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**THE ANDHRA PRADESH GAZETTE**

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**ANDHRA PRADESH ACTS, ORDINANCES  
AND REGULATIONS Etc.,**

The following Act of the Andhra Pradesh Legislature received the assent of the Governor on the 3<sup>rd</sup> October, 2015 and the said assent is hereby first published on the 8<sup>th</sup> October, 2015 in the Andhra Pradesh Gazette for general information.

ACT NO. 14 OF 2015

AN ACT FURTHER TO AMEND THE ANDHRA PRADESH (AGRICULTURAL, PRODUCE AND LIVESTOCK) MARKETS ACT, 1966.

Whereas, it has been felt necessary to create transparent efficient and hassle free markets for agricultural produce in the state ;

And whereas, the Government has announced the Andhra Pradesh Agricultural marketing policy, 2015 focusing on the reduction/ elimination of barriers to participation in markets and barriers to trade by linking

all places of primary marketing and creation of a unified virtual market of whole state;

AND WHEREAS, the Government of India is also intent on creating national agricultural market and has introduced new schemes;

AND WHEREAS, the Government of India has stipulated certain prerequisites like issue of statewide single trader license, single point levy of market fee, online trade through electronic platform etc.

Be it enacted by the Legislature of the State of Andhra Pradesh in the Sixty - sixth Year of the Republic of India as follows:-

Short title and commencement.

1. (1) This Act may be called the Andhra Pradesh (Agricultural Produce and Livestock) Markets (Amendment) Act, 2015.

(2) It shall come into force on such date as the State Government may, by notification, appoint.

Amendment of section 2, Act No. 15 of 1966.

2. In the Andhra Pradesh (Agricultural Produce and Livestock) Markets Act, 1966. (hereinafter referred to as the principal Act), in section 2,-

(i) after clause (ij), the following clause shall be added namely,-

“(ik) ‘Direct Purchase Centre’ means a place in the notified area of Market Committee licensed as a Direct Purchase Centre wherein the operator of the Direct Purchase Centre is permitted to buy the notified agricultural produce from the producers.”

(ii) for clause (vi), the following clause shall be substituted, namely,-

“(vi) ‘market’ means a place established or declared under sub-section (3) of section 4 and includes a market yard and any building therein, a warehouse, a cold storage, a processing unit, a Direct Purchase

Centre or any other place declared as market by the market committee,"

(iii) Clause '(xva)', shall be re-numbered as clause (xvaa) and before clause (xvaa) so re-numbered, the following new clause shall be inserted, namely,-

"(xva) 'Registering Authority' means the Secretary of Market Committee when all the farmers are from notified area of such committee or officer authorized by Director of Marketing when farmers are from notified areas of more than one market committee for the purpose of registering Contract Farming Sponsors and Contract Farming Agreement,"

(iv) after clause (xivb), the following new clause shall be inserted, namely,-

"(xivbb) 'processing unit' means a place in the notified area of Market Committee, licensed as a processing unit wherein the operator of the processing unit is permitted to process the notified Agricultural Produce, Livestock and Products of the Livestock."

(v) after clause (xvii), the following clause shall be added, namely,-

"(xviii) 'Warehouse' means any building or structure or other protected enclosure including cold storage licensed as Warehouse and used for the purpose of storing agricultural produce on behalf of the depositors".

3. In the principal Act, in section 4,-

Amendment of  
section 4.

(1) in sub-section (3),-

(a) after clause (bb), the following clause shall be added namely,-

"(bbb) Every Market Committee may also declare in the notified area any warehouse or cold storage or processing unit or any other place as a market by following the procedure as may be prescribed.";

(b) for clause (c), the following shall be substituted namely,-

"(c) The Market Committee shall specify the limits of every market established or declared as a market by it and the Government may notify the markets with such limits, to be notified market area for the purpose of this Act."

(2) sub-sections (4) and (5) shall be omitted.

Amendment of section 7.

4. In the principal Act, in section 7,-

(1) for the marginal heading, the following shall be substituted, namely,-

**"Licensing of Traders, Commission Agents Processors, Direct Purchase Centres, Private markets etc., and Regulation of Trade"**

(2) in sub-section (1),-

(i) after the words "any place for the purchase, sale", the word "warehousing" shall be inserted;

(ii) for the words "by the market committee", the words "under this section" shall be substituted;

(iii) in the first proviso, after the words "market committee", the words "or the Director of Marketing" shall be inserted;

(iv) in the third proviso, after the words "market committee", the words "or the

Director of Marketing or the Officer authorized by him as the case may be" shall be inserted and for the words "all the arrears of amounts due to it", the words "all the arrears of amounts" shall be substituted.

- (3) after sub-section (1) so amended, the following shall be inserted, namely,-

"(1-A) There shall be a State wide single licence for the trader to be granted / renewed by the Director of marketing or an Officer authorized by him in the manner and in the form as may be prescribed. The existing trader licences granted by the Agricultural Market Committees shall be converted into State wide single trader, licence by the Director of Marketing or the Officer authorized by him, within six (6) months from the date of commencement of the Andhra Pradesh (Agricultural Produce and Livestock) Markets (Amendment) Act, 2015. Until then the existing trader licences granted by the Agricultural Market Committees are deemed to have been the State wide single trader licences;

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(1-B) A commission agent licence shall be granted / renewed by the Agricultural Market Committee in the manner in the form as may be prescribed to operate as a Commission Agent in a market;

(1-C) Warehouse licence shall be granted /renewed by the Agricultural Market Committee for establishing/

operating a warehouse in the notified area of the Market Committee, in the manner and in the form as may be prescribed;

(1-D) Processor licence shall be granted / renewed by the Agricultural Market Committee for establishing / operating of a processor in the notified area of the market committee, in the manner and in the form as may be prescribed;

(1-E) Licence for all other purposes mentioned under sub-section (1) shall be granted/renewed by the Agricultural Market Committee to operate anywhere in the notified area, in the manner and in the form as may be prescribed."

- (4) in sub-section (4)(a), in clauses (ii), (iii) and (iv), after the words "market committee", the words "or the Director of Marketing or the Officer authorized by him as the case may be" shall be inserted;
- (5) in sub-section (4)(b), after the words "market committee", the words "or the Director of Marketing or the Officer authorized by him as the case may be" shall be inserted and for the expression "sub-section (1)", the expression "sub-sections (1-A), (1-B), (1-C), (1-D) and (1-E)" shall be substituted."
- (6) for sub-section (6), the following shall be substituted, namely,-  
"(6) Notwithstanding anything contained in sub-section (1), no person shall purchase for sale or processing any notified agricultural

produce, live stock and products of live stock outside the market established/ declared by the market committee or outside the licensed Direct Purchase Centres,".

- (7) for sub-section (7) along with proviso thereto, the following shall be substituted, namely,-

"(7) Notwithstanding anything contained in sub-sections (1) to (6), the Director of Marketing may grant/renew licence in the manner and in the form prescribed, to a person, after examination of the credentials, experience and the proposed plan to establish a Direct Purchase Centre in a notified area, with such facilities as prescribed, for making purchases from the growers of the agricultural produce, live stock and products of live stock for processing, grading, packing, storing and for sale/export of the products:

Provided that the licence so granted under sub-section(7) shall be suspended or cancelled for violation of any provisions of the Act."

- (8) after sub-section (8), the following shall be added, namely,-

"(9) Notwithstanding anything contained in sub-sections (1) to (8), the Government may grant/renew a licence to establish and operate private market in the manner and form as may be prescribed, after examination of the credentials, experience and proposed plan to establish a private market in a notified

area, for the purposes of this Act with such facilities as prescribed for facilitating transparent and efficient trading of notified agricultural produce, live stock and products of live stock:

Provided that the licence so granted shall be suspended or cancelled for violation of any provisions of the Act.

(10)(a) The Director of Marketing may from time to time identify and notify the markets for conducting online trade through electronic platform and direct the market committee to provide infrastructure for conducting online trade within the stipulated time and the market committee shall provide the infrastructure within the stipulated time.

(b) After satisfying himself that the necessary infrastructure is provided in the selected markets, the Director of Marketing shall notify the date with effect from which online trade through electronic platform shall take place."

Omission of section 7A and 7B.

Amendment of section 11.

5. In the principal Act, sections 7A and 7B shall be omitted.
6. In the principal Act, in section 11, for sub-section (1), the following shall be substituted, namely,-



"(1) Every contract entered into by a market committee shall be in writing and signed by the Secretary of the Market Committee in the manner as may be prescribed,".

7. In the principal Act, for section 11A, the following shall be substituted, namely,-

Substitution of section 11A

**“Contract Farming.”**

11A. (1) Every contract farming sponsor shall register with Registering Authority in such manner and on payment of such fee as may be prescribed

(2) The contract farming sponsor shall register the contract farming agreement, with the Registering Authority in such manner and in such form as may be prescribed.

(3) Notwithstanding anything contained in contract farming agreement, no title, rights, ownership or possession shall be transferred or attenuated or vest in the contract farming sponsor or his successor or his agent as a consequence arising out of the contract farming agreement.

(4) Any dispute arising out of contract farming agreement shall be decided by the Registering Authority. He shall resolve the dispute in a summary manner within thirty days from the date of reference of dispute by giving the parties a reasonable opportunity of being heard, in such manner as may be prescribed.

(5) The party aggrieved by the decision of the Registering Authority under sub-section (4), may prefer an appeal to the Director of Marketing within thirty days from the date of decision. The Director of Marketing shall dispose off the appeal within thirty days after giving the parties a reasonable

opportunity of being heard and the decision of the Director of Marketing shall be final.

(6) The decision of the authority under sub-section (4) and decision in appeal under sub-section (5) shall have the force of a decree of the Civil Court and shall be enforceable as such and decretal amount shall be recovered as arrears of land revenue.

(7) The agricultural produce under contract farming shall be sold to the contract farming sponsor in the manner prescribed, on payment of market fee by the contract farming buyer."

Amendment of section 12.

8. In the principal Act, in section 12, after sub-section (1) and before the Explanation-I, the following shall be inserted, namely,-

"(1-A) The Market Fee under sub-section(1) shall be single point levy on notified Agricultural Produce, Live stock and Product of Live stock. If the Market Fee is levied and collected by any Market Committee in the State, and such Agricultural Produce, Live stock and Product of live stock sold or processed within the State are exported outside the State, it shall be exempted from the levy of Market Fee subject to production of evidence of payment of Market Fee as may be prescribed."

Amendment of section 12-F.

9. In the principal Act, in section 12-F, in sub-section (1) , for the words "or on an application made to him", the expression "or on an application made by the petitioner, after exhausting the opportunity under section 12-E", shall be substituted.

Amendment of section 16.

10. In the principal Act, in section 16,-

(1) in sub-section (1), for the words "ten percent", the words "twenty five percent", shall be substituted;

- (2) in sub-section (2), after clause (iii), the following new clause shall be inserted, namely,-

"(iii-a). grant of incentives for attracting private investments into the designated marketing related infrastructure in such manner as may be specified by general or special order."

**C.S.S.V. DURGA PRASAD,**  
Secretary to Government,  
Law Department.