**Chapter 1 : Introduction**

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*This chapter gives a brief overview about the background and the scope of the project.*

* 1. **Overview**

As we know that India’s GDP has a major share of the agricultural tasks and activities (around 14-16%), it becomes very important to improvise in the agricultural sector and maintain its sustainability in the fast growing market. But due to lack of advancements in this sector there is a transition seen in the farmers count in which many of them have opted to stop their farming work and moved on to some other sector. Hence we have chosen this project as it is a step towards the overall agricultural sector development by helping the farmers to gain what they deserve.

Currently the scenario is such that the farmers sell their products to the dealers which then sell these products to the final buyers or some more small retailers and dealers. Due to this extra addition of the dealers in the cycle the final price of the product sold to the common man is higher than the expectation of the public and actual price which the product has. The dealers in between the cycle take the major share of the profit and finally the share which the farmer has for his part is not enough.

Our application will enable the farmer to directly reach the buyers such as bulk buyers and supermarkets hence cutting out the extra cost due the increase in the cycle due to the profit margins of the Dealers. Also the entire profit made by selling the product is received by the farmer. This application will be mainly used by farmers after crop season who need some source of platform to directly reach the buyers by eliminating Our system will also enable the farmers to directly receive some orders by large industries which will be contract based deals which will be managed by our application.

**Chapter 2 : Literature Survey**

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*This chapter gives a brief idea of the methodological contribution and the substantial findings forming a concrete background required for the project.*

The exploitation of the farmer and agricultural sector has been round the corner since the Pre - Independence times. **THE AGRICULTURAL PRODUCE (GRADING AND MARKING) ACT, 1937** marked the initial exploitation phase of the agricultural sector by the British rulers. This act Allowed the central Government of the foregoing ruling governance to –

1. fixing grade designations to indicate the quality of any scheduled article.
2. defining the quality indicated by every grade designation.
3. specifying grade designation marks to represent particular grade designations.
4. authorising a person or a body of persons to mark articles with a grade designation mark.
5. Any officer of the Central Government or a State Government can enter any premises at any reasonable time and make necessary inspection of the agricultural produce.
6. An officer authorised under sub-section (*1*) of Section 3A may seize and detain any agricultural produce. Etc..

All of this provisions made in the ACT were exploiting the agricultural sector of India. This continued on and on even after Independence and still the agricultural sector is the most backward economical sector of the country.

This has led to the increase in the Mortality rate of the Farmers. According to a survey by the **National Crime Records Bureau,** between **1995 and 2014** more than **3,00,000** farmers have committed suicides in India. This is roughly equivalent to a staggering figure of one farmer suicide every 30 minutes. Only between **11772 suicides in** **2013 and 12360 suicides in 2014** the percentage increase in the number of suicides is **5%.** The main reason for the suicides is the overwhelming debts and the decreasing income due to exploitation. A majority of cotton producers of Andhra Pradesh committed suicides with a pending debt of around ₹1,00,000.

But among all these ill treatment before and after Independence, a ray of hope for the farmers and the agricultural sector was the development of **AGRICULTURAL PRODUCE MARKETING COMMITTEE (APMC)** .

Marketing in agricultural produce is considered as an integral part of agriculture as agriculturist is made more eager to invest in this sector. It helps in reducing the charges for marketing service by eliminating the chain of middlemen and to have the minimum difference between the buying and the selling prices. Marketing becomes an important

Instrument in improving the income of the individual producers of all categories, apart from meeting the requirements of the customers.

The main directions in which marketing was modernized were:

* Institutionalizing of agricultural marketing by facilitating the formation of

Cooperative marketing societies

* Regulation of markets for various agricultural products designed to minimize or eliminate unfair trade practices
* Direct involvement of the State in the marketing of certain agricultural products.

The major functions of the APMC are: grant, renew, refuse, suspend or cancel license;

provide the necessary facilities; regulate and supervise the auctions; maintain and manage the

markets; regulate the sales, promote and organize grading and standardization of the

agricultural produce and ware housing facilities in the market area.

Recently in June,2020, a major step was taken in this direction by introducing the

**Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020.**

This act empowered the farmers as it:

* Recognised farmers as an individual engaged in the production of farming produce by self or by hired labour or otherwise, and includes the Farmer Producer Organisation(a group of farmers registered under law).
* Allowed farmers to sign legal agreements with sponsors prior to the production of any farming produce of a predetermined quality.
* Made it legal and compulsion for the sponsors to bear the risk of output and any farming needs and pay the farmer for his work regardless of any loss or profit which the sponsor bears.

Another act in the same time period in June,2020 named as

**Farmers’ Produce Trade and Commerce (Promotion and Facilitation) Act, 2020** also boasted the agricultural sector by the following points:

* It allowed farmers to have electronic trading and transaction platform where online buying and selling of farmer’s produce is allowed.