

Agricultural Marketing Reforms in India

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Agriculture plays a vital role in the Indian economy, employing a large proportion of the population and contributing significantly to food security. Agricultural marketing refers to the process through which farm produce moves from farmers to consumers. Traditionally, this system in India has been regulated by state-controlled markets known as Agricultural Produce Market Committees (APMCs). However, inefficiencies such as middlemen dominance, price distortions, and lack of infrastructure have led to the need for reforms.

Need for Agricultural Marketing Reforms

The traditional agricultural marketing system faced several challenges:

- Farmers had limited access to markets and were often forced to sell in local mandis.
- The presence of intermediaries reduced farmers' income.
- Lack of storage, transport, and processing facilities increased post-harvest losses.

- Price discovery mechanisms were inefficient and non-transparent.

These issues highlighted the urgent need to modernize the marketing system to ensure better price realization and improved efficiency.



Major Agricultural Marketing Reforms in India

1. APMC Reforms

States have amended APMC Acts to allow:

- Direct sale of produce outside mandis

- Establishment of private markets and promotion of contract farming
- Reduction in market fees

These reforms aim to increase competition and provide farmers with multiple selling options.

2. e-NAM (National Agriculture Market)

The government launched the electronic National Agriculture Market (e-NAM) to integrate mandis across the country into a unified digital platform.

- Promotes transparency in price discovery
- Reduces the role of intermediaries
- Facilitates online trading

As per recent data, over 1,300 mandis have been integrated into e-NAM.

3. Farm Laws (2020) and Their Repeal

The government introduced three farm laws in 2020 to liberalize agricultural markets by:

- Allowing farmers to sell outside APMC mandis
- Promoting contract farming
- Removing stock limits on certain commodities

However, these laws faced widespread protests and were repealed in 2021.

4. Infrastructure Development

The government launched several initiatives, such as:

- ₹1 lakh crore Agriculture Infrastructure Fund
- Expansion of cold storage and warehousing facilities

These initiatives aim to reduce post-harvest losses and improve supply chains.

5. Policy Initiatives and Future Frameworks

Recent policy efforts include:

- Draft National Policy Framework on Agricultural Marketing (2024)
- Proposal for a unified national market system
- Promotion of Farmer Producer Organizations (FPOs)

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These measures aim to create a competitive, efficient, and farmer-friendly marketing ecosystem.

Impact of Reforms

Agricultural marketing reforms have led to:

- Improved access to markets
- Better price realization for some farmers
- Increased private sector participation
- Digitalization of agricultural trade

However, the benefits remain uneven and largely depend on implementation across states.

Challenges in Implementation

- Resistance from farmers due to fear of losing Minimum Support Price (MSP)
- Lack of awareness and digital literacy
- Inadequate infrastructure in rural areas
- Variations in state-level reforms

Conclusion

Agricultural marketing reforms in India are essential for transforming the agricultural sector into a more efficient and farmer-centric system. While significant progress has been made through digital platforms and policy initiatives, challenges remain in ensuring inclusive growth. A balanced approach that protects farmers' interests while promoting market efficiency is crucial for sustainable agricultural development.