



Dr. Vikramjit Singh Sahney
MEMBER OF PARLIAMENT
(RAJYA SABHA)

December 10, 2024

Respected Smt. Nirmala Sitharaman Jee,

Subject : Request to Expedite Pending payments relating to Rural Development Fees and Market Fees for the State of Punjab.

I am writing to humbly request the kind intervention of your goodself in expediting the resolution of two crucial pending issues concerning to the State of Punjab that are adversely impacting the development of rural infrastructure and agricultural procurement.

Rural Development Fees (RDF), which are payable to the Punjab Rural Development Board as per Section 7 of the Punjab Rural Development Act, 1987, are crucial for the promotion of agriculture and rural infrastructure. This fee, set at 3% of the Minimum Support Price (MSP), helps fund various essential projects such as rural roads, marketing infrastructure, storage facilities, and land record computerization. These initiatives contribute significantly to the development of agriculture in Punjab.

- a. As desired by Department of Food and Public Distribution, Punjab Assembly passed PUNJAB RURAL DEVELOPMENT (AMENDMENT) ACT, 2022 to strictly utilize funds under RDF for roads in rural areas, mandi infrastructure, storage facilities etc. and the funds will not be diverted to any other use.
- b. It is kindly submitted that Punjab procures the highest paddy of 173 Lakh MTs per annum and wheat of 125 Lakh MTs (as compared to 56 Lakh MTs and 60 lakh MTs respectively in neighboring state of Haryana).
- c. Punjab has wide network of 64,724 rural link roads connecting to Mandis and market infrastructure for transportation and storage of agri produce by the farmers which needs to be maintained and upgraded from time to time by the Mandi Boards. The Mandi Board has a mandate of repairing 12,000 km roads every year.

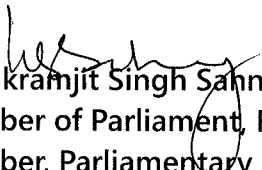
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- d. Punjab have 1936 Mandis which is the largest in the country for procurement and storage of agri produce. Mandi Board is responsible for all the operational expenditure like providing salary to the staff, providing basic amenities like water supply, electricity etc. in the Mandi and maintenance of the Mandi all this they do with the Market Development Fees.
- e. It will be pertinent to point out that during 2017 Central government had notified Rural Development Fee @ 3% and Market Development Fee @ 3% for Punjab and for subsequent years payment was made to State of Punjab on this basis only.
- f. It was in the year 2021-22 that the Ministry of Food and Public Distribution advised all the states to restrict Rural Development Fund to 1% and Market Development Fund to 1% i.e. total 2%.
- g. Punjab has been representing since then that because of the various reasons explained above and the largest procurer of paddy and wheat, largest network of rural roads, largest number of mandis and being the food basket of India, Punjab should continue to get 3% of Rural Development Fund and 3% of Market Development Fund.
- h. Various meetings held with Ministry of Food and Public Distribution, it have emerged that they are ready to consider the revised rate for Rural Development Fee and Market Development Fee for state of Punjab subject to concurrence by Ministry of Finance.
- i. There has been a stalemate since then and no payment has been made for Rural Development Fund resulting into development works in the rural areas coming to a standstill. It is pertinent that the total amount of Rural Development Fund of 6,771 Crores on the basis of 3% of MSP and Rs. 1,516 Crores on account of pending Market fee of 1% of MSP is considered expeditiously for payments as it can really affect the food security of the country in the long term.

With Warmest Regards


Dr. Vikramjit Singh Sahney, Padma Shri
Member of Parliament, Rajya Sabha
Member, Parliamentary Consultative Committee of Finance