

Background

- During the second half of 2009, the prices of food articles increased sharply.
- To address the issue of increase in prices of essential commodities, a Working Group on Consumer Affairs was constituted in 2010.
- The Working Group on Consumer Affairs submitted its Recommendations and detailed Action Plan to Hon'ble Prime Minister in March 2011.

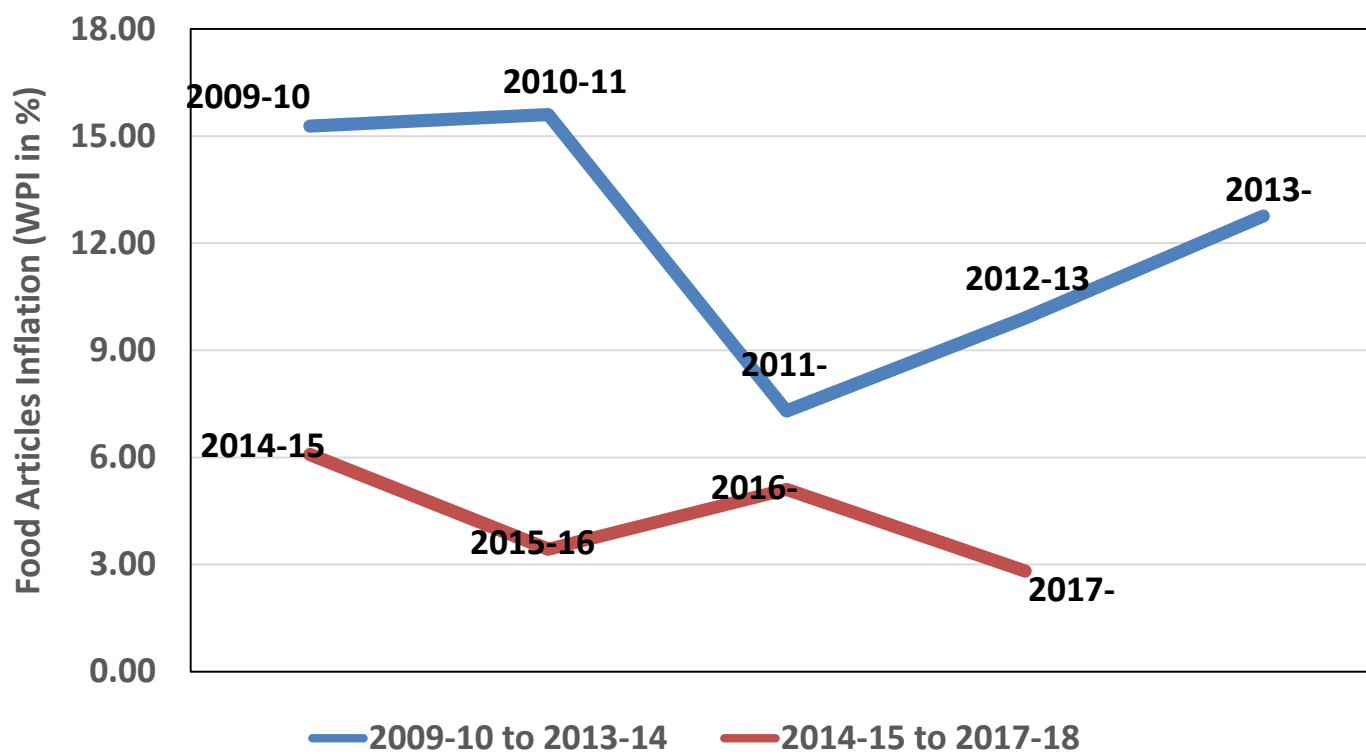
Terms of Reference

1. Increasing efficiency of distribution channels from farm to consumers.
2. Reducing intermediation costs and reducing gap between farm gate and retail prices.
3. State intervention for retailing essential commodities at reasonable prices.
4. Enforcement of statutory provisions to improve availability of essential commodities at reasonable prices.

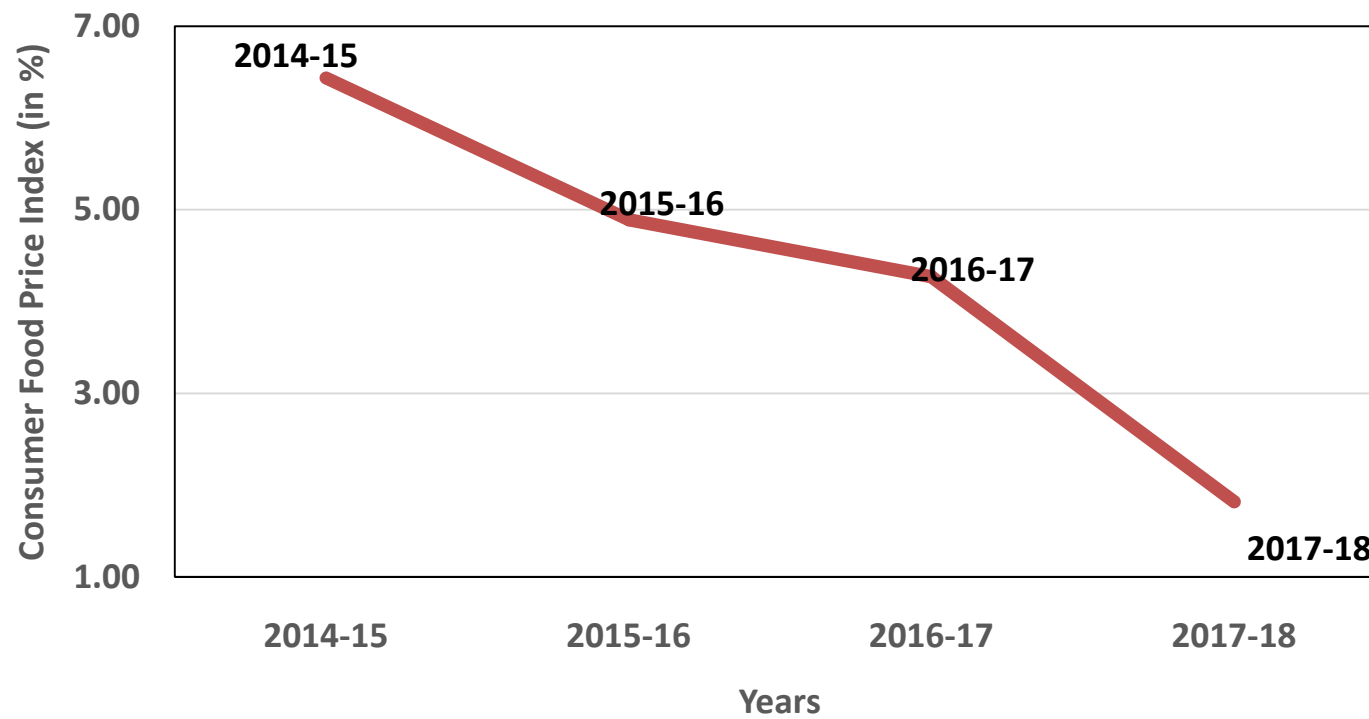
SUMMARY OF THE REPORT

- 4 TERMS OF REFERENCE
- 20 RECOMMENDATIONS
- 82 POINTS ACTION PLAN
- COVERS 10 DEPARTMENTS

Food Articles Inflation (WPI) (base 2004-05)



CFPI (CPI base 2012)



RECOMMENDATIONS OF WORKING GROUP ON CONSUMER AFFAIRS

S.No.	RECOMMENDATION	ACTION TAKEN
1.	<p>Increasing competition in Agriculture Produce markets</p> <p>❖ DACFW</p>	<p>Completed</p> <ul style="list-style-type: none"> ➤ Model APLM Act, 2017 formulated - provides for private market and direct marketing ➤ Recommendations of Committee of State Ministers incorporated in Model APLM Act. ➤ Agriculture Market Infrastructure (AMI) Scheme implemented. ➤ Terminal Markets included under PPP.
2.	<p>Need for Single Agricultural Market</p> <p>❖ DACFW</p>	<p>Completed (DACFW)</p> <p>) No VAT post GST for primary agricultural produce.</p>

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2.	Need for Single Agricultural Market ❖ DACFW	Completed (DACFW)) 21 States adopted single point market fee levy.) E-NAM launched. Ongoing) Remaining States being pursued for adoption of single point levy of market fee.
3.	Addressing information asymmetry: ❖ DACFW	Completed (DACFW) ➤ Info dissemination by DAC's website & portals. ➤ APPs like Kisan Suvidha, Agmarknet, e-NAM etc. under operation. Price sticker board provided. ➤ Satellite imagery technology for crop estimates through MNCFC. ➤ 24 hour Kisan TV Channel in place.

S.No.	RECOMMENDATION	ACTION TAKEN
4.	<p>Improving Agri-Infrastructure of backward and forward linkages for Agriculture Production and Marketing.</p> <ul style="list-style-type: none"> ❖ DACFW ❖ DFPD ❖ MOP ❖ MoRD ❖ MoFPI ❖ MoWR, RD & GR 	<p>Completed (DACFW)</p> <ul style="list-style-type: none"> ➤ Ongoing scheme on agri infrastructure, credit, crop insurance, IPM, soil health. ➤ RKVY, MIDH and AMI for post harvest facilities <ul style="list-style-type: none"> ✓ Encourage participation of Private sector. ➤ Agmarknet implemented. ➤ ICAR doing post harvest research. ➤ Integrated scheme of agriculture cooperation, AMI for cooperatives. ➤ 11809 Pack House, 116 Refer Van, 210 Ripening Chamber, 1679 Primary Processing Unit, 7925 Low Cost Onion Storage and 892 Cold Storage (37.78 lakh MT capacity) have been promoted under MIDH. <ul style="list-style-type: none"> ✓ Alternative source of energy encouraged. ➤ Under PMKSY 26.90 lakh ha area covered under Micro Irrigation and protective irrigation during 2015-18. An amount of Rs 6366 Crore have been released so far and Rs 4000 Crore have been allocated for 2018-19.

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5.	<p>Strengthen Spot & Future markets.</p> <ul style="list-style-type: none"> ❖ DACFW ❖ DEA 	<p>Completed (DACFW)</p> <ul style="list-style-type: none"> ➤ E-NAM implemented in 585 APMCs <p>Completed (DEA)</p> <ul style="list-style-type: none"> ➤ FMC merged with SEBI ➤ Forward Contracts Regulation Act, 1952 repealed ➤ Heightened regulatory framework for “sensitive” agricultural commodities <ul style="list-style-type: none"> ✓ lower position limit ➤ Additional and special margins, ➤ Real time surveillance etc. ➤ Regulations governing commodity trading on par with securities market <p>Ongoing (DEA)</p> <ul style="list-style-type: none"> ➤ DEA is working on a draft law for establishing regulated commodity markets and exchanges, including for gold. ➤ Out of 91(67=agricultural) commodities notified for derivatives trading, futures trading is ongoing in 23 agricultural commodities; of which, 15 are Essential Commodities (mainly edible oils and oilseeds). Among pulses, only Chana is traded on futures. Tur, Urad and Rice are under suspension since 2007.
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6.	<p>Integrate warehousing / cold chain infrastructure</p> <ul style="list-style-type: none"> ❖ DF&PD ❖ DEA 	<p>Ongoing (DFPD)</p> <ul style="list-style-type: none"> ➤ WDRA was set up in 2010 and commenced registration of warehouses and issuance of Negotiable Warehouse Receipts (NWRs) in 2011. ➤ E-NWR System and WDRA portal were launched on 26.09.2017 and online registration of warehouses commenced w.e.f. 01.11.2017. ➤ Repositories have developed interface with National Commodity Derivative Exchange (NCDEX) and National Multi-Commodity Exchange (NMCE) and have started using e-NWR for contract settlement from 01.06.2018. ➤ RBI and Banks being pursued for pledge finance preferably against NWR/e-NWR.

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7.	<p>Testing and grading of farm produce</p> <ul style="list-style-type: none"> ❖ DACFW ❖ MoFPI 	<p>Completed (DACFW)</p> <ul style="list-style-type: none"> ➤ Model APLM Act, 2017 provides for revolving marketing development fund to improve market support service. ➤ Support to State Extension programme for <ul style="list-style-type: none"> ✓ Education and training in post-harvest. ✓ Involvement of PRIs, FIGs, CIGs and non-govt. sector, cooperatives, agri-preneur, input suppliers, corporate sector etc. <p>Completed (MoFPI)</p> <ul style="list-style-type: none"> ➤ Scheme for setting up food testing laboratories ➤ Modern commercial testing facilities to industry ➤ 119 projects approved, 76 completed

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8.	Development of Human Resources in the field of Agriculture Marketing: ❖ DACFW	Completed (DACFW) <ul style="list-style-type: none"> ➤ Training support for agri marketing available under ATMA, NIAM, MANAGE & SAUs. ➤ MANAGE and NIAM conduct post-graduate diploma in agri-business management. ➤ SAUs have PG degree in agri-business management.
9.	Promoting Farmer's Market: ❖ DACFW	Completed (DACFW) <ul style="list-style-type: none"> ➤ 685 farmer consumer markets working ➤ In addition, there are 22000 village haats

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10.	<p>Reduction in Farmer's Marketing Risk:</p> <p>❖ DACFW</p>	<p>Completed (DACFW)</p> <ul style="list-style-type: none"> ➤ MSP declared regularly. <ul style="list-style-type: none"> • Procurement by FCI, NAFED, JCI, CCI ➤ MIS for perishable horticulture commodities. <p><u>Ongoing Action (DACFW)</u></p> <ul style="list-style-type: none"> ➤ The _ State/UT Agricultural Produce & Livestock Contract Framing and Services (Promotion & Facilitation) Act, 2018 finalized and released on 22.05.2018 for its adoption by States/UTs. ➤ Contract Farming to facilitate clusterization and provision of credit. ➤ The Union Budget for 2018-19 has announced the predetermined principle to keep MSP at the levels of one and half times the cost of production.

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11.	<p>Promote setting up of agro-processing infrastructure.</p> <ul style="list-style-type: none"> ❖ DACFW ❖ MoFPI 	<p>Completed (DACFW)</p> <ul style="list-style-type: none"> ➤ NFSM – Pulses is being implemented in 638 districts of 29 states of the country. ➤ At present 24.51 million tonnes record production of pulses has been achieved (2017-18). ➤ Small Farmers Agri-Business Consortium (SFAC) is promoting FPOs in the states in Pulses under NFSM programme. <p>Completed (MoFPI)</p> <ul style="list-style-type: none"> ➤ Mega Food Parks (MFP) Scheme <ul style="list-style-type: none"> • 42 MFPs sanctioned, 12 operational, 15 more to be operational this year. • Will create processing capacity of ~ 14.72 LMT; preservation capacity of ~ 28.64 LMT ➤ Integrated Cold Chain and Value Addition Infrastructure: from farm gate to consumers Projects approved-234, completed- 125

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11.	<p>Promote setting up of agro-processing infrastructure.</p> <ul style="list-style-type: none"> ❖ DACFW ❖ MoFPI 	<ul style="list-style-type: none"> ✓ Cold chain capacity of ~ 7.57 LMT ✓ Milk Processing/Storage capacity of 102.49 lakh litre per day ✓ Reefer Vehicles - 1273 nos. <p>➤ Scheme for Creation of Infrastructure for Agro Processing Clusters</p> <ul style="list-style-type: none"> • Assistance for creating common facilities and infrastructure closer to production areas • Envisages a cluster of minimum 5 processing units with an investment of Rs. 25 cr. • 100 clusters proposed • 18 Agro Processing Clusters approved.

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12.	<p>Priority sector credit for Agri-Marketing activities, monitoring extent of flow of priority sector credit and raising current level of 18% further.</p> <p>❖ DFS/RBI</p>	<p>Completed (DFS)</p> <ul style="list-style-type: none"> ➤ RBI set up Internal Working Group to revisit the PSL guidelines (July 2014); new targets & classification notified (23.04.15) ✓ Distinction between direct and indirect agriculture dispensed with ✓ Agri. lending re-categorized (i) Farm Credit (ii) Agriculture Infra. (iii) Ancillary Activities ✓ Under PSL target for agriculture retained at 18%; a sub-target for small & marginal farmer- 8% <p>) Against the target of 18%, commercial banks registered achievement of 15.13%, 17.05%, 16.88% and 17.05% during 2014-15, 2015-16, 2016-17 and 2017-18 respectively.</p> <p>) Against the target of 8%, commercial banks registered achievement of 7.08%, 7.73% and 7.89% during 2015-16, 2016-17 and 2017-18 respectively.</p>

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13.	<p>Promote retailing by organized sector/ cooperatives:</p> <ul style="list-style-type: none"> ❖ DACFW 	<p>Completed (DACFW)</p> <ul style="list-style-type: none"> ➤ FPOs/FPCs formed. ➤ MIDH provides for setting up retail markets. ➤ NCDC implementing Integrated Scheme of Agriculture Cooperation. ➤ Credit linked assistance to cooperatives - AMI. ➤ Vegetable initiative for State urban clusters.
14.	<p>Maintain adequate stock of essential commodities across the country</p> <ul style="list-style-type: none"> ❖ DFPD ❖ DAC&FW 	<p>Completed (DFPD)</p> <ul style="list-style-type: none"> ➤ Buffer stock of foodgrains maintained by FCI in each region, in addition to augmenting stock in deficit area. <p>Completed (DACFW)</p> <ul style="list-style-type: none"> ➤ Under AMI scheme, entrepreneur driven, credit linked assistance provided for construction of godowns in rural areas. ➤ This also includes assistance for godowns by PACs through NCDC.

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15.	<p>Set up Price Stabilization Fund</p> <ul style="list-style-type: none"> ❖ DoCA 	<p>Completed (DoCA)</p> <ul style="list-style-type: none"> ➤ PSF set up in 2014-15, ➤ Total allocation ₹ 12,610 Cr. ➤ Utilised to procure/import <ul style="list-style-type: none"> • 20.50 LMT of pulses, • 31,000 MT of onions. • Support State PSF (A.P, W.B, Telangana, TN) ➤ Pulse procurement benefited 8.5 lakh farmer
16.	<p>In case of crops having minimum support price (MSP), set up credible procurement system</p> <ul style="list-style-type: none"> ❖ DFPD ❖ DAC&FW 	<p>Ongoing (DFPD)</p> <ul style="list-style-type: none"> ➤ DFPD primarily responsible for MSP operations of wheat & paddy. Such operations mostly carried out through State Governments/State Agencies, which has reduced involvement of FCI to 12% in case of wheat and 2% in case of rice procurement. <p>Ongoing (DAC&FW)</p> <ul style="list-style-type: none"> ➤ Pulses & oilseeds are procured from farmers at MSP under Price Support Scheme (PSS) by Central Nodal Agencies.

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17.	<p>Set up Global Food / Crop production monitoring system</p> <p>❖ DAC&FW</p>	<p>Completed (DACFW)</p> <ul style="list-style-type: none"> ➤ Regular monitoring of rainfall and crop sowing situation- advisories issued timely.
18.	<p>In short term encourage substitution of pulses while implement policies to achieve self sufficiency in the production of pulses.</p> <p>❖ DAC&FW</p>	<p>Completed (DACFW)</p> <ul style="list-style-type: none"> ➤ Production of pulses increased continuously from 16.35 Million Tonnes in 2015-16 to 24.51 Million Tonnes during 2016-17. During 2017-18 the production was 23.13 Million Tonnes. ➤ At present the country is self sufficient in pulses production.

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19.	<p>To strengthen Essential Commodities (EC) Act & Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities (PBMMSEC) Act:</p> <p>❖ DoCA</p>	<p>Completed (DoCA)</p> <ul style="list-style-type: none"> ➤ Strengthening can be through executive orders, as and when required. ➤ States can set up /designate Special courts for offences under EC Act
20.	<p>Need for enabling provisions to improve transparency in Trading / storage of Essential Commodities:</p> <p>❖ DoCA</p>	<p>Completed (DoCA)</p> <ul style="list-style-type: none"> ➤ Platforms like e-NAM are enabling online registration and reporting of transactions improving transparency. ➤ At present, no Stock limits applicable on any essential commodities except on sugar, in which reverse stock limit has been allowed by D/o Food & PD. ➤ Provision for prior concurrence of the Central Government for stock limit retained <ul style="list-style-type: none"> • decision in interest of overall economy.²⁸

Thank You