

**Establishment of Value Addition Market Infrastructure in APMC's in Karnataka  
with financial assistance under RKVY Scheme**

Department of Agricultural Marketing is playing a Key-role in the development of socio-economic conditions of the farmers by providing all the essential facilities for marketing of their agricultural commodities in the state through APMC'S. They include establishment of grading and standardization of agricultural produce, Construction of Scientific Storage Godwns( Ware houses) value addition facilities like cold storages to reduce post-harvest losses of farm produce, Construction of Covered platforms for auction, drying, display, for selling and auctioning of agri-produce, and creation of infrastructure for Sunday Market, where farmers can sell their farm produce directly to consumers for higher price, Creation of Sheep and Goat Market facilities and provisions for e-Trading.

During the past 4 years, i.e. From 2013-14 to 2016-17, the following Market Infrastructure facility projects have been taken up in various APMC's under RKVY scheme.

- 1) 182 Scientific storage godowns of different capacities ranging from 400MT to 5000MT
- 2) 66 No's Covered auction platform of different sizes
- 3) 27 No's Development sheep and Goat Markets
- 4) 61 No's Processing units for cleaning, Grading and Packing etc
- 5) 2 Nos 1000MT capacity cold storages
- 6) Facilities for e-trading in 87 APMC's

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1. **Title:** Establishment of market Infrastructure for Value addition in APMC's
2. **Category :** Agriculture – Value addition for agro-produce and Marketing
3. **Challenge**

To reduce Post Harvest Losses: Loss Due to poor storage and handling at the farm gate or village level, about 7% of grains, 30% of fruits and vegetables and 10% of seed species are lost before reaching the market. An estimated Rs. 50,000 crore is lost annually in the marketing Chain due to poorly developed Storage infrastructure for our farmers. This can be achieved by construction of Scientific Godowns, Cold storages, Irradiation Plants.

To ensure the availability of scientific ware house storage facility to the farming community as well as other stakeholders in the area and to help the farming community to get better value for their produce so that agriculture becomes profitable by creating a competitive market to them.

The internal agricultural marketing system in the country needs to be integrated and strengthened. Government of Karnataka is striving to prepare the agricultural markets and marketing environment to provide maximum benefit to the farmers and in turn, compete with the global markets. Agriculture and agricultural marketing need to be re-modeled to respond to the market needs and consumer preferences. Agricultural marketing reforms and creation of marketing infrastructure has been initiated to achieve the above purpose.

#### **4. Initiative**

The advent of regulated markets has helped in mitigating the market handicaps of producers/ sellers at the wholesale assembling level but, the rural periodic markets in general, and the tribal markets remained out of its developmental ambit.

The Government of Karnataka has been taking various initiatives for bringing reforms in the agricultural marketing sector. Based on the recommendations of the Karnataka Agricultural Marketing Reforms Committee 2013 the Government of Karnataka adopted the Karnataka Agricultural Marketing Policy-2013 on 04.09.2013, the first of its kind in the whole country. To adopt technology by setting up a comprehensive electronic auction system for transparent price determination and establish a state-wide networked virtual market by linking various regulated markets and warehouses, provided with assaying & grading facilities and other necessary infrastructure facilities to APMCs.

Agriculture sector needs well-functioning markets to drive growth, employment and economic prosperity in rural areas of the country. To provide dynamism and efficiency into the marketing system, large investments are required for the development of post-harvest and cold chain infrastructure nearer to the farmers' field.

#### **5. Key result / insight / interesting fact**

Karnataka Agricultural Marketing Department has launched a state of the art Unified Market System, which enables the farmer to sell his produce throughout the country at a competitive price. This Unified market system is first of its kind in India. In the online trading set up through UMP platform, it is expected that traders/buyers throughout the country participate in trading. To facilitate such trades, availability of quality produce needs to be assured. Key result is reduction of post-harvest loss, elimination of distress sale by farmers, increased shelf life for agro-produce, availability of scientific storage ware house for farmers at their doorstep, availability of ware house bonded pledge loan for immediate needs and Good price realization for agro-produce. Competitive Market and vast network of buyers and sellers.

## **6. Impact**

Since last 3 years, 182 scientific storage godowns of different capacities ranging from 400MT to 5000MT have been taken up in various APMC's under RKVY scheme and have been completed and are being put in to use. The total storage capacity Achieved with these 182 godowns is 2,34,250 MT. Even if 3% of Post-harvest Loss is reduced it is a good achievement and also this will help farmer to store their produce in case of Glut in the market and discourage them to go for Distress sale.

The basic objective of creating these facilities are to provide higher profit margins to the farmers by better post-harvest management of the produce so as to make farming practices a locally and globally sustainable livelihood opportunity. Every year the farming community is facing hardship in the absence of adequate post-harvest loss prevention and value addition facilities. However, the facilities to be developed are required to be sustained and expanded in due course.

Creation of Market Infrastructure facilities will lead to overall socio-economic development of the farmer. It will help the farmers in realizing better prices for their produce by selling the produce at a better price in off season. Getting pledge loan from banks for continuing their agricultural activities and desist the farmers to approach scrupulous money lenders. Avoids debt trap and generates non-recurring employment to the construction workers and recurring direct employment to daily wage labourers. It will have a multiplier effect on the income of the APMC in terms of higher market fee realization due to higher sales price and creation of structures would encourage the farmers to take up the activates on commercial lines in the village also.

## 7. Lessons Learned

APMC's have enough experience in creations and handling of Market infrastructure. They are thriving hard to provide farmers all the required post-harvest and marketing facilities at farm gate level. The main lesson learnt is to convince the farmer of advantages of quality of the produce, bringing them under the ambit of unified marketing system, adoption of innovative technologies in post-harvest management.

## 8. Supporting Quotes and Images



VIEW OF THE 5000MT SCIENTIFIC GODOWN FACILITY



2000MT GODOWN

INSIDE VIEW OF PROCESSING UNIT



OUTER VIEW OF PROCESSING



UNIT



**VIEW OF THE SHEEP AND GOAT  
MARKET FACILITY**

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MARKET FACILITY**

**9. Additional Information**

- \* Government should provide more and more financial assistance to build scientific storage facilities in the potential locations.

## 10. Checklist

No.	Question to consider	Yes	No
1	Is the story interesting to the target audience of the project/activity report?	YES	
2	Does the story explain what new insights the project brings? What is the main lesson learned from this story? Does the story describe a key insight on what works and what doesn't and something that future project could build on	YES	
3	Does the story describe the outcomes the project produced and the people who are benefitting? What changes—in skills, knowledge, attitude, practice, or policy—has the project brought, and who is benefitting from these changes?	YES	
4	Does the story make a compelling point that people will remember? Does the story show how the project makes a difference to improving livelihoods and lessening poverty?	YES	
5	Does the story provide an interesting fact that people will remember? For example, how much yields increased, how many hectares of land could become more productive from this innovation or technology?	N.A.	
6	Does the story explain what kind of impact this innovation or technology could have if scaled up?	YES	
7	Does the story show which partners contributed and how?	N.A.	
8	Does the story include quotes from Stake holders or beneficiaries?		NO
9	Have I provided links to other media (journal articles, website news, newsletter, blogs, annual reports of other Programme/ project ) that also feature this story?	YES	
10	Have I provided the contact details of people who can provide more information?	YES	