

A
BILL

to provide for the systematic growth and transformation of the marketing of agricultural produce.

It is necessary to establish an Authority to facilitate and regulate the systematic growth and transformation of the marketing of agricultural produce; to assist the development of agricultural commerce through multiple channels; to provide meaningful support to the growers; and, to make for incidental provisions.

Be it enacted by Provincial Assembly of the Punjab as follows:

1. Short title, extent and commencement.– (1) This Act may be cited as the Punjab Agricultural Marketing Regulatory Authority Act 2018.

(2) It shall come into force at once.

(3) It extends to whole of the Punjab.

2. Definitions.– In this Act:

(a) “Act” means the Punjab Agricultural Marketing Regulatory Authority Act 2018;

(b) “agricultural marketing” means all activities and functions necessary for the sale and purchase of agricultural produce;

(c) “agricultural produce” means such agricultural produce as the Government may specify by notification in the official Gazette and includes any agricultural produce which is dried, graded, polished and packed but does not include the produce that undergoes any other form of value addition;

(d) “Authority” means the Punjab Agricultural Marketing Regulatory Authority;

(e) “buyer” includes a person who buys an agricultural produce for himself or for another person;

(f) “collection center” means a place set up by a dealer and registered under the Act where a grower may bring agricultural produce for grading, polishing, packing or sale;

(g) “commission agent” means a person who, in consideration of a commission or on his own trading account, acts for a grower and makes or offers to make purchase or sale of an agricultural produce or does or offers to do anything for carrying out the purpose and maintains an office;

- (h) "dealer" means any person who directly purchases an agricultural produce from a grower at a collection center;
- (i) "Director General" means the Director General of the Authority;
- (j) "farmer's market" means a place attached to a farm or a place in an urban area where a grower or his association may directly offer for sale, in bulk or retail, the agricultural produce to a buyer and requires no registration with the Authority;
- (k) "Government" means Government of the Punjab;
- (l) "grower" means a person who by himself or through a tenant or otherwise cultivates, grows or produces an agricultural produce but does not include a broker, commission agent or dealer, individually or collectively or any other person engaged in the business or storage or processing of an agricultural produce;
- (m) "key service provider" means a person who provides services for marketing of an agricultural produce and includes a person involved in handling, grading, polishing, packing, storage, transportation and insurance of an agricultural produce and registered under the Act;
- (n) "malpractice" means any act, omission or indulgence in any business or trade practice which defrauds or is likely to defraud a grower;
- (o) "market worker" means a person who, for a fixed remuneration or wages, offers services to a buyer or seller in the sale or purchase of an agricultural produce;
- (p) "prescribed" means prescribed by the rules or the regulations made under the Act;
- (q) "seller" means a person who sells or offers for sale an agricultural produce himself or through an agent;
- (r) "trade allowance" means such allowance as may be prescribed under the rules;
- (s) "virtual market" means a web-based commerce platform for the sale or purchase of an agricultural produce; and
- (t) "wholesale market" means a building, block of buildings, enclosure or other area registered under the Act for purposes of wholesale trading of any agricultural produce.

3. The Authority.– (1) The Government may, by notification in the official Gazette, establish the Punjab Agricultural Marketing Regulatory Authority.

(2) The Authority shall be a body corporate, having perpetual succession and common seal, with power to enter into contracts, acquire or, subject to subsection (3), dispose of its property, and may, by the said name, sue or be sued.

(3) The Authority shall not dispose of any of its immovable property without prior permission in writing of the Government.

4. Composition of the Authority.– (1) The Authority shall consist of the Chairperson and the following members:

- (a) Special Secretary to Government of the Punjab, Agriculture Marketing;
- (b) Director General Punjab Food Authority;
- (c) three members of the Provincial Assembly of the Punjab, including at least one female member, of whom two members to be nominated by the Government and one by the Leader of Opposition;
- (d) one Vice Chancellor of an agricultural University in the public or private sector;
- (e) four persons from the private sector, including at least one female member, if available, having agricultural background and experience in modern methods of agricultural marketing.
- (f) Director General (member/secretary).

(2) The Government may, by notification in the official Gazette, increase the membership of the Authority in public interest.

(3) The Government shall nominate the Chairperson and the members other than those mentioned at (a), (b) and (f) of subsection (1) for a term of three years but any one of them may be appointed for another term or terms in public interest.

(4) The Chairperson or a member, other than an *ex officio* member, may, by writing under his hand, resign from his office.

(5) The Authority shall meet at least once in a month on such day and at such place and time as the Chairperson may determine.

(6) The Chairperson shall approve the agenda for a meeting of the Authority.

(7) The Director General shall convene a meeting of the Authority either as directed by the Chairperson or on a request, in writing, of at least one third of the members or if the Government so directs.

(8) The Chairperson, and in his absence, a member of the Authority nominated by the Chairperson shall preside over a meeting of the Authority.

(9) The quorum for a meeting of the Authority shall be one third of the total number of the members.

(10) No act or proceedings of the Authority shall be invalid merely by reason of any vacancy or defect in the composition of the Authority.

(11) The Director General shall be responsible to prepare accurate minutes of each meeting, shall clearly indicate the dissent, if any, and shall submit for approval of the draft minutes to the Chairperson or the member presiding the meeting.

(12) The minutes of each meeting shall be placed before the Authority for ratification in the next meeting.

(13) The Director General shall keep and maintain complete record of the proceedings of the meetings of the Authority.

5. Removal of members.— (1) The Chief Minister may, after affording opportunity of hearing, remove the Chairperson or a member, other than an *ex officio* member, if he:

- (a) has been adjudged an undischarged insolvent; or
- (b) has been convicted of an offence which involves moral turpitude; or
- (c) has become physically or mentally incapable of acting as the Chairperson or the member; or
- (d) has abused his position and rendered his continuance in the office prejudicial to public interest;
- (e) suffers from a conflict of interest; or
- (f) remains absent from three consecutive meetings of the Authority without leave of the Chairperson and fails to furnish a reasonable ground for his absence.

(2) The Government may nominate another person as the Chairperson or, as the case may be, the member for the remaining term of the outgoing Chairperson or the member.

6. Powers and functions.— (1) The Authority shall perform such functions, take such measures and exercise such powers as may be necessary for carrying out the purposes of the Act.

(2) Without prejudice to the generality of provision of subsection (1), the Authority may:

- (a) prescribe grading standards for a specific agricultural produce;

- (b) prescribe good agricultural practices, geographical origin of an agriculture produce or particular farming method for an agricultural produce;
- (c) prescribe fees for registration of an agricultural produce market, collection center, virtual market and a service provider;
- (d) promote alternative marketing channels and contract farming;
- (e) promote and enforce the adoption of a fair system of auction of an agricultural produce in line with the best regional and international practices;
- (f) provide training for service providers;
- (g) control unfair marketing practices;
- (h) provide market information services, model contract farming templates and undertake surveys of markets and marketing of agricultural produce;
- (i) undertake research and publications in agricultural produce marketing; and
- (j) perform such other functions as the Government may assign.

7. Director General.– (1) The Chief Minister shall appoint the Director General on such terms and conditions as he may determine.

(2) The Director General shall be the Chief Executive of the Authority and shall:

- (a) be a whole time officer of the Authority; and
- (b) hold office for a term of three years and shall remain in office for three months thereafter or until the successor is appointed, whichever is earlier.

(3) Nothing in this section shall preclude the Chief Minister from extending the term of office of Director General for another term of three years.

(4) Notwithstanding anything contained in the Act, the Chief Minister may, at any time, remove the Director General subject to one month's notice or one month's pay in lieu of the notice and likewise the Director General may submit resignation subject like notice or pay.

(5) Subject the supervision and control of the Authority, the Director General shall be responsible to administer and manage the affairs of the Authority.

(6) Without prejudice to the generality of the powers under subsection (5), the Director General shall:

- (a) register a collection centre, wholesale market, virtual market or a key service provider;

- (b) suspend or cancel the registration of a collection centre, wholesale market, virtual market or a key service provider;
- (c) establish a just accounting procedure for a collection centre, wholesale market, virtual market and key service provider;
- (d) inspect a collection centre, wholesale market, virtual market and a key service provider;
- (e) cause collection of such information with respect to a collection centre, wholesale market, virtual market or key service provider as he may deem proper or as the Authority may require;
- (f) conduct surveys of relevant agricultural marketing and submit appropriate recommendation to the Authority; and
- (i) perform such other functions as the Authority may assign or the Government may direct.

8. Appointments.– (1) The Authority may, in the prescribed manner, appoint, on contract, such officers, employees, experts or consultants on such terms and conditions as it may deem fit for the performance of its functions.

(2) Notwithstanding anything contained in any other law, the Authority may, at any time, terminate the service of an employee by serving not less than thirty days prior notice or on payment of thirty days' salary in lieu of the notice.

9. Annual report.– (1) The Authority shall submit to the Government, within three months of the close of a financial year, an annual performance report.

- (2) The report shall consist of:
- (a) the statement of accounts and audit reports of the Authority;
 - (b) a comprehensive statement of the work and activities of the Authority during the preceding financial year and its proposed projects and schemes for the following year or years; and
 - (c) such other matters as may be prescribed or as the Authority may consider appropriate or as the Government may direct.

10. Delegation of powers.– The Authority may delegate to the Chairperson, member, Director General or officer or employee of the Authority any of its powers, duties or functions, except the power to:

- (a) approve the annual budget;
- (b) approve the annual performance report;

- (c) frame regulations;
- (d) determine the number of its employees and their terms and conditions; and
- (e) approval of all policy decisions.

11. Key service provider.– The following persons may, subject to registration with the Authority, provide services in aid of the marketing of an agricultural produce:

- (a) accreditation bodies or any other entity certifying good agricultural practices, geographical origin of an agriculture produce or particular kind of a farming method;
- (b) graders, polishers or packers;
- (c) warehouse operators providing storage and cold chain services;
- (d) transporters; and
- (e) quality assayers.

12. Farmer's market.– A grower or a grower's association may set up a farmer's market under the name or style of 'apni mandi or kissan bazaar' for direct marketing of an agricultural produce and for the purpose no registration shall be required.

13. Enlistment of a market worker.– A collection centre, wholesale market or virtual market shall, having been satisfied of good character of a market worker, may enlist him and allow him to work in the center or, as the case may be, the market.

14. Prohibition.– A person shall not set up or operate a collection center, wholesale market or virtual market or operate as a key service provider unless he is registered with the Authority for the purpose.

15. Registration.– (1) A person desirous to set up and operate a collection center, wholesale market or virtual market or operate as a key service provider, he shall, in the prescribed manner, apply to the Authority for registration.

(2) If all the prerequisites and requirements of registration are fulfilled, the Authority shall issue the registration certificate in the prescribed manner.

(3) On payment of the annual fee, the registration certificate issued under sub-rule (2) may be renewed for such period as may be prescribed.

16. Cancellation of Registration.– (1) The Director General may, after affording an opportunity of hearing, cancel the registration certificate, other than that of the key service provider, for one or more of the following grounds:

- (a) misrepresentation, fraud or forgery committed in regard to the registration;
- (b) use of centre or, as the case may be, the market for activities outside and beyond the terms of registration;
- (c) willful failure to:
 - (i) keep the centre or, as the case may be, the market clean and hygienic;
 - (ii) prevent and control malpractice;
 - (iii) make payment to a grower for his agricultural produce;
 - (iv) prevent auction of an agricultural produce in a transparent manner;
 - (v) prevent unauthorized trade allowance;
 - (vi) display remuneration or wages payable to a market worker;
- (d) willful default in payment of fees or other dues payable under the Act or the rules;
- (e) serious and continuance violation of the terms of registration;
- (f) violation of the provisions of the Act or the rules or the regulations; and
- (f) such other grounds as may be prescribed.

(2) The Director General may, after affording an opportunity of hearing, may cancel the registration of a key service provider on one or more of the following grounds:

- (a) misrepresentation, fraud or forgery committed in regard to registration;
- (b) misconduct in service delivery;
- (c) breach of terms of the registration;
- (d) violation of the provisions of the Act or the rules or the regulations;
- (e) conviction of an offence involving moral turpitude;
- (f) willful default in payment of fees or other dues payable under the Act or rules or the regulations; and
- (g) such other grounds as may be prescribed.

17. Suspension of Registration.– (1) If the Authority is satisfied that, pending proceedings for the cancellation of the registration, it is necessary to suspend the registration, it may suspend the registration for such period as it may deem necessary.

(2) The collection centre, wholesale market, virtual market and key service provider shall cease to operate and carry out its activities during the period the registration is suspended.

18. Directions by the Government.– The Government may issue such directions to the Authority as it may consider necessary for carrying out the purposes of the Act, and the Authority shall comply with such directions.

19. Authority fund.– (1) There shall be formed a Fund to be known as the "Punjab Agricultural Marketing Regulatory Authority Fund" which shall vest in the Authority and shall be utilized by the Authority in connection with its functions under the Act, including payment of salaries and other remuneration to the members, officers, employees, experts and consultants of the Authority.

(2) The Fund shall consist of:

- (a) loans or grants made by the Government or the Federal Government;
- (b) loans or grants raised by the Authority with the approval of the Government; and
- (c) income from:
 - (i) registration fee, fines or other charges;
 - (ii) sale, lease or transfer of its property;
 - (iii) bonds, shares, debentures, certificates or other securities issued by the Authority; and
 - (iv) any other source.

20. Bank account.– The Authority may open and maintain its accounts in such scheduled bank as the Government may approve or as may be prescribed by rules.

21. Budget.– The Authority shall prepare every year, in such form and manner and at such time as may be prescribed, a budget in respect of the next financial year showing the estimated receipts and expenditure of the Authority and shall submit it to the Government for approval.

22. Audit.– (1) The accounts of the Authority shall be audited by the Auditor General of Pakistan.

(2) In addition to the audit under subsection (1), the Authority or the Government may appoint a firm of Chartered Accountants or any Government audit agency to audit the accounts of the Authority.

(3) The Authority shall also make such arrangements for pre-audit or concurrent audit of accounts as may be necessary.

23. Malpractice.– (1) A collection centre, wholesale market or virtual market shall immediately remove from the list a market worker for

reason of malpractice, and such a worker shall not operate in a collection centre, wholesale market or virtual market.

24. Appeal.– Any person aggrieved by the decision or order of the Director General refusing, cancelling or suspending the registration or renewal of registration may prefer an appeal to the Authority in the prescribed form and manner.

25. Penalties.– (1) Whoever contravenes the provisions of section 14 or section 17 shall be punished with imprisonment which may extend to six months but which shall not be less than one week and with fine which may extend to five hundred thousand rupees or both but which shall not be less than one hundred thousand rupees.

(2) Whoever continues to contravene the provisions of section 14 shall, in addition to the fine under subsection (1), be punished with further fine of rupees fifty thousand per day for the period the contravention continues.

(3) Whoever contravenes any provisions of the Act, the rules or regulations for which no other punishment is provided, shall be punished with imprisonment which may extend to one month or with fine which may extend to fifty thousand rupees or with both.

26. Cognizance of offence.– (1) An offence under the Act, rules or regulations shall be non-cognizable and bailable.

(2) A Magistrate of the First Class shall summarily try an offence under the Act in accordance with the provisions of Chapter XXII of the Code of Criminal Procedure, 1898 (*V of 1898*) on a complaint instituted by a person duly authorized by the Authority.

27. Recovery of dues.– All sums due to the Authority under the Act may be recovered as arrears of land revenue.

28. Marketing disputes.– (1) All disputes between sellers and buyers arising in a wholesale market and relating to an agricultural produce shall be referred to an agricultural marketing expert from a panel constituted by the Authority in the prescribed manner.

(2) The expert shall decide the dispute in such manner and within time as may be prescribed.

(3) Any person aggrieved by the orders of the expert may, within thirty days of the order, prefer an appeal, on a point of law, before the District Judge who shall dispose of the appeal within three months.

29. Rules.– The Government may, by notification, make rules for carrying out the purposes of the Act.

30. Regulations.– (1) Subject to the Act and the rules, the Authority may frame regulations to carry out its functions under the Act.

(2) The Government may direct the Authority to modify or omit any regulation which, in its opinion, is repugnant to the provisions of

the Act or rules or which is against public policy and the Authority shall comply with the directions.

31. Act to have overriding effect.– The provisions of this Act shall have effect notwithstanding anything to the contrary contained in the Punjab Agricultural Produce Market Ordinance, 1978 (*XXIII of 1978*).

32. Removal of difficulties.– If any difficulty arises in the application of the Act, the Government may, within one year of the commencement of the Act and on the recommendations of the Authority or on its own motion, take such action or pass such order as it may consider necessary for the removal of such difficulty.

33. Transition.– The Government may, after the expiry of two years from the commencement of the Act or after such further period as the Government may by notification, determine, transfer the management of a market established under the Punjab Agricultural Produce Markets Ordinance, 1978 (*XXIII of 1978*) to the Authority in the prescribed manner and on such transfer that market shall be deemed to have been registered under the Act as a wholesale market.

STATEMENT OF OBJECTS AND REASONS

The Bill aims at promoting agricultural produce marketing system by providing closer linkages of growers to markets. The proposed legal framework will eliminate regulatory barriers by setting up wholesale markets, collection centers and virtual markets by the private sector. The law will also promote adoption of grading standards as well as accreditation of good agricultural practices, geographical origin of produce and special marking and in this way crop marketing system will evolve in the direction of greater choices to farmers for marketing of surplus produce. Hence this Bill.

MINISTER INCHARGE