

“One Nation One Market”- Nation v/s Farmer

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Introduction:-

In the time of crisis the GDP (Gross Domestic Product) of India is falling day by day due to the lockdown of three months. On May 12, 2020 Prime minister of India calls for “Atamnirbhar Bharat” and announces 20 lakh Crore of package as a opportunity farmers to enhance their income. On June 3, 2020 the Indian union Cabinet announce the approval of three new policies in agriculture sector for the betterment of exisisting agriculture marketing system. It is for holding up the farming systems. On June 5, 2020 Indian Ministry Of Law and Justice announce the three ordinances that will release the presently marketing restrictions free trading hurdles and gave power to farmers for directly engaging with the buyers just before the harvesting. Those three ordinances are:-

1. The farmer produce trade and commerce (promotional facilitation) ordinance 2020

In this farmer have liberty to sale his produce wherever they want. It can be inter state or Intra state. There will be no Involvement of state government in it. There will be no involvement of APMC (Agriculture Produce Marketing Committee). in this farmer can compare prices from digital sources.

2. The farmer (Empowerment and protection) Agreement on price assurance and farm services ordinance 2020.

In this government of India giving freedom to farmer to directly sale their produce to the wholesaler, traders, processors and agitator in a single area. Also GOI (Government of India) promoting the contract farming among farmers. They are inviting the US based companies to invest in India. By adopting these techniques the agitation losses can be minimized which occur due to unsuitability of market.

3. The essential commodities (Amendment) ordinance, 2020

According to this ordinance the food items like cereals, pulses, oilseeds, onions, potatoes will be removed from the list of essentials, which will help the private investors in the farming business operations. This ordinance specifies that these commodities can be regulated to the stock limit under situations like war, famine and price fluctuations. The processors and exporters will be free from stock limits.

Pros and Cons of these Ordinances

The farmer has freedom to sell his commodities to whoever they want. They can compare prices and sell their produce where the price is high. They have digital platforms, i.e. E-marketing, at their disposal where they can compare the prices of their produce. There will be no involvement of APMC's; the traders and farmers can be in touch directly. Farmers will know buyers who are buying their produce. Any person who has a PAN (Permanent Account Number) and an Aadhar card can buy the produce. Through contract farming, farmers can sell their produce before harvesting. The contract will be made for three years, in which 2/3 will be paid before harvesting and the rest of the amount will be paid within three days after the sale of the produce. The price will be dependent on the quality of the produce. Traders/farmers or buyers can store their produce and sell it freely when they want or when demand is high. Farmers can adopt new technologies and techniques for farming.

If we see all three ordinances together, then only large farmers, traders, or business men can fully benefit from all these opportunities. A small farmer who has less than 2 hectares of land and grows a variety that has a lower price in the local market or is more common in far places. If he tries to sell in far places, he has to bear extra charges for labour and transportation, which will increase the benefit-cost ratio for the farmer.

In contract farming, certain parameters are written in the contract, but if farmers are unable to meet the parameters written in the contract, in such a situation, the contractor will not pay the full amount to the farmer. They will also buy the produce at a lower value. Another major con of these ordinances is that private business men will buy the produce at low prices and sell it at high prices when the demand is high.

According to the rule of economics, the price decreases with the decrease in demand and increases with the increase in demand. So, when the market has less demand, i.e. during harvesting

season the price will fall down which is beneficial for the business men and in off season demand will automatically increase and sudden price fluctuations can be seen clearly. Thus the losses will be faced by a farmer only.

The private traders can store the grains for the long time and can sell whenever they need. If farmer try to store its commodities they don't have proper storage facilities and storage of grains will put additional wages on a farmer. Also farmer have to feed his family and fulfil needs of their own. In this situation farmer has to sale his produce to the traders.

In village there are Arhatias from where they can take small amount of money whenever they need for seed, fertilizers and household needs. By excluding APMC these farmer will also have to be dependent on the banks and Kissan Credit Card (KCC) which is a time consuming process. The arhatias, sailor owners who have made large sheds for the processing will also go in the loss. The labour, which is working in mandis will also be effected by these ordinances.

By doing agriculture privatization the government will also be affected because government have to store grains for the long time period for war or famine conditions. They also have to supply food to people those are Below Poverty Line (BPL) or Blue Card holders. government have to buy food grains from private sector which will leads to loss for the government sector.

If any kind of disruption occurs in between producer and trader, the farmer can only file the application to the Sub-divisional Magistrate(SDM) .they have to solve it in 30 days. But in this condition mostly farmers avoid to go in the legal activities due to wastage of time and money.

Causes:-

By the passing of this ordinances which are not in the favor of a a farmer. There will be rise of loans on farmers. The small farmer can't agrue with contractor or trader for the price of their produce. They will accept which is given to them by the traders. The Arhtias will be bank corrupted due to in supply of commodities, sailor, owners will also be affected.

Effects:-

- ◆ Corruption will be more. The farmers those have good relations in private sector will sell their produces on good prices.
- ◆ Farmer suicides will be more because farmer will be unable to pay their loans to banks.
- ◆ The private sector can purchase farmer produce on their choice of prices.
- ◆ The poverty of farmers will be increased.
- ◆ Most of the farmers are not educated , so they can't compare online prices of their produce.

For Example:- In Bihar the rule of MSP breakout from 2006. The farmer produce is purchased by the local Lala's. They don't give them MSP for their crops. Last year paddy was sell on Rupees 700 and maize is purchased on Rupees 400-500 per quintal, rather then the MSP of paddy was Rupees 1770 and maize was Rupees 1850. This can be occur in the other states by passing of these ordinances.

Before making the rules the government should concern with the farmer associations, and clear all the doubts of the farmers. Also government should fix the certain amount for storing the commodities, so there is no black marketing and price fluctuation in market.

Conclusion

The government is initiating these rules for the farmers but all they have a very little effect on the farmer's lifestyle. With all these rules the small/marginal farmers will not get benefited, But the large farmers and businessmen can have full opportunities by these rules. Before initiating the government should be concerned with the needs of farmer. In the history this is the first rule which is opposed by the farmer on the large scale. In the present time more than 250 associations in India are opposing these rules. For solving these issues government should aware the people and clear their all doubts, if they are meant for farmers. On the other hand the government should not initiate these rules because in current situation India is a developing country not developed country. But if they have to imply these rules, According to the WTO (World Trade Organization). First government must imply these laws according to the need of the farmer