

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

The following is the authoritative text in English language of the Ordinance promulgated by the Governor on the 10th May, 2005 is being published under article 348(3) of the Constitution of India for general information:-

**ANDHRA PRADESH ORDINANCE No. 4 OF 2005**

**Promulgated by the Governor in the Fifty-sixth Year of the Republic of India.**

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

Whereas, a Bill further to amend the Andhra Pradesh (Agricultural Produce and Livestock) Markets Act, 1966 which was introduced in the Legislative Assembly of the State has not been passed by the Legislative Assembly;

And whereas, the Legislative Assembly of the State is not now in session and the Governor of Andhra Pradesh is satisfied that circumstances exist which render it necessary for him to take immediate action;

Now, therefore, in exercise of the powers conferred by clause(1) of article 213, of the Constitution of India, the Governor hereby promulgates the following Ordinance: -

1. (1) This Ordinance may be called the Andhra Pradesh (Agricultural Produce and Livestock) Markets (Amendment) Act, 2005.

(2) It extends to the whole of the State of Andhra Pradesh.

Short title, extent, and commencement.

<p>Amendment of section 2 Act 16 of 1966.</p>	<p>(3) It shall come into force at once.</p> <p>2. In the Andhra Pradesh (Agricultural Produce and Livestock) Markets Act, 1966 ( hereinafter referred to as the principal Act) in section 2,</p> <p>(1) after clause (i), the following new clause shall be inserted namely,-</p> <p>"( i ) ( i ) 'Appellate Authority' means the Regional Joint Director of Marketing having jurisdiction over the notified area concerned;</p> <p>(2) after clause (ia), the following new clauses shall be inserted namely-,</p> <p>(ib) 'Bill' means bill issued by the traders as prescribed;</p> <p>(ic) 'Business' means purchase, sale, processing, value addition, storage, transportation and all other connected activities of marketing of agricultural produce, livestock and products of livestock;</p> <p>(id) 'Buyer' includes a person, a firm, a company or co-operative society or government agency or public undertaking, or public agency or corporation, commission agent, who by himself or on behalf of any other person or agent buys or agrees to buy, by any means of communication, the agricultural produce, livestock and products of livestock in the area notified under this Act;</p> <p>(ie) 'Bye-laws' means the Bye-laws made by a market committee or by the Director of Marketing under this Act;</p> <p>(if) 'Collector' means the Collector of the district in which the notified area of the market committee is situated;</p> <p>(ig) 'Contract Farming' means farming by a person or group of persons or a registered society or a company on his land under a written agreement with another person on such terms and conditions may be mutually agree to;</p> <p>(ih) 'Contract Farming Agreement' means the agreement made for contract Farming between contract farming buyer and</p>
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contract farming producer;

(ii) 'Contract Farming Buyer' means the person purchasing agricultural produce, produced under contract farming;

(ij) 'Contract Farming Producer' means the person obtaining agricultural produce on his land by himself or under his supervision under contract farming;

(3) After clause (iv), the following new clause shall be inserted namely,-

(iva) 'Licence' means a licence granted under this Act;

(4) after the clause (xiv), the following new clauses shall be inserted namely,-

(xiva) 'Private Market' means a market established in the notified area under sub - section ( 7 ) of section 7 where infrastructure has been developed by a person for marketing of notified agricultural produce holding a licence for the purposes of this Act;

(xivb) 'Processing' means any one or more of a series of treatments relating to powdering, crushing, decorticating, 'dehusking, parboiling, polishing, ginning, pressing, curing or any other manual, mechanical, chemical or physical treatment to which raw agricultural produce or its product is subjected to;

(xivc) 'Processor' means a person who undertakes processing of any agricultural produce, on his own accord or on payment of a charge;

(5) after clause (xv), the following new clauses shall be inserted namely,-

(xva) 'Sale' means a transaction as defined in the Indian Sale of Goods Act, 1930;

(xvb) 'Seller' means a person who sells or agrees to sell any agricultural produce, livestock and products of livestock by any means of communication;

(xvc) 'Special Market' means a market notified as such under section 4(3)(bb) of this Act;

<p>Amendment of section 4</p>	<p>(6) after clause (xvi), the following clause shall be added namely, -</p> <p>(xvii) "Value Addition' means processing, grading, packing or other activities due to which value is added to agricultural produce, livestock and products of livestock."</p> <p>3. In section 4 of the principal Act,-</p> <p>(i) after sub-section (1-A), the following new sub-section, shall be added namely,-</p> <p>"(1-B). Notwithstanding anything contained in Section 3 and in sub-sections "(1) and (1-A) of Section 4 of the Act, the Government, may, by notification, also constitute a separate market committee to a special market in a notified area".</p> <p>(ii) in sub-section (3), after clause (b), the following new clause shall be inserted namely,-</p> <p>"(bb) every market committee may also establish in the notified area such number of special markets as the Government may from time to time direct for the purchase and sale of any notified agricultural produce, livestock or products of livestock or fruits and vegetables and may provide such facilities in the special market as may be specified by the Government from time to time, by a general or special order".</p> <p>(iii) in clause (c) for the words and expressions "under clauses (a) and (b)", the words and expressions "under clauses (a), (b) and (bb) shall be substituted.</p>
<p>Amendment of section 5</p>	<p>4. In section 5 of the principal Act. in sub-section (1),-</p> <p>(a) in the opening paragraph for the word "fourteen" the word "eighteen" shall be substituted;</p> <p>(b) in clause (i), _</p> <p>(i) for the word, "eight" the word "eleven" shall be substituted;</p> <p>(ii) after sub-clause (c),-</p> <p>(i) in the first proviso, for the word "three"</p>

<p>Insertion of new section 5 – A.</p>	<p>the word "six" shall be substituted.</p> <p>(ii) in the second proviso, for the word "two" the word "five" shall be substituted,</p> <p>(c) in clause (ii), for the word "two" the word "three" shall be substituted and the words " of whom one shall be a small trader" shall be omitted.</p> <p>5. After section 5 of the principal Act, the following new Section shall be inserted namely,-</p>
	<p style="text-align: center;"><b>“Constitution of Market Committee for Special Markets</b></p> <hr/> <p>5 - A. (1) Every market committee constituted for a special market under sub-section (1-B) of Section 4 of the Act, shall consist of eighteen members in the following manner as nominated and appointed by the Government.</p> <p>(i) There shall be eight grower members.</p> <p>(ii) There shall be two licensed trader members, out of whom one shall be a representative of the processing unit or the company or society having special interest in the specific produce;</p> <p>(iii) Chairman of the Municipality or Sarpanch of the Gram Panchayat as the case may be in whose area the special Market is located;</p> <p>(iv) Director of Marketing or his nominee;</p> <p>(v) Director of Agriculture or Horticulture or his nominee;</p> <p>(vi) District Collector concerned or his nominee;</p> <p>(vii) Managing Director, Andhra Pradesh State Co-operative Marketing Federation Ltd., or his nominee;</p> <p>(viii) Managing Director Andhra Pradesh State Civil Supplies Corporation Ltd., or his nominee;</p> <p>(ix) Senior Regional Manager, Food Corporation of India or his nominee;</p> <p>(x) General Manager, Cotton Corporation of India or Jute Corporation of India or his nominee;</p>

	<p>Provided that there shall be at least four grower members from among persons belonging to Scheduled Castes, Scheduled Tribes, Backward Classes, Minorities and Women:</p> <p>Provided further that there shall be at least two members representing the category of small farmers.</p> <p>(2) Every market committee shall have a Chairman appointed from among its members specified in clause (i) of sub-section (1) and Vice-Chairman appointed from among its members specified in clauses (i) and (ii) of sub-section (1) by the Government in consultation with the Director of Marketing.</p> <p>(3) Save as otherwise provided in this Act, the term of office of the members appointed under sub-section (1) shall be three years from the date of appointment:</p> <p>Provided that a member appointed under clause (ii) of sub-section (1) shall cease to hold office if he ceases to be a trader:</p> <p>Provided further that a non-official member of the market committee shall cease to hold office if he absents himself for three consecutive meetings of the committee, including meetings which for want of quorum could not be held.</p> <p><b><u>Explanation:-</u></b> For the purpose of the second proviso, no meeting of the market committee from which a member absents himself shall be counted against him, if due notice of that meeting was not given to him.</p> <p>(4) For the purpose of this section, the provisions of sub-sections (4) to (10) of section 5 and section 6, section 6-A and section 6 - B shall apply mutatis mutandis.”.</p> <p>6. In section 6 of the principal Act, in sub-section (3), in clause (a) after the word "Government" the words "or the Director of Marketing" shall be inserted.</p> <p>7. In section 6-A of the principal Act, after the words 'Government' wherever it occurs, the words "or the Director of</p>
Amendment of section 6	
Amendment of section 6-A	

Amendment of section 6-B	Marketing" shall be inserted.
Amendment of section 7	<p>8. In section 6-B of the principal Act, after the word 'Government' wherever it occurs, the words 'or the Director of Marketing<sup>1</sup> shall be inserted.</p>
Insertion of new sub-sections 7-A and 7-B	<p>9. In section 7 of the principal Act, after sub-section (6), the following new sub-section shall be added namely,-</p> <p style="padding-left: 40px;">“(7) Notwithstanding anything contained in sub-sections (1) to (6) the Government may, by notification grant a licence to a person after examination of the credentials, experience and proposed plan to establish a market in a notified area for the purposes of this Act with such facilities and with such capital investment as specified by the Government from time to time for making purchases from the growers of the agricultural produce, livestock, and products of livestock for processing, grading, packing, storing and for sale/export of the produce by way of value addition under the conditions of a licence granted to him as per procedure prescribed by the Government:</p> <p style="padding-left: 40px;">Provided the licence so granted under sub' section (7) shall be suspended or cancelled for violation of any provisions of the Act.”.</p> <p>10. After section 7 of the principal Act so amended, the following new sections, shall be inserted namely,-</p> <hr/> <p><b>“National Integrated Produce Market.</b></p> <p>7A. Notwithstanding anything contained in this Act, or any other law for the time being in force, the State Government may, by notification, declare that with effect from such date as may be specified therein, there shall be established for marketing of agricultural produce including fruits and vegetables in respect of any area or areas in the State a National Integrated Produce Market owned and managed as an autonomous entity by National Dairy Development Board incorporated under the National Dairy Development Board Act, 1987 (herein after referred to as NDDB),</p>

Central Act 37 of 1987	<p>directly or through an organization set up by itself or in conjunction with farmers associations and there upon the NDDB may,-</p> <p>(i) establish a National Integrated Produce Market of agricultural produce including fruits and vegetables in respect of the area or areas specified in the notification;</p> <p>(ii) set up by itself or render financial assistance or support to farmers or farmers' association to setup collection centres by whatever name called at various places within or outside the aforesaid area to collect, assemble, sort, grade, process, pack, store or transport agricultural produce including fruits and vegetables and to provide market information and to carry out such other activities as may enable them to market the produce using the National Integrated produce Market or to do anything connected therewith or incidental thereto;</p> <p>(iii) setup or support or otherwise assist in setting up distribution channels and institutions at various places within or outside the area aforesaid;</p> <p>(iv) register users of the National Integrated Produce Markets and levy and collect registration fee and security deposit and advance and other charges for the services rendered and the utilities provided to the farmers, farmers' associations, farmers' co-operative societies, buyers and all other functionaries registered for using the National Integrated Produce Market:</p> <p>Provided that the State Government may, by notification, direct that from such date as may be specified therein, marketing of flowers in the National Integrated Produce Market shall also be governed by the provisions of this section and thereupon all the provisions of this section shall be applicable to the marketing of flowers and other attendant activities in the National Integrated Produce Market.</p> <p>(2) The National Dairy Development Board may make regulations for the purposes of ownership, management,</p>
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<p>Insertion of new section 11-A.</p>	<p>marketing, trading and other related activities in relation to "National Integrated Produce Market and for the enforcement thereof.</p> <p>(3) Nothing contained in this Act, Rules, Regulations, or Bye-laws made there under except the provisions of this section shall apply to,-</p> <p>(a) anything done or any action taken in relation to the establishment and management of the National Integrated Produce Market under this section or anything done in pursuance thereof, or.</p> <p>(b) any person, agency or organization interacting in relation to the National Integrated Produce Market by way of business dealings or otherwise;</p>
	<p><b>“Power to remove difficulties</b></p>
	<p>7-B. If any difficulty arises in giving effect to the provisions of Section 7-A, the Government may, by order make such provisions, not inconsistent with the provisions of section 7-A, as appear to them to be necessary or expedient for removing of the difficulty.</p> <p>Provided that no such order shall be made after a period of five years from the date of commencement of provisions of section 7-A."</p> <p>11. After section 11 of the principal Act the following new section shall be inserted namely,-</p>
	<p><b>“Contract Farming</b></p> <p>11-A. (1) A market committee shall register the transactions of contract farming in the notified area with prior permission of the Government or such authority as may be prescribed for the purpose of the Act.</p>

(2) The Contract farming shall not be performed unless:-

(i) the buyer has registered himself in the notified area of the market committee, wherein the land of contract farming producer is situated or with such authority as may be prescribed, in case the land of contract farming producer is situated in more than one notified area;

(ii) the agreement is registered with the market committee or in the such authority as the case may be and in such forum are in accordance with such procedure as may be prescribed;

(iii) No title, possession or ownership of contract farming producer over his land shall get transferred to contract farming buyer or to any other person regardless of anything contained in contract farming agreement.

(3) If any dispute arises between the parties in respect of the terms and conditions of the agreement, either of the parties shall submit an application to the market committee or the prescribed officer as the case may be to arbitrate upon such dispute. The market committee or the prescribed officer shall resolve the dispute after giving the parties, a reasonable opportunity of being heard.

(4) The party aggrieved by the decision of the market committee or prescribed officer under sub-section (2) shall prefer an appeal to the appellate authority within thirty days from the date of receipt of the arbitration award and the appellate authority shall dispose of the appeal after giving the parties a reasonable opportunity of being heard and the decision shall be final.

(5) Any action taken or any order passed in accordance with the terms and conditions of the contract farming agreement shall not be called in question in any court of law.

(6) The agricultural produce under contract farming shall be sold to the contract farming buyer out of the market yard in the manner as may be prescribed, on payment of market fee by the

Amendment to section 14	contract farming buyer. 12. In section 14 of the principal Act, in sub-section (3), for the words "with the previous sanction of the Government at such rates of interest as may be prescribed" the words " with the previous sanction of the Director of Marketing upto such amount and on such rates of interest as may be prescribed by the Government from time to time."
Amendment to section 16	13. In section 16 of the principal Act; in sub-section (2), for the proviso the following proviso shall be substituted, "Provided that the Director of Marketing shall sanction such amount as may be prescribed by the Government from time to time, towards grant-in-aid or as loan."

**SUSHIL KUMAR SHINDE,**

**Governor of Andhra Pradesh.**

**G.V.SEETHAPATHY,**

**Secretary to Government,**

**Legislative Affairs & Justice (FAC),**

**Law Department**