

**Orissa Agricultural Produce Markets (Amendment) Act,
2005**

5 of 2006

CONTENTS

1. Short Title And Commencement
2. Insertion Of Chapters Ii A And Ii B

**Orissa Agricultural Produce Markets (Amendment) Act,
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An Act Further to Amend The Orissa Agricultural Produce Markets Act, 1956. Be it enacted by the Legislature of the State of Orissa in the Fifty-seventh Year of the Republic of India, as follows :-

1. Short Title And Commencement :-

(1) This Act may be called the Orissa Agricultural Produce Markets (Amendment) Act, 2006.

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

2. Insertion Of Chapters Ii A And Ii B :-

In the Orissa Agricultural Produce Markets Act (Orissa Act 3 of 1957) 1956 after chapter ii the following chapters shall be inserted, namely :-

"CHAPTER II A

ESTABLISHMENT OF PRIVATE MARKETS

6 A. Grant of licence for establishment of private markets.-

(1) Notwithstanding anything contained in this Act or any other law for the time being in force, any person or body of persons like company registered under the Companies Act (1 of 1956. Orissa Act 2 of 1963) 1956 or a co-operative society registered under the Orissa Co-operative Societies Act, 1962 or a co-operative registered under the Orissa Self-Help Co-operatives Act (Orissa Act 4 of 2002) 2001, may, after obtaining a licence from the State

Government, establish a private market for the purpose of sale or purchase of any agricultural produce within such area as the State Government may, by notification, declare and subject to such conditions and restrictions as may be specified therein :

Provided that, no license shall be granted for the purpose of sale or purchase of common varieties of paddy and rice, and for the establishment of any private market within a radius of one kilometer from an existing Market Yard.

(2) Any person or body of persons mentioned in sub-section (1) may apply to the State Government for grant of a licence to establish a private market within the area notified under the said sub-section, in such form, in such manner and with such fees, as may be prescribed.

(3) Subject to such conditions and restrictions as may be prescribed, the State Government may grant a licence in the prescribed manner :

Provided that the licence shall not be granted if the applicant,-

(a) is a minor;

(b) is in arrear of dues payable under this Act or Rules or Bye-laws made thereunder;

(c) has been convicted and sentenced by a court; or

(d) is disqualified for any other reasons as may be prescribed.

(4) Every licence granted under sub-section (3) shall remain valid for a period of three years from the date of its issue and it may be renewed, from time to time, for a further period of one year on payment of such fee, in such manner and on fulfilment of such conditions as may be prescribed.

(5) If the State Government refuse to grant or renew a licence under this section, it shall record the reasons for such refusal in writing and communicate its order to the applicant.

(6) Every application made under this section shall be disposed of by the State Government, within a period of sixty days from the date of receipt of such application.

6 B. Power to cancel or suspend a licence.-

(1) The State Government may suspend or cancel the licence if, -

(a) the licensee has obtained the licence by means of fraud or misrepresentation of facts;

(b) the licensee or any servant or anyone acting on his behalf, has violated any of the terms and conditions of licence;

(c) the licensee in combination with other licensee wilfully commits any act or abstains from carrying his normal business in the market area, with an intention of obstructing, suspending or stopping the

marketing of agricultural produce in the market and in consequence whereof the marketing of any such agricultural produce has been obstructed, suspended or stopped;

(d) the licensee has been adjudicated as an insolvent or is an undischarged insolvent; or

(e) the licensee incurs any disqualification, as may be prescribed.

(2) Before passing orders under sub-section (1) the State Government shall intimate to the licensee the grounds on which it is proposed to pass such orders and give him a reasonable opportunity of showing cause against it.

(3) The State Government may suspend the licence pending the passing of an order for its cancellation under sub-section (1).

(4) A copy of every order passed under sub-sections (1) and (3) shall be communicated to the licensee.

CHAPTER II-B

CONTRACT FARMING

6 C. Definitions.

In this chapter, unless the context otherwise requires,-

(a) "Contract Farming" means farming by a person or a firm, registered under the Indian Partnership Act(9 of1932)1932, or a company registered under the Companies Act (1 of1956)1956 or a Co-operative society registered under the Orissa Cooperative Societies Act (Orissa Act2 of1963) 1962 or a Co-operative registered under the Orissa Self-Help Co-operatives Act (Orissa Act4 of2002)2001 or a Government Agency called the Contract Farming Producer under a written agreement with another person or body of persons called Contract Farming Sponsor to the effect that produce of such Contract Farming Producer shall be purchased as specified in the agreement, by the Contract Farming Sponsor.

(b) "Contract Farming Agreement" means the agreement made for contract farming between the Contract Farming Producer and the Contract Farming Sponsor; and

(c) "Contract Farming Producer" means a person, firm, company, co-operative society, co-operative or Government agency as mentioned in clause (A).

6 D. Contract Farming Agreement.-

Contract Farming Agreement shall be governed in the manner laid down hereinafter.

(1) Contract Farming Sponsor shall register himself or itself with the Market Committee in such manner and with such fee payable to the Market Committee as may be specified by the State Government.

(2) The Contract Farming Sponsor shall get the Contract Farming Agreement recorded with the concerned Market Committee and the Contract Farming Agreement shall be in such form containing such particulars and terms and conditions as may be specified by the State Government.

(3) Dispute arising out of the Contract Farming Agreement may be referred to the Director for settlement and the Director shall decide the dispute in a summary manner within thirty days from the date of reference, after giving the parties a reasonable opportunity of being heard in the manner prescribed.

(4) The party aggrieved by the decision of the Director under subsection (3) may prefer an appeal to the Secretary to Government, Cooperation Department within thirty days from the date of the decision and the appeal shall be disposed of within thirty days, after giving the parties a reasonable opportunity of being heard and the decision shall be final.

(5) The decision under sub-section (3) or (4) shall have the force of a decree of a civil court and the decretal amount shall be recovered as an arrear of land revenue.

(6) The agricultural produce covered under the Contract Farming Agreement may be sold to the Contract Farming Sponsor outside the market yard and in such a case, no market fees shall be leviable.

(7) Notwithstanding anything contained in the Contract Farming Agreement, no title, right, ownership or possession shall be transferred or alienated or vest in the Contract Farming Sponsor or his successor or his agent or his assignee, as the case may be."