

The APMC conundrum: Rolling back this reform will encourage vested interests to strike down all reform

December 9, 2020, 7:23 AM IST / Arvind Panagariya in TOI Edit Page, Edit Page, India, TOI



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To appreciate the value of the recent reform of agricultural marketing, it is important to first understand how the system has functioned for many decades. Under the Agricultural Produce Marketing Committee (APMC) Act, each state divides its entire area into several market areas with each area managed by an APMC. The state government appoints the APMC and commission agents ("arhtiyas") and wholesalers responsible for selling and buying the produce. The APMC manages market yards and sub-yards (mandis) where wholesale trade in the produce of the entire market area takes place. It thus has a monopoly over wholesale trade in the entire area.



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