 lakh. No interest is charged for the first 15 days of loan period. Beyond 15 days, interest rate of 5% is charged. During 2014-15, pledge loan was issued to the tune of Rs.43.36 crore benefitting 3114 farmers.

Likewise, pledge loan upto 50% of value of produce limited to the maximum of Rs.1.00 lakh at 9% interest is also extended to

the registered traders. During the year 2014-15, pledge loan was issued to the tune of Rs.4.57 crore to 467 traders.

Out of 277 Regulated Markets, 189 Regulated Markets are linked to web based nation-wide information network at web portal www.agmarknet.nic.in. The information on price of agricultural produce traded in the markets is made online through this portal.

Similarly, 179 Farmers' markets are also uploading information on daily prices of fruits and vegetables at web portal www.tnsamb.gov.in.

Agro Marketing Intelligence and Business Promotion Centre, Trichy disseminates crop advisories and Market information through SMS to the registered users. During the year 2014-15, text and voice SMS based market Intelligence advisories were delivered to 22.50 lakh farmers.

Rural Business Hubs (RBH) have been created to facilitate farmers to sell the produce directly to bulk consumers without intermediaries. At present, 10 Rural Business Hubs are functioning in Regulated Markets of Sathyamangalam, Kalavai, Krishnagiri, Gangavalli, R.Ponnapuram, Ulundurpet, Panruti, Pavoorchatiram, Batlagundu and Rajapalayam.

During the year 2014-15, 9797.46 MT of agricultural produce were sold by 6,770 farmers, in these RBH.

2.2. Market Complexes

Setting up of specialized market complex, market complex with cold storage / ripening chamber and agri export zone is also facilitated by the department.

The following specialised market complexes are functioning in the State.

Commodity	Location	Infra structure
Mango	Krishnagiri, Krishnagiri Dt.	Market complex with cold storage
Tomato	Palacode, Dharmapuri Dt.	
Grapes	Odaipatti, Theni Dt.	
	Cumbum, Theni Dt.	
Onion	Pongalur, Tiruppur Dt.	
Hilly vegetables	Karamadai, Coimbatore Dt.	
Onion and Vegetables	Chettikulam, Perambalur Dt.	
Banana and Vegetables	Tiruchendurai, Trichy Dt.	
Coconut	Ponnavarayangottai, Thanjavur Dt.	Market complex
	Pethappampatti, Tiruppur Dt.	

Paddy	Mattuthavani – Madurai, Madurai Dt.	
Fruits and Vegetables	Ottanchathram, Dindigul Dt.	Mega Market

2.3 Cold storage units and Ripening chambers

Cold storage unit with a capacity of 100 MT for Chillies has been established at Paramakudi Regulated Market in Ramanathapuram district. A cold storage unit with 100 MT capacity for Tomato is functioning at Mecheri in Salem district. Cold storage units for fruits and vegetables have been established at Oddanchatram (25 MT) in Dindigul District, Tindivanam (15 MT) in Villupuram District and Singanallur (15 MT) in Coimbatore District. Three Collection centres with cold storage facilities have also been constructed at Oddanchatram, Batalagundu and Palani Regulated Markets.

Similarly Ripening chambers each with 20 MT capacity at Trichy, Srivaikundam, Chinnamanur and Mohanur were established to facilitate banana growers to get uniform ripening of banana bunches.

2.4. Farmers' Markets

One hundred and seventy nine farmers' markets are functioning in the State for

facilitating the sale of farm produce by farmers directly to the consumers. Twenty seven Uzhavar Sandhais have cold storage facilities of 2 MT each for storing unsold vegetables and fruits. Cold storage facilities are extended free of cost to the farmers. During the year 2014-15, on an average, 2659.10 MT of fruits and vegetables were sold every day through the Uzhavar Sandhais (Farmers' Market).

2.5. Agri Export Zones

Agri Export Zones for promotion of export of agriculture produces have been established in four locations. Common facilities like cold storage, grading and sorting yard, pack house, processing units and reefer vans have been provided in these zones.

Agri Export Zones for cut-flowers at Hosur in Krishnagiri district, for flowers at Ooty in Nilgiris district, for mango at Nilakkotai in Dindigul district and for cashew at Panruti in Cuddalore district have been established.

2.6. Agmark grading

Agmark is a quality marking given to packed agriculture and horticulture products confirming the prescribed quality standards under Agricultural Produce (Grading and Marking) Act 1937 (as amended in 1986). In the State, 30 State Agmark Grading laboratories

and one Principal laboratory are functioning. During the year 2014-15, 17.93 Lakh quintals of food products were graded through these Agmark Grading Laboratories.

3. Schemes implemented by the Department

3.1. Rural Infrastructure Development Fund (RIDF)

Storage godowns and cold storages are established in Regulated Markets with NABARD loan assistance (95%) under Rural Infrastructure Development Fund (RIDF). Balance 5% is contributed by the Market Committee. From the year 2011-12 onwards, 88 modern storage godowns with 2.40 Lakh MTs of storage capacity and 70 cold storage units with 1750 MT total storage capacity have been constructed, at a total cost of Rs.150.56 crore.

Two Market Hubs, one at Coimbatore linked with 5 collection centres viz., Karamadai, Annur, Thondamuthur, Kinathukadavu, Pollachi and another Market Hub at Dindigul district with 5 collection centres viz., Natham, Oddanchatram, Palani, Dindigul and Bathalagundu at a total cost of Rs.3.60 crore.

E-auctioning facility for Turmeric at Avalpoonthurai Regulated Market in Erode District and for Maize at Palani Regulated

Market in Dindigul District at a total cost of Rs.1.18 crore has been created.

The following infrastructure works are under progress with loan assistance from NABARD.

- Specialized Market Complex for Banana at Ambasamudram at a cost of Rs.1.30 crore.
- A Central Vegetable market for fruits, vegetables and flowers at Kallikudi, Trichy District at a total cost of Rs.77.06 crore. Land has been acquired for the above market and other works will commence shortly.

3.2. National Agriculture Development Programme (NADP)

Under NADP, infrastructure facilities for improving market infrastructure and post harvest management like Ripening chambers, Market Complexes with cold storage, Traders shops and Transaction sheds are being established.

During the year 2014-15, construction of Integrated Market Complex with cold storage for chillies at Ramanathapuram district, Cold storage with 25 MT capacity at Vazhapadi Regulated Market in Salem District, Godowns for paddy with capacity of 500 MT and 1000 MT at Theroor and Monday Market respectively, Spices complex at Thoivalai in Kanyakumari District,

Ripening Chamber for banana at Thiruvaiyaru in Thanjavur District and Transaction sheds in seven Regulated Markets have been taken up.

In 2015-16, Formation of Farmer Producer Organization for maize, mango, coconut, organic cereals and millet crops are proposed to be taken up.

4. Tamil Nadu Small Farmers Agribusiness Consortium (TNSFAC)

The Tamil Nadu Small Farmers' Agribusiness Consortium was constituted as a society in line with Central SFAC. It helps farmers in strengthening market linkages. TNSFAC is also the nodal agency for implementation of Farmer Producer Organisation programme in Tamil Nadu.

It is expected that this intensive capacity building training by these organizations will operate the commercial crop cycle on their own. Members would run stores and sell the required agricultural inputs and market the produce. Aggregation of produces of many small farmers would ensure to efficiently sell at necessary critical size for remunerative price. In the State following FPOs are being formed: -

Year	Commodity for FPO formation	District
2014-15	Millets	Dharmapuri, Virudhunagar, Tiruvannamalai, Cuddalore
	Vegetables	Coimbatore
	Mango	Krishnagiri
	Guava	Dindigul
	Banana	Trichy
	Chillies	Ramanathapuram
	Pulses	Dharmapuri, Krishnagiri, Vellore, Tiruvannamalai, Thanjavur, Nagapattinam, Salem, Madurai, Pudukottai, Villupuram
	Pulses and Millets	Villupuram

Venture Capital Assistance Scheme (VCA) is also implemented through SFAC, wherein agri-entrepreneurs are encouraged to setup agri business projects with backward linkages with Small farmers. Interest free Venture Capital Assistance (VCA) at 26% of the promoter's equity or Rs.50.00 lakh whichever is less is given by SFAC, Government of India under this Scheme. For registered Farmer Producers

Organisation, VCA at 40% of the Promoter's equity or Rs.50.00 lakh whichever is less is given under this scheme.

So far, 69 projects have been sanctioned with Venture Capital Assistance of Rs.23.13 crore for Agri Business projects on Mango pulp, Floriculture (Poly House), Menthol (Mint), Coconut, Cold Storage, Mushroom cultivation, Medicinal plants, Gherkins processing, Ripening Chamber, Aloe Vera gel and supplements, Miscellaneous fruits and vegetables, Anti Cancer drug, Tea, Coconut shell charcoal and Food processing units.

5. Tamil Nadu State Agricultural Marketing Board

The Tamil Nadu State Agricultural Marketing Board (TNSAMB) was constituted in the year 1970. Market Committees contribute 15% of their revenue to the Board. Out of this contribution, fifty percent is set apart as Market Development Fund for taking up developmental activities of markets.

5.1. Activities under Tamil Nadu State Agricultural Marketing Board

5.1.1. Capacity Building Training

Post harvest technology and scientific storage training programmes are conducted for farmers in the premises of the Regulated markets every year. During the year 2014-15,

about 2640 farmers were benefitted by these training programmes.

The training centre of the Tamil Nadu State Agricultural Marketing Board at Salem caters to the training needs of the staff of Agricultural Marketing and Agri Business Department and also of the farmers. During the year 2014-15, training was imparted to about 431 technical staff and 194 farmers at this centre. The training programme will be continued during 2015-16.

5.1.2. Tamil Nadu Farmers Development and Welfare Scheme

Government has implemented this scheme from 02.11.1995 to shield farmers from various calamities. Farmers and tenants in the age group of 18 to 60 years who have sold more than 1 MT of agricultural produce in a year through Regulated Markets in the State are enrolled in the scheme. They do not have to pay contribution at any level. The Market Committee and the Marketing Board equally bear the total cost.

In case of death or permanent disability due to accident or snake bite, the members are eligible for a grant of Rs.1,00,000/-. For loss of both hands or legs or eyes a grant of Rs.75,000/- is given. In case of loss of one

hand or one leg or one eye or permanent hip disability due to accident, the member is eligible for a grant of Rs.50,000/-.

5.1.3. Construction wing

The Engineering wing of Marketing Board takes up construction of Agricultural Marketing infrastructure such as godowns, transaction sheds, Market complex, cold storage facilities, drying yards etc.