

11. DEPARTMENT OF AGRICULTURAL MARKETING AND AGRI BUSINESS

1. Introduction

The Agricultural Marketing and Agri-Business activities coupled with post harvest management are assuming greater importance in the wake of new emerging challenges in agriculture sector, increasing food demand and improving the standard of living of farming community to achieve sustainable agricultural development. Though the demand is increasing continuously, the supply fluctuates causing glut and shortages alternatively, both of which hit hard the earning of farming community. Losses in agriculture sector are high due to high perishable nature of the produce and poor post harvest handling. This calls for an efficient post harvest management on part of the farmers backed by strong infrastructure facilities for proper storage. Unlike marketing of industrial products, the marketing of agricultural products is not well organized. This fundamental difference necessitates the creation of special systems, institutions and infrastructure in the marketing of agricultural products.

The Department of Agricultural Marketing, which functioned separately since 1977, with the main objective of “Regulation of Agricultural Marketing”, through Regulated markets was renamed in the year 2001 as “Department of Agricultural Marketing and Agri Business” to focus on creation and strengthening of post harvest management infrastructure for value addition of agricultural commodities, food processing and export.

During 11th five year plan, the Department had focused on various activities like creation of direct marketing facilities, strengthening of infrastructure in Regulated

markets for ensuring fair price to farmers' produce through Regulated markets, construction of drying yards and cold storages for minimizing the post harvest losses, formation of commodity groups and forward linkages for direct purchase of agricultural produce from farmers by the traders/ buyers, establishment of infrastructure facilities for promoting export of agricultural produce through Agri Export Zones and assuring quality foodstuff to consumer under Agmark grading.

Minimizing post harvest losses by proper handling and management through sufficient cold storages and modern warehousing facilities, Creation of food processing industries with farmers' participation, providing farmers with sufficient market information and intelligence to take up cropping programme to suit the market demand, in a nutshell paving way for market led agriculture are emphasized to uplift the standard of living of farmers. Hence, the 12th Five Year Plan mainly focuses on;

- Formation of crop based commodity groups
- Promoting the establishment of Agro Processing units with farmers' participation to minimize the wastage of agricultural produce.
- Imparting skills to the farmers on the techniques of scientific storage, value addition, processing and preservation of food grains by providing massive training programmes.
- Forward linkages for direct purchase of agricultural produce from farmers by the traders/ entrepreneurs.
- Enhancing the shelf-life of Agricultural commodities by providing necessary modern infrastructural facilities.

- Enabling the farmers to realize remunerative price to their produce through alternative markets like Terminal Market, Mega market and specialized market complex.
- Encouraging private sector participation in the creation of value addition and processing infrastructure facilities under PPP (Public Private Partnership) mode.
- Disseminating commodity price, arrival information in Regulated markets and Farmers' markets and price forecast for important agricultural commodities through media, SMS and internet on a daily basis for the benefit of farmers.
- Capacity building and knowledge sharing among the farmers on market intelligence, price forecast and providing crop advisory, market led extension and IEC&CB activities through Agri Marketing Intelligence and Business Promotion Center (AMI & BPC).
- Market driven production approach by utilizing the infrastructure and market intelligence service available in Agri Business Centre and Rural Business Hub.

2. Agri Marketing Activities :

2.1. Market Committees and Regulated markets

Eliminating intermediaries, providing a conducive trading platform to farmers and traders for marketing agriculture produce are done through a common forum *i.e.* Regulated Markets which are governed by Tamilnadu Agricultural Produce Marketing (Regulation) Act- 1987 and rules 1991. There are 21 Market Committees under which 277 Regulated Markets are functioning.

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.

2.1.1 Facilities provided in the Regulated Markets

- Godown, transaction shed
- Farmers rest room
- Cattle shed
- Rural Business Hub, input shop
- Automatic weighing and bagging machine
- Weigh bridge, weighing balance
- Display of daily price information, free medical aid etc.,

Through Regulated Markets, about 18.96 L.Mt of agricultural produce were sold by farmers and ₹ 7705.84 lakh have been collected as revenue from traders during 2011-12.

2.2. Modern godowns in Regulated Markets

Modern godowns with durable scientific equipments are essential to protect agricultural goods from loss or damage due to heat, dust, wind, moisture and from rodents. Farmers can store their agricultural produce in the godowns and get credit facilities in the form of pledge loan.

Construction of 50 modern godowns in Regulated Markets with various capacities of 2,000 MT (37 Nos), 5,000 MT (8 Nos) and 10,000 MT., (5 Nos) with 95% financial assistance from NABARD under RIDF Scheme and 5% from Market Committee fund covering 15 Districts at a total cost of ₹ 8200 lakh is in progress. Hon'ble Chief Minister has laid foundation stone for 21 modern godowns on 03.03.2012.

2.3. Strengthening of Regulated Markets

The Regulated markets play a vital role in improving the economic viability of agriculture and sustainable agriculture development. Under NADP, 20 rural godowns and 150 drying yards were constructed in regulated markets during last year at a cost of ₹ 770 lakh to

facilitate farmers to store their produce during distress sale period, avail pledge loan facility and reduce post harvest losses.

To facilitate easy disposal and correct weighment to farmer's produce, automatic weighing and bagging machines at four regulated markets have been installed at a cost of ₹ 33.75 lakh and are being utilized by the farmers.

Further, Automization of Regulated Markets in 4 places by providing the facilities like hand held devices for data collection and digital display boards at a cost of ₹ 163.10 lakh is being done for the farmers to know the prevailing price trend. Creation of 60 traders' shops in 6 Regulated markets for more commodity arrivals at a total cost of ₹ 480 lakh is under progress.

Hon'ble Chief Minister laid foundation stone for 50 traders' shops in 5 regulated markets viz, Cuddalore, Vadakipalayam, Virudhunagar, Arani and Pavorchatram on 03.03.2012.

2.4. Rural Business Hub (RBH) in Regulated Markets

Rural Business Hubs have been established in 10 Regulated Markets at a cost of ₹150 lakh. Rural Business Hubs created under NADP, envisages development of opportunities through which farmers have increased access to markets through forward linkages. These centres aim to achieve higher income for farmers by aggregating products enabling large buyers and processors to make direct purchase from farmers. Infrastructure facilities such as input shops, storage shed, packing facilities and services like trade facilitation, market information and intelligence, farm advisory, extension and training facilities were created. So far, 120 commodity groups have been formed and 245 farmers are benefitted from 10 RBHs.

2.5. Construction of own building for Regulated Markets

Among 277 Regulated Markets, 97 Regulated Markets are functioning in the rented buildings. In order to get better price to farmers' produce and more revenue to the Market Committees by inviting more farmers and attracting more arrivals, it is necessary to construct own building with adequate infrastructure facilities.

Hon'ble Chief Minister laid foundation stone for construction of own building for Attur and Bhavani Regulated Markets on 3.3.2012.

2.6. Pledge Loan

Pledge loan facility helps the farmers to avoid distress sale of agricultural produce during harvest season and store their produce in the godowns of regulated markets. Small and marginal farmers can avail pledge loan upto 75% of value of the produce and other farmers can avail upto 50% of value of the produce upto 6 months period.

During 2011-12, pledge loan amount is increased from ₹ 1 Lakh to ₹ 2 Lakh with 5% rate of interest for farmers to enable them to meet their immediate requirements and preparations for next cropping season. During 2011-12, 2246 farmers availed pledge loan to the tune of ₹ 1859.59 Lakh.

Traders can avail pledge loan upto 50% of value of the produce limited to the maximum of ₹ 1 Lakh with 9% rate of interest upto 3 months period. During 2011-12, 122 traders have availed pledge loan of ₹ 125.82 lakh.

2.7. Uniform Notification

Market Committees levy market fee for any notified agricultural produce bought or sold in the notified market

area. Each Market Committee has its own notified area and notified crops. At present 40 agricultural produce have been notified. But these 40 agricultural produce are not evenly notified in the Districts of Tamil Nadu. Implementation of uniform notification removes the price disparities between notified and non-notified areas. Preliminary notification has been issued for enforcing uniform notification of 40 agricultural commodities.

2.8. Dissemination of Market price information

Market price information and market intelligence plays a vital role in marketing of agricultural produce. If the information on commodity prices prevailing in various markets is made available to the farmers, it would be able to get better price by moving their produce to the market which pays higher.

Under the Central Government scheme of Marketing Research and Information Network (MRIN) 205 computers were provided to 21 Market Committees and 184 regulated markets. These regulated markets upload the prevailing agricultural produce price and commodity arrival information to web portal www.agmarknet.nic.in on daily basis.

Computerization of 20 Regulated Markets at a cost of ₹ 250 lakh under NADP scheme during 2011-12 has been taken up for purchase of hand held machines, computers, software for e-auctioning, marketing and administration, on time marketing activities and transparent transaction.

In addition, an exclusive software has been developed for disseminating the prevailing price of fruits and vegetables of the Farmers' Markets, which facilitate direct marketing support. At present the fruits and vegetables

prices that prevail in 179 Farmers' markets are being uploaded in the website www.tnsamb.gov.in.

2.9. Drying yards at villages.

Drying yards are constructed to avoid the post harvest losses, it accounts for 5-10 % in the total production of cereals and pulses. To reduce the loss of agricultural produce it should be stored at optimum moisture content. For this so far 1311 village level drying yards at a total cost of ₹ 2625 lakh have been constructed since 1997 and are being beneficially utilized by the farmers.

2.10. Market Complex for Paddy

Paddy Market Complex has been established in an area of 9.85 acres at Mattuthavani in Madurai district at a total cost of ₹1706 lakh from Madurai Market committee fund 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, fire fighting equipments and telephone exchange facilities are also available.

During the year, 2011-12 arrivals of agricultural produce in paddy market complex accounted for 1,07,139 MT and ₹94.24 lakh revenue have been obtained as market fee.

2.11. Velan Vilaiporul Perangadi (Mega Market)

A mega market for fruits and vegetables has been established with facilities such as 50 shops, 216 floor space shops, grading hall and transaction shed in Oddanchatram, Dindigul District in an area of 15.50 acres at a total cost of ₹ 308 lakh.

2.12. Flower Auction Centre

A Flower Auction Centre at Kavalkinaru in Tirunelveli district has been established at a cost of ₹ 163.40 Lakh for the benefit of flower growers. On an average, 300 Kg of flowers worth about ₹0.55 lakh are being transacted per day.

2.13. Agmark grading

Agmark is the expansion of "Agricultural Marking". As per the Agricultural Produce (Grading and Marking) Act 1937, the Agmark Grading scheme is being implemented in Tamil Nadu. Most of the Agricultural, Horticultural, Forest Products and Animal Husbandry by-products are covered under Agmark Grading Scheme.

In Tamil Nadu, 30 state Agmark grading laboratories and one principal Agmark grading laboratory at Chennai are functioning to provide unadulterated food products to the consumers and to ensure quality. Agmark Grading is done for centralized and decentralized commodities. In Tamil Nadu Rice, Pulses, Edible Vegetable Oils, Ghee, Honey, Ground Spices, Whole Spices, Wheat Products, Sago, Desiccated Coconut Powder, Tamarind, Compounded Asafoetida etc., are being graded under Agmark.

Agmark labelling is done to the authorized packers under direct supervision of the staff to certify the quality and purity of food products. During 2011-12, 16.20 lakh quintals of food products have been graded by State Agmark grading laboratories.

During 2011-12, Laboratory equipments such as U.V. Visible Spectrophotometer, Digital Moisture Meter, Digital Muffle Furnace, Digital Refractometer and Digital Hot Air Oven were purchased for ₹ 38.49 lakh under Part II scheme for State Agmark Grading Laboratories.

For the year 2012-13, U.V. Visible Spectrophotometer 5 Nos and 18 Nos of Digital Moisture Meter will be purchased to the tune of ₹ 30.40 lakh under Part II scheme.

2.14. Farmers' markets

Farmers' markets are functioning with the objective of ensuring fair price to the farmer's produce without middlemen intervention and fresh fruits and vegetables to the consumers at a nominal price. In farmers' market, shop and electronic weighing balance are allotted to farmers on priority basis. At present, 179 Farmers' markets are functioning in Tamil Nadu. The expenses of Farmers Markets are being met out from the Market Committee funds.

3. AGRI BUSINESS ACTIVITIES:

Reduction in post harvest losses and value addition of agricultural produce fetches remunerative price to farmers' produce. This requires infrastructure like storage godowns, grading and sorting yard, pack house, drying yards, transaction sheds, auction halls, pre-cooling room, cold storage, ripening chambers etc. Various 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 has been established at a cost of ₹ 100 lakh for Mango at Krishnagiri Regulated Market in Krishnagiri District under Tamil Nadu State Agricultural Marketing Board and State Government funds for the welfare of small and marginal farmers.

3.2. Market Complex with Cold Storage facilities for Tomato

A Market complex with cold storage facility has been established at a cost of ₹100 lakh for Tomato at Palacode Regulated Market in Dharmapuri District under Tamil Nadu State Agricultural Marketing Board and State Government funds.

A cold storage unit with 100 MT capacity has been established at Mecheri in Salem district at a cost of ₹100 lakh under NADP. So far 28 numbers of tomato commodity groups with 420 farmers are utilizing the facility. During 2011-12, 49.80 MT of tomato has been stored in the cold storage.

3.3. Market Complex with Cold Storage Facilities for Grapes

A Market complex with cold storage facility has been established at a project cost of ₹100 lakh for Grapes at Odaipatti in Theni District for the welfare of small and marginal farmers under Tamil Nadu State Agricultural Marketing Board and State Government funds. Grapes commodity groups are being formed for effective utilization of the market complex.

3.4. Market Complex with Cold Storage Facilities for Onion

Market complex with cold storage facility at a project cost of ₹100 lakh for Onion at Pongalur in Tiruppur District has been established for the welfare of small and marginal farmers under Tamil Nadu state Agricultural Marketing Board and State Government funds. About 120 farmers have transacted 29 MT of onion in cold storage.

3.5. Market Complex for Coconut

In Thanjavur district a Coconut Market Complex has been created at Ponnavarayankottai, Ukkadai village at a cost of ₹400 lakh under Market Committee and State Government funds. The Market complex is 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.

In addition to that, a coconut market complex has been established at Pethappampatti in Tiruppur District at a cost of ₹100 lakh. So far, 170 coconut growers transacted 22 MT and stored 10 MT of copra in the godown.

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

To get good price for onion and to preserve other vegetables construction of storage facilities and cold storage structure under NADP at a cost of ₹114.90 lakh at Chekkikulam village in Perambalur District is under progress.

3.7. Market Complex with cold storage for Hilly vegetables

Market Complex with Cold Storage for Hilly Vegetables at Karamadai Regulated Market in Coimbatore District has been created at a cost of ₹ 100 lakh under NADP. So far, 15 Hilly vegetable commodity groups are formed and 225 farmers were benefitted.

3.8. Cold storage for Chillies

In Ramanathapuram district, establishment of cold storage facility with a capacity of 100 MT for Chillies at

Paramakudi Regulated Market is in progress at a cost of ₹ 99.50 lakh under NADP.

3.9. Banana Ripening Chamber

Banana is predominantly consumed as fresh fruit and requires high degree of post harvest management. About 30-40 per cent of the produce is lost before it is consumed. Hardly 2-3% of the total produce is processed due to lack of storage techniques. The banana, after cleaning, packing and quality checking need to be ripened uniformly before being purchased by the consumers. Hence ripening chamber has been established at Trichy, Srivaikundam, Chinnamanur and Mohanur at a total cost of ₹ 200 lakh under NADP. 10 banana commodity groups each at Trichy, Srivaikundam and Mohanur and 17 banana commodity groups in Chinnamanur have been formed for better utilization of these infrastructure facilities and for better price realization.

3.10. Additional Market Infrastructure and Cold Storages-

During the year 2011-12, creation of following infrastructure facilities at a total cost of ₹1920 lakh under NADP have been taken-up.

- Market complex for Banana and 1000 MT capacity cold storage unit for vegetables at Thiruchendurai village in Trichy District.
- Market complex with 1000 MT capacity cold storage unit for vegetables and fruits at Alukuli village in Erode District.
- Market complex with 200 MT capacity cold storage unit for lemon at Kadaiyanallur Regulated Market in Tirunelveli District.

- 100 MT capacity Cold storage units for fruits and vegetables in 5 Regulated Markets.
- 1000 MT capacity Cold storage unit for Tamarind at Dharmapuri Regulated Market in Dharmapuri District.
- 1000 MT capacity Cold storage unit for Chillies at Pavorchatram Regulated Market in Tirunelveli District.

Hon'ble Chief Minister laid foundation stone for Market complex with cold storages in Erode and Tirunelveli and cold storage units in Dharmapuri and Tirunelveli on 03.03.2012.

3.11. Establishment of Terminal Market Complexes

Terminal Market Complexes (TMC) are being developed to reduce the post harvest losses in perishables like fruits, vegetables and other agricultural commodities, under Public Private Partnership (PPP) near metropolitan areas of Chennai, Madurai and Coimbatore as per the revised guidelines of the Government of India for the benefit of farmers and traders.

The TMC will act as a 'Hub and Spoke' Model. In the 'Hub' common infrastructure facilities like the State-of-Art modernized Grading and Packing facilities, Cold storage, Ripening chamber, Quality control lab, Electronic auction centre etc., will be developed. 'Spoke' means Collection centers - which are located at various places in the production area with modern infrastructure facilities. A minimum of 20 collection center has to be developed in the catchment area of each TMC. The Industrial and Technical Consultancy Organization of Tamil Nadu Ltd., (ITCOT) has been appointed as consultant for the above projects.

3.11.1. Perundurai Terminal Market Complex

In an area of 47.90 acres at SIPCOT Industrial Growth Centre at Perundurai, Erode District Terminal Market Complex at a cost of ₹12063 lakh is under construction. M/s.SPAC Tapioca Products (India) Ltd has been selected for establishment of Terminal Market Complex with a subsidy of ₹ 2899 lakh sanctioned by the Government of India. The Operation, Management and Development Agreement (OMDA) were signed between the Department and M/s.SPAC Terminal Market Complex Ltd, Erode, on 27.2.2011. Hon'ble Chief Minister laid foundation stone for Terminal Market Complex on 03.03.2012.

The TMC can handle an average of 1500 MT per day of perishables and other agro commodities. The collection centers are expected to handle an average of 75 MT/day. It is expected to serve a minimum of one lakh small and marginal farmers in 7 districts. More than 500 traders will be actively participating in direct purchase of agro commodities. It will also generate direct employment to 200 people and indirect employment to more than 800 people in the locality. Detailed Project Report and Master Plan submitted by the bidder was evaluated by ITCOT consultancy.

3.11.2. Chennai Terminal Market Complex

Chennai Terminal Market complex is being established in an area of 35 acres at Navalur Village of Sriperumputhur Taluk, Kancheepuram District at a cost of ₹11385 lakh. Global Tender Notification has been floated for inviting entrepreneurs. The Request For Qualification (RFQ) documents received from the entrepreneur was evaluated and Request for Proposal (RFP) was issued to the selected entrepreneurs.

3.11.3. Madurai Terminal Market Complex

Madurai Terminal Market Complex is being established in an area of 50 acres at Mukkampatti (35 acres) and Thiruvathavur (15 acres) at a cost of ₹10505 lakh. Global Tender Notification has been floated for inviting entrepreneurs. The Request For Qualification (RFQ) documents received from the entrepreneur was evaluated and Request for Proposal (RFP) was issued to the selected entrepreneurs.

3.12. Agri Export Zones

With Globalization and Liberalization of Indian economy, international trade started playing a significant role in the growth of Nation's and State's economy. To minimize wastage of agricultural produce and increase the share of exports from Tamil Nadu, Agri Export Zones is being promoted. Export zones facilitate value addition of products, as it ensure steady and increased better price realization to the farming community as well as availability of commodities in processed form to the consumer throughout the year.

Agri Export Zones have been established at 4 places by private anchor promoters with the modern infrastructure facilities like grading and sorting yard, cold storage, pack house, processing units and reefer vans for the direct export of value added agricultural produce, at the production centers.

The anchor promoters of these Agri Export Zones have created modern nursery and necessary processing and storage infrastructures in their respective zones and started commercial production.

3.12.1. Agri Export Zone for Cut flowers

Agri export zone for cut flowers has been established by M/s. Tanflora as joint venture mode with TIDCO at Hosur in Krishnagiri district at a cost of ₹ 2485 Lakh. Infrastructure facilities like Central Packing House comprising of sorting, grading, packaging, cold storage and marketing facilities were established. During 2011-12 the firm M/s.Tanflora has done a turnover of ₹ 125 lakh worth cut-flowers.

3.12.2. Agri Export Zone for Flowers

An Agri Export Zone for flowers at Ooty in the Nilgiris district has been established with the participation by private promoter M/s.Nilflora at a project cost of ₹1589 lakh. Infrastructure facilities such as auction centre, nursery, pre-cooling, cold storage; reefer vans, Hi-tech training centre, common marketing facility etc. are provided in the zone. The Department of Horticulture and Plantation crops is conducting Hi-tech floriculture training and providing planting materials at 50% subsidized cost and also giving subsidy for green houses and shade nets. Besides, information centre was also established at Ooty for providing technical consultancy and other horticultural information to the growers.

An electronic Flower Auction centre at a cost of ₹11 lakh has been opened in Ooty and it is utilized by the farmers to sell their flowers. During 2011-12, M/s.Nilflora has done a turnover of ₹114 lakh worth flowers.

3.12.3. Agri Export Zone for Mango

An Agri Export Zone for Mango has been established by the anchor promoter M/s. Maagrita Export Ltd at Nilakkotai in Dindigul District for the benefit of mango growers in Theni, Madurai, Virudhunagar, Tirunelveli, Dindigul and Kaniyakumari districts at a cost of ₹2100 lakh.

The firm M/s. Maagrita Exports Ltd., has established infrastructure facilities such as pack house, collection centre, processing units, grading halls, etc. During 2011-12, M/s. Maagrita Exports Ltd has done a turnover of ₹101 lakh worth mango and mango pulp.

3.12.4. Agri Export Zone for Cashew

Agri Export Zone for Cashew at a project cost of ₹ 1700 lakh at Cuddalore district has been developed by the anchor promoter M/s.Sattva Agro Exports Ltd with TIDCO (a joint venture unit), covering the Districts of Cuddalore, Thanjavur, Perambalur, Pudukottai and Sivagangai. M/s.Sattva Agro Exports Ltd., has developed a grading, processing center and pack house for cashew. The company has formed 6 organic farming Self Help Group (SHG) at five villages with the close co-ordination of Gandhi Rural Education and Development Society (GREDS). During 2011-12 M/s.Sattva Agro Export Pvt. Ltd., has done a turnover of ₹ 24 lakh worth of cashew.

3.13. Food Processing Industries

To ensure steady and better price to the farming community as well as availability of commodities in processed form to the consumer throughout the year, Food processing is promoted which reduces the wastage of agricultural produce to a great extent.

Department of Agricultural Marketing and Agri Business is the State Nodal Agency for the Ministry of Food Processing Industries, Government of India. Ministry of Food Processing Industries has decentralized the implementation of the scheme for technology upgradation, establishment/ modernization of Food Processing Industries with effect from April 2007 through Banks/Financial institutions.

Being a State Nodal Agency, different project proposals under Entrepreneur development programmes, contract farming, Food processing training centre, Seminars and Exhibition on food processing, infrastructure development, setting up of Food testing laboratory and Food park etc., are being received, scrutinized and forwarded to the Ministry of Food Processing Industries, Government of India.

So far ₹ 4406.91 Lakh has been received as a grant by Government of India for 218 projects. Government of India has proposed to implement the schemes of Ministry of Food Processing Industries from 01.04.2012 through State Government.

3.13.1. National Mission on Food Processing

Ministry of Food Processing Industries (MFPI) proposed to launch a new Centrally Sponsored Scheme (CSS) – National Mission on Food Processing (NMFP) during 12th Five Year Plan to be implemented through States. The basic objective of NMFP is decentralization of implementation of Ministry's schemes, which will lead to substantial participation of State Governments. The proposed NMFP contemplates establishment of a National Mission as well as corresponding Missions in the State and District level. The proposed NMFP is likely to improve significantly to the Ministry's outreach in terms of planning, supervision and monitoring of assistance through this Scheme.

This scheme is proposed to be implemented as a new centrally sponsored scheme in the ratio of 75:25 by Government of India and State Government.

Objectives of NMFP

1. To augment the capacity of food processors working in unorganized sector and upscale their operations through capital infusion, technology transfer, skill up-gradation and handholding support.
2. To support established self help groups working in food processing sector and facilitate them to emerge as SME status.
3. Capacity development and skill upgradation through institutional training to ensure sustainable employment opportunities and also to reduce the gap in requirement and availability of skilled manpower in food processing sector.
4. To ensure the standards of food safety and hygiene to the globally accepted norms.
5. To facilitate food processing industries to adopt HACCP and ISO certification norms.
6. To augment farm gate infrastructure, supply chain logistic, storage and processing capacity.
7. To provide better support system to the organized food processing sector.

The proposed structure would be a three tier structure at National, State and District level.

In the **National Level**, Minister of Food Processing Industries is the Chairman. An Executive Committee under the Chairmanship of Secretary of the Ministry will be formed and the Committee would be the link between the Ministry and State Governments. Joint Secretary would be the Mission Director.

At the **State Level**, it will be headed by Hon'ble Chief Minister. An Executive Committee under Chief Secretary and Agricultural Production Commissioner will be

responsible for implementing the Schemes. A Senior Officer, at level of Director, would be designated as the Mission Director at State Level.

At the **District Level**, Deputy Director (AB) would be the nodal officer for Food Processing. All the three tiers of the Food Processing Mission would work in close co-ordination with each other.

Major Programmes / Schemes to be covered under NMFP

1. Scheme for Technology Up-gradation / Setting up / Modernization / Expansion of Food Processing Industries.
2. Scheme for Supporting Cold Chain Facilities and Reefer Vehicles for other than Horticultural Products.
3. Scheme for Human Resource Development (HRD)
 - a) Creation of Infrastructure Facilities for Running Degree / Diploma / Certificate Courses in Food Processing technology.
 - b) Entrepreneurship Development Programme (EDP)
 - c) Food Processing Training Centre (FPTC)
4. Scheme for Promotional Activities
 - a) Organizing Seminar /Workshops
 - b) Conducting Studies / Surveys
 - c) Support to Exhibitions / Fairs
 - d) Advertisement & Publicity.

3.14. Agro Processing Units with farmers' participation

His Excellency, the Governor of Tamil Nadu during Governor's address 2011-12 has announced in the assembly that, "Agro Processing Units with farmers and private participation will be established at 5 places" viz., Pulses in Pudukottai District, Tomato in Dharmapuri District, Banana in Theni District, Copra in Coimbatore District and

Groundnut in Villupuram District at a total cost of ₹2000 lakh. On behalf of farmers, 25% of the share capital contribution will be borne by the Government through the Department of Agricultural Marketing and Agri Business and the remaining 75% of the share will be borne by the private entrepreneurs. Selection of entrepreneurs is under progress.

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

The main objective of World Bank assisted TN-IAMWARM Project under Agri marketing component is supporting sub-basin farmers in strengthening their market orientation.

The Project is being implemented in 61 sub basins of Tamil Nadu in phased manner over a period of 6 years from 2007-08 to 2012-13 at a total estimate of ₹3417 lakh . An amount of ₹2686 lakh have been utilized for 4 phases of sub basins up to 2011-12.

For executing the marketing activities, Infrastructure facilities are essential. So far 21 Agri Business Centers, 94-storage sheds, 155-drying yards, 18-collection centers and one pack house were created under TN-IAMWARM Project. The supporting equipments such as 52-moisture meters, 118-electronic weighing scales, 522- tarpaulins, 1985-dunnages, 19-computers with internet connection, 575-plastic crates, 8- goods auto and one mini lorry for logistics were provided and are being utilized by Commodity group farmers.

3.15.1. Role of Commodity groups in increasing the farm income

The main objective of promoting the farmers commodity groups at the village / block level is to create a mechanism to empower them for their own problem solving. This would also help in providing techno-economic support to the groups, enhance scale of operation, improve performance, promote infrastructure, improve access to resources, technology and markets, capacity building of farmers, bank credit facility and ultimately improve the economy of the farmers. In the sub basin area, formation of commodity groups and Memorandum of Understanding (MoU) between farmers and traders are the major activity for the realization of additional income by farmers.

Interface workshop is considered to be a platform for linking the farmers directly to the traders with face to face market orientation. So far 1,657 commodity groups covering 14 major commodities have been formed and 1,179 MoU have been made between farmers and traders.

Under Information, Education, Communication and Capacity Building (IEC&CB) activities 772 trainings were conducted viz., 195 exposure visits inside the state and 99-exposure visits outside the state, 265-technical trainings and 213-interface workshops. By utilizing the infrastructure facilities and capacity building activities, 47,227 commodity group farmers earned an additional income of ₹1, 247 lakhs with the Commodity transaction of 1,22,613 MT.

Hon'ble Chief Minister inaugurated Marketing infrastructure facilities such as 2 Agri Business Centers, 7 storage godowns, 4 collection centers and 22 drying yard on 03.03.2012 for the utilization of farming community.

During 2012-13, the project will be implemented in phase IV regular activities, Phase I to IV additional DPR activities and Amaravathy sub basin activities with the financial outlay of ₹549.09 Lakh for creation of various market infrastructure including 69 civil infrastructure such as one Agri Business Centre, 22 storage sheds, 45 drying yards and one ABC fencing work, 2180 goods and equipments which includes 591 Tarpaulins, 786 Dunnages, 36 Moisture meters, 42 Electronic weighing scales, 720 Plastic crates, 2 copra dryers, 2 coconut de-fibering units and one computer. Under Capacity building activities, 25 technical trainings, 3 exposure visits within the state and 30 Interface Workshops, 5 Awareness Campaigns are proposed.

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

Providing both forward and backward linkages to Small farmers through assured purchase at reasonable price for their produce by making formal / informal market arrangements besides linking Small farmers to technologies as well as to markets are the objectives of Small Farmers Agri-business Consortium. It is functioning in association with Government, Private, Co-Operative, Nationalized Banks and Service Sectors to fulfill the above objectives.

Eligibility criteria for funding:

- Value addition projects should be in agriculture or allied sectors like Horticulture, Agriculture, Medicinal and Aromatic Plants, Spices, Cashew nut, Coconuts and Fish culture etc., excluding Poultry and Dairy projects.

- Project should provide assured market to farmers/producer groups.
- Projects must encourage farmers to diversify into high value crops, to increase farm income.
- Project should be accepted by Banks for grant of term loan.

Agri Business development in Tamil Nadu is achieved by sanctioning Venture Capital Assistance and providing project development facilities. So far, Venture Capital Assistance of ₹1530.43 Lakh for 43 Agri-Business projects has been sanctioned by Tamil Nadu Small Farmers Agri-business Consortium.

3.17. Establishment of Agri Marketing Intelligence and Business Promotion Center at Trichy

Protecting farmers from fluctuating agricultural commodity prices is to be focused now with high priority. For this the farmers are to be empowered with knowledge on price forecasting, high price period, best market price, quality parameters, pre and post harvest technologies for different agricultural commodities, export opportunities etc.,. This would help the farmers to achieve crop diversification for better returns and adopt "**Market-led Agriculture**", apart from identifying the gaps in marketing infrastructure and farmers' capacity building needs for post harvest management. In this regard, during 2012-13 Agri Marketing Intelligence and Business Promotion Center (AMI & BPC) is proposed to be established at Trichy under PART II scheme at a cost of ₹43 lakh.

Departmental coordination for data collection will be done by Agriculture, Horticulture, Agri Marketing and Agri

Business and Tamil Nadu Agricultural University staff to this AMI&BPC on deputation basis. Four IT consultants will be engaged on contractual basis for data collection, analysis, compilation and documentation. Two Subject Matter Specialists will be engaged on contractual basis for data analysis, interpretation and price forecasting. The AMI&BPC officials will be trained by TNAU. The Crop and Market Advisory Service will be rendered through SMS to the staff of the Departments and farmers and other stakeholders who have registered with.

Through this centre, Crop and Market Advisory services will be rendered as “**One Stop Shop Service**” which includes technical and input services, pledge loan, post harvest processing, value addition besides suggesting ways to tap the market potential, future market alert, crops that gives best returns during current / next season etc.

3.18. Infrastructure facilities proposed for the year 2012-13.

Under *National Agriculture Development Programme*, *NABARD* Assistance, Market committee fund and Tamil Nadu state Agricultural Marketing board fund the following infrastructure facilities are proposed to be established during 2012-13.

It is proposed to establish market complexes with cold storage facilities to enhance the shelf life of perishables like flowers, fruits and vegetables pertaining to the crops of commercial importance in the districts. In this context one Market complex with cold storage facilities for flowers, two for fruits and vegetables, one cold storage each for fruits and vegetables and chillies, construction of 10 transaction shed in Regulated Market and 25 traders shops, 20 godowns, own building for 9 Agmark labs, 10 touch screen kiosk for providing market information to farmers at

various regulated markets and 10 food court in 10 Regulated Markets at various districts are also to be created.

3.19. Farmers’ Hand Book

The Department has prepared and released a technical guide for farmers, covering various valuable information on trading, storage, grade specifications, value addition, processing techniques, post harvest technologies, market intelligence, training, details of processing industries and cold storages, etc.,