

# FARM BILLS 2020: IMPACT ON THE FUTURE OF FARMING

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## ABSTRACT

India is an agrarian country with almost 70% of its total population is engaged in agriculture related activities. Always there have been several implications related to better price and marketing of agricultural produce persisted in Indian agricultural system and demands to improve such loopholes have been raised time to time. Firstly APMC Model act was introduced by government in 2003 but still there were some loopholes in this act. Later GOI in 2020 instead of eliminating loopholes in APMC and ensuring MSP to each and every farmer introduced three new farm bills for betterment of Indian agriculture and with the introduction of these bills a nationwide protest was initiated in the country. The protest is still continuing on the borders of national capital New Delhi and no solution to the problems of farmer have been done by the government of India.

## INTRODUCTION

As on 17th September 2020 Loksabha and on 20th September Rajyasabha passed the three Indian Agriculture Acts of 2020 and got president's assent on 27th September. Government of India stated that these bills namely Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020, Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020, Essential Commodities (Amendment) Act, 2020 are for the betterment of traditional agricultural system mostly for the improved marketing system of the agricultural produce but right after the passing of these bills protest against these bills initiated across whole country especially in Punjab, Haryana, Uttar Pradesh and Rajasthan later the whole protest was shifted to Delhi border and still in commence from there. Keeping in view such a large protest Supreme Court of India as on 12 January 2021 stayed the implementation of these laws all over the country. During this all many round meetings of farmer leaders and government of India officials including home minister, agriculture minister was held but all failed to come with a holistic approach.

# INDIAN AGRICULTURAL ACTS 2020

## 1. Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020

This law will create an environment where farmer will have more option to sell his produce as it will lift all the intra and interstate barriers of selling and purchasing of agricultural farm produce. Farmer will have full choice of selling his produce outside physical market via electronic trading.

### Pros

- Farmer will not have to pay any kind of tax or fee to sell his produce and the same will apply to the buyer.
- Farmer will have the full freedom to sell his produce anywhere in the country.
- Electronic trading through internet where farmer will be able to sell and buyer will be able to purchase the agriculture produce will be promoted.
- Electronic trading will enhance the farmer to communicate with large number of buyers.

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

This act provide access to farmers to engage in an agreement with agri-business companies, wholesaler, exporters and large retailers for farming services, purchase of farming inputs or for selling of farming produce at pre-decided price and standard of the produce. This act is commonly called as 'Contracting Farming' also.

### Pros

- Farmer will be getting the timely supply of required inputs.
- Farmer will receive timely payment of his produce.
- Diversification in cropping system.
- Farmer will engage in various new agricultural techniques.

## 3. Essential Commodities (Amendment) Act, 2020

This acts is a modification of essential commodities act 1955, in this act stock limit of foodstuff including cereals, pulses, onion, edible oilseeds oils will only be regulated by the government under extraordinary circumstances like war, famine, extraordinary rise in price or in case of any natural calamity. The reason stated by the GOI for this act is that it will result in investment in warehouses, cold storages, pack houses and logistics which will bring more employment in the country.

# FARM BILLS 2020



# CRITICISM

1. The criticism/protest of this farm bills has been started since the day these acts has come into force. Not only farmers but many other dignitaries like agricultural scientists, professors and other agricultural experts have opposed these laws. The very criticism is that GOI has said that these laws will help in formation of 'one nation one market' but on the other hand amid protest GOI has said that APMC will continue in full force so ultimately there will be two markets first 'APMC' and second 'outside APMC premises'.

2. There is no mention of MSP in all these three laws, farmers fear that GOI might scrap the MSP in future specially in contract farming when farmer will be in contract to produce a pre settled grade or quality of produce but if farmer fails to meet the desired quality then he will not get the decided price because the buyer is not getting the desired quality then in such kind of circumstances what will be the price because this law does not give the guarantee of MSP.

3. Various kind of laws was also enacted in USA and many European countries but these were failed very badly and became reason for downfall of agricultural sector in those countries.

4. Under essential commodity act 2020, wholesalers and large buyers will have full freedom to store agricultural produce which will result in quick increase of these products once the harvesting season is over and this will greatly affect the consumer.

5. In case of any kind of dispute the farmer can go only SDM court not in any upper courts so there are chances that the farmer can be suppressed by the officials and there are chances that some unfair can be done with farmer.

6. GOI is saying that farmer can sell his produce in any part of country as we know that most of farmers in our country are small and marginal farmers so for an instance if we think that a farmer in Haryana is getting 2000/quintal of paddy in Haryana and 4000/quintal in Kolkata so will farmer find any kind of saving even in double of price because transportation charges could be so much that in end he will have no profit after paying transportation charges.



# CONCLUSION

After the implementation of all three agricultural laws the disputes have arose from the very first day. The GOI is saying that these laws are for the betterment of Indian agriculture and farmers but farmers want GOI to withdraw these laws. There have been several meeting held between GOI officials and Farmer leaders but no solution has been found yet. The prime demand of farmers is to repeal these laws and secondly to make a new law for guarantee of MSP to the farmers but government has denied these impetration of farmers. Experts say that, GOI should have eliminated the loopholes in APMC system and must have ensured that each and every farmer must get MSP for their produce instead of introducing these laws. APMC system is not that bad as we can see that condition of Haryana, Punjab and Rajasthan farmers is quite very well where APMC is in function in comparison to Bihar, MP, Jharkhand and may other states where condition of farmers is not so good because APMC is not in function and they are unable to sell their produce at MSP. At last this is need of hour that GOI and Farmer leaders come up with a holistic approach so that this protest could be brought an end.