



H.P. STATE AGRICULTURAL MARKETING BOARD

Himachal Pradesh State Agricultural Marketing Board

&

Agricultural Produce Market Committees (APMCs)



**Brief
Profile**



Introduction

Agriculture is the main occupation of the people of Himachal Pradesh and has an important place in the economy of the State. Himachal Pradesh is the only State in the country where 89.96 per cent of the population (Census 2011) lives in rural areas. Agriculture/ Horticulture provide direct employment to about 70 per cent of population of the State.

Agriculture is an important source of State Income (GSDP). About 13.62 per cent of the total GSDP comes from agriculture and its allied sectors. Out of the total geographical area of State (55.67 lakh hectare) the area of operational holdings is about 9.44 lakh hectares and is cultivated by 9.97 lakh farmers

with an average holding size of about 0.95 hectare. In Himachal Pradesh 88.86 per cent of the total holdings belong to small and marginal farmers. About 10.84 per cent of holdings are owned by semi medium and medium farmers and only 0.30 per cent by large farmers.

To provide efficient market for marketable surplus of farmer's produce within the state for remunerative prices, Himachal Pradesh State Agricultural Marketing Board and APMCs have been established under the Himachal Pradesh Agricultural and Horticultural Produce Marketing (Development and Regulation) Act, 2005.



HPSAMB & APMCs

Himachal Pradesh State Agricultural Marketing Board (HPSAMB) is a premier institution in State to facilitate marketing of agricultural and allied activities produce by and providing marketing infrastructure and market intelligence. It plays an important role in development of efficient marketing system, promotion of agri. processing, establishment and proper administration of agricultural markets in the State of Himachal Pradesh. It ensures level playing field for competitive markets to operate through setting of minimum standards for facilities, procedures and systems, thereby promoting the establishment of well administered and efficient infrastructure. The main objective of its constitution is to improve and provide better facilities for sale, purchase, storage & processing of Agricultural Produce of Himachal Pradesh. HPSAMB's goal is to provide transparent, efficient, hassle free, sale, purchase, storage & processing of agricultural produce thus enhancing the State Gross Domestic Product (SGDP) which accounts for approx. 13%. Himachal Pradesh Marketing Board was constituted in 1972 under the H.P. Agricultural

Produce Markets Act, 1969. Later on, the aforesaid Act was repealed and replaced with revised legislation namely, "The Himachal Pradesh Agricultural and Horticultural Produce Marketing (Regulation and Development), Act, 2005"

So far HPSAMB and Agricultural Produce Market Committees, have established a broad network of 73 Market yards (10 Principal market, which are located at District Headquarters where, APMCs offices also exist and 63 Sub Market yards) across the State. Apart from these, 35 collection centers have also been established to facilitate agricultural marketing at potential areas of production. HP State Agricultural Marketing Board entrusted with the duty for development of markets and facilitation and functions as a facilitator in the agricultural marketing sector through its district level Agricultural Produce Market Committee(s) APMCs. At present there are 10 APMCs functioning in 12 geographical districts of Himachal Pradesh. Adequate representation to farmers, growers and traders is also ensured in the formation of Market Committees.



As a matter of fact, there was scarcity of requisite market infrastructure to cater the need for wholesale trading of agricultural/ horticultural produce prior to year 2000 in Himachal Pradesh and major markets came up after this period. Farmers with surplus and marketable fruits and vegetables were forced to sell their produce outside the State particularly in Chandigarh, Delhi and Punjab Markets. Thereafter considerable amount of investment was made by APMCs for expansion and development of markets and now a chain of markets has been set up throughout the State. The basic objective of setting up of network of physical markets was to ensure proper price discovery in a transparent manner and remunerative price to the farmers' produce with proper regulatory control. It has created a conducive environment for promotion of trade with fair play and smoothening of the



supply chain. Thereby number of farmers are benefitted and their economy have improved tremendously. These markets have motivated and mobilized the farmers to cultivate diversified high valued cash crops especially vegetables and fruits and area under production has also increased. This brought financial security to thousands of farmer families throughout the state. APMCs markets have succeeded to capture large amount of surplus produce and played a significant role for upliftment of small and marginal farmers.

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Operational Model of Organization

Current operational model of HPSAMB include construction of market yards through Agricultural Produce Market Committees. The infrastructure so created is rented out to the licensees with due procedure further to allow them to operate as registered commission agents/ traders in the markets. All basic amenities and marketing facilities are arranged into markets. Since HPSAMB and APMCs focused mainly on construction of market yards for fruits and vegetables. A few market yards have been constructed for food grains. Board and APMCs has delivered very good results in their area of operations and benefitted the farmers, businessmen and general public at large.

Considering the requirement of market and challenges posed by various internal and external factors, HPSAMB has increased the sphere of its operations. Till now HPSAMB and APMCs focused mostly on construction of market yards and their management, but now

board and committees have ventured in post-harvest handling like sorting, grading and packing through creation of infrastructure like, sorting line, grading lines, packing lines, storage structures like Controlled Atmospheric Storages (CA), Modified Atmospheric Storages (MA), Cold Storages (CS), freezing Chambers commodity handing structures like integrated pack houses, primary processing units like pre-cooling chambers, hydro cooling facilities, Individual Quick Freezing (IQF) lines, logistic structures and facilities like, reefer vans, mechanized loading and unloading facilities etc.



Achievements:

- 73 Market yards functioning under 10 Agricultural Produce Market Committees in Himachal.
- HPSAMB has established fruits, vegetables and food grain markets.
- Procurement of food grain stated in 11 procurement centres in 5 districts on MSP.
- HPSAMB and APMCs are creating awareness among farmers and other stakeholders through various farmer awareness camps. Information of latest technology is disseminated through Television shows, chats, interviews and advertisement campaigns on radio and social media.
- Market information about arrival and prices of different commodities is provided through www.agmarknet.gov.in portal and HPSAMB wed portal www.hpsamb.org. Latest prices and arrival are uploaded from 41 Market Yards of APMCs on daily basis.
- 26 Market yards are connected with Electronic National Agriculture Market (e-NAM). e-NAM Solan was adjudged as best e-NAM market in 2017 and 2019 among hilly states.
- HPSAMB and APMC Shimla and Kinnaur are constructing one integrated cold chain project at Parala and Kharapathar. Under this project one CA store of 5600 MT capacity, grading line of 10 MT/ hr capacity, individually quick freezing line of 1MT/hr capacity, freezing chambers of 1500 MT, pre-cooling chambers of 60 MT will be constructed. 5 reefer vehicles will also be purchased under this project in phased manner.
- During lockdown period due to COVID 19, all market yards remained operational 24 X 7 throughout the state.
- HPSAMB and APMCs facilitated all the growers, traders, buyers and other stakeholders during the lockdown period.
- Market yards of APMCs are providing direct and indirect employment to thousands of families in Himachal Pradesh.



Marketing Activities



Procurement of foodgrains on MSP

Food grains are the important crops of Himachal Pradesh. The farmers of District Kangra, Una, Solan, Sirmaur and Bilaspur primarily grow paddy and wheat in their fields. The production of food grain in Himachal is around 16 Lakh MT which includes Paddy, Wheat and Maize. In past there was no procurement arrangement for food grains in Himachal. The farmers had to go the neighbouring states like Punjab and Haryana to market their produce. These states have a well-developed market infrastructure for procurement of grains. Farmers of Himachal had

to bear the transportation charges, various incidental charges and many inconveniences. Understanding this problem, the procurement of food grain started at limited scale at Paonta Sahib in Sirmaur District. Due to allocated procurement targets of Punjab and Haryana, the produce of Himachal was denied to be procured by the procurement agencies as they first prefer to buy the produce of local farmers. The farmers of Himachal were forced to sell the produce at rate below the MSP to middlemen of these states.



Himachal Government took up the matter with Central Government and decided to procure the foodgrain within the state. The major procurement started in the state in the year 2020-21 with Rabi Marketing season. 8 No. purchase centres were opened in different

wheat growing areas and total 13039 MT wheat was procured by FCI with Assistance of Department of food, civil supply and consumer affairs and APMCs. The procurement detail is as under;

| Sr. No. | Marketing Season | Quantity Procured (In MT) | No. of Farmers Benefitted | Value (In Cr) |
|---------|------------------|---------------------------|---------------------------|---------------|
| 1 | Wheat 2021 | 13,039 | 3258 | 25.75 |
| 2 | Paddy 2021 | 27,621 | 5837 | 54.13 |
| 3 | Wheat 2022 | 2,931 | 1054 | 5.90 |
| 4 | Paddy 2022 | 14144 | 3395 | 28.85 |

Integrated Cold Chain Project

HP State Agricultural Marketing Board and APMC Shimla and Kinnaur are establishing an Integrated cold chain infrastructure for preservation and value addition at Parala and Kharapathar. Total Project cost is Rs. 60.93 Crores, which includes a CA store having highest capacity in Government Sector (in state)i.e. 5600 MT Capacity, Freezing Chamber of 1500 MT

Capacity, Grading sorting line of 10 MT /Hr Capacity, Individually Quick freezing line of 1MT per hour capacity. It also includes farm level infrastructure at Kharapathar having 60 MT precooling chambers and 5 reefer vans of 15 MT Capacity. The funding pattern of Project is as under:

| Means of Finance (In Crores) | | | | |
|-------------------------------------|----------------|--------------------------------|-----|------|
| Particular | Amount | | | |
| Equity | 34 | <i>APMC Shimla and Kinnaur</i> | 70% | 23.8 |
| | | <i>HPSAMB</i> | 30% | 10.2 |
| Grant In Aid | 10 | <i>MoFPI (GoI)</i> | | |
| Bank Term Loan | 15.2533 | <i>APMC Shimla and Kinnaur</i> | | |
| Total | 59.2533 | | | |

NABCON, a subsidiary of National Bank of Agriculture and Rural Development (NABARD) has been hired as Project Management Consultant. In the first phase CA Store of 5600 MT capacitywill be constructed at Parala. Tenders were floated and after adopting competitive bidding process, M/s Infracool Pvt. Ltd has been awarded the work of Rs. 46,71,81,001on23/07/2022. The timeline to complete the project with commissioning is fifteen months. In this work, Rs. 18 Crores will be expended on civil work and rest Rs. 28.72 will be used for installation of machinery and other works. The project was submitted under Pradhan Mantri Krishi Sampada Yojana to Ministry of Food Processing Industry (MoFPI) and was approved for grant in aid of Rs. 10.00 Crores.

Market Development through HP Horticultural Development Project (funded by World Bank) and HP Crop Diversification Project (funded by JICA)

HPSAMB is upgrading its market infrastructure and constructing new state of art markets with financial assistance from HP Horticultural Development Project (funded by World bank). Under this project 3 New markets are being constructed and 6 are being upgraded. Under JICA funded HP Crop Diversification Project 13 Market yards are being upgraded.



HP State Agricultural Marketing Board, Shimla



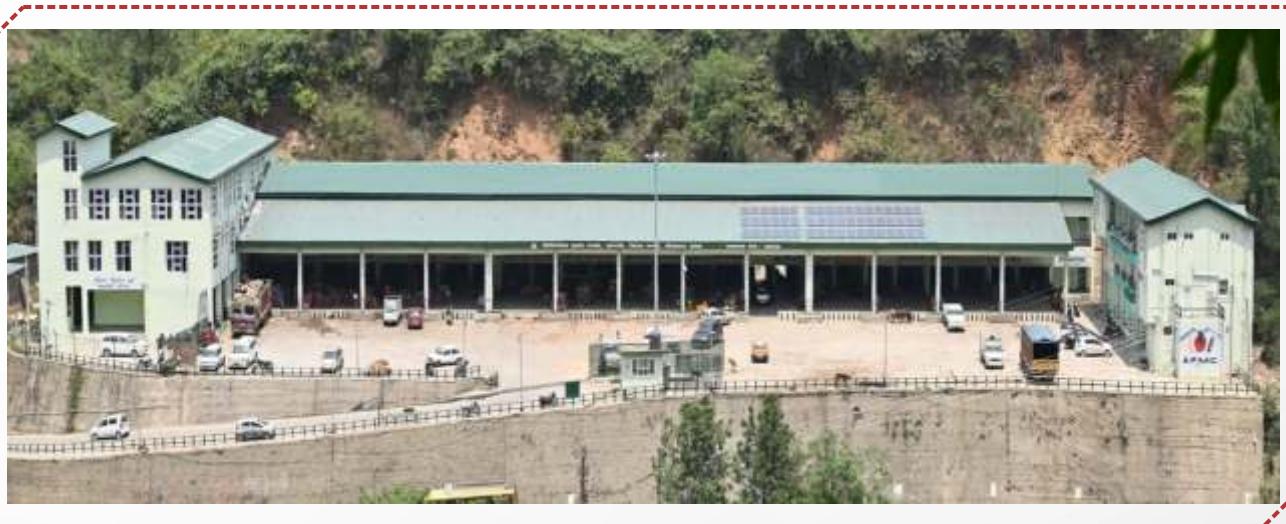
Sub Market Yard Palampur



Sub Market Yard Bandrol, Kullu



Sub Market Yard Parwanoo, Solan



Sub Market Yard Kangni, Mandi



Sub Market Yard Shatt, Kullu

Electronic National Agriculture Market (e-NAM)



NATIONAL AGRICULTURE MARKET



Himachal Pradesh State Agricultural Marketing Board is implementing e-NAM scheme. Under this scheme 26 Markets of state are connected with national digital platform called e-NAM. This digital platform provides an alternative channel for marketing of agricultural/horticultural produce. In Himachal Pradesh total 1.25 Lakhs farmers, 2067 Traders, 1152 Commission Agents and 96 Farmer Producer Organizations are registered under e-NAM. Solan Market of Himachal Pradesh was adjudged best performing market among hilly regions and awarded Prime Minister Award twice in 2017 and 2019.

- Big industrial houses will be facilitated to come forward to serve the poorest strata of the society by establishing food park and processing units etc.
- The technical knowledge partners will be engaged with departments / boards and FPOs.
- Convergence of different departments, regions and sectors will be made for the growth and development of agriculture sector and nation.
- Higher amount of assistance will be sourced through various central sector schemes for projects in Himachal Pradesh.
- Standardization & grading of agricultural commodities will be promoted
- HPSAMB will develop cold chain and farm level infrastructure to ensure better marketability of fruits & vegetables

HPSAMB way forward

- Catalyze private investment in setting up of agri-business projects for extending assured market to farmers for their produce and increasing rural income and generating employment.
- Public private partnership will be encouraged.