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Annadaata v/s Ordinances

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We all are quite aware of all what happened on the day of protest. But was it the way through our farmer need to pass for his own rights as a return of providing us with food to sustain. In the race towards doubling the farmer's income by 2022, our governance is passing different rules and moving on into innumerable schemes that are supposed to uplift the farmers position in our country. In this run, two of the three farm reforms Bills were passed by Rajya Sabha that have been a ground to widespread protests in the recent weeks, particularly in Haryana and Punjab. Doubling farmer's income will require labelling innumerable issues such as access to credit, insurance coverage, and investments in agriculture. India has relatively lower farm mechanization that too needs to be undertaken. But here, lets go through some content regarding the recently passed ordinances by our systems and different quandary thoughts our farmer has about these

Let's get into the depth of each of the ordinance passed by our government.

What is an ordinance?

It is a rule or law enacted by any local government.

1. **Farmers' Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020**

   According to the existing rules, sale of farmer produce was within the boundaries of government mandis, which was associated with a hiked rate of agricultural produce due to bid competition among arhatiyas (middle-man). Under the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Ordinance, traders have to mandatorily pay farmers on the same day or within maximum three working days. Also, it allows inter-state and intra-state trade of farmers' produce outside mandis. The Ordinance also allows electronic trading of "scheduled farmers' produce" in a "trade area". "Trade area" as defined under Section 2(m), as "any area or location, place of production, collection and aggregation including — farm gate; factory premises; warehouses; silos; cold storages; or any other structure or place, from where trade of farmers' produce may be undertaken." APMC mandis and private market yards have been excluded from the definition of trade area. Basically, the ordinance aims to end the monopoly of the Agricultural Produce Market Committees (APMCs) and allow anyone to buy and sell agricultural produce. A person will be penalized up to Rs. 10 lakhs for non-compliance of provisions under the Ordinance.

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

   The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Ordinance essentially talks about contract farming that allows farmers to sell their produce outside of the APMC via a "proper channel for farmers to enter into direct contracts with those who wish to buy farm produce". And allows farmers to sell their agricultural produce to private players. This Ordinance also attracts a penalty if a business fails to pay farmers on time.

3. **Essential commodities Ordinance (amendment), 2020**

   Finance minister Nirmala Sitharaman in May introduced an amendment to the Essential Commodities Act, 1955 as part of a COVID-19 relief measure. The Union Cabinet passed it in June and is now an ordinance. Under the amended Essential Commodities Act, 1955, essential food commodities such as cereals, pulses, edible oil and sugar will be deregulated. Simply put, there will be no storage limit or movement restriction for the aforementioned commodities. Only under emergency situations, such as a natural calamity when production collapses, would limits on stocks be imposed.

What do our farmers points against the respective Ordinance?

1. First ordinance aims to end the monopoly of the Agricultural Produce Market Committees (APMCs) and allow anyone to buy and sell agricultural produce, but the MSP values need to be fixed by government to limit the lowest selling price, before implementing this ordinance. This will save the farmers from trader's whimsicality of buying the produce at lower values than the MSP. For an instance, in Bihar the price of

rice is around Rs.1200 as the similar practice of selling the produce outside the market is in existence since many years. While, the MSP for rice is around 1900 in Haryana. This difference in the prices are only due to the free trading in Bihar.

2. In second ordinance, is related contract farming which is not feasible at all in a country like India, where most of the farmers are marginal and illiterate. The farmers, in most of the cases is not able to get the contracts conditions properly, which can be taken in an advantageous way by the contractor hence affecting the farmer.
3. Earlier there were pre fixed limits on storage of different food grains and pulses. The third ordinance will remove the restrictions on storage amount allowing traders to store as much as they want. With this there are enhanced chances of black marketing, in which the traders could create an artificial demand/or crisis in market, which will make the traders prosper and worse the farmer's conditions.

Which view is correct?

Frankly saying there is no perfect answer to this heading or question apart from saying that both have some valid points. As the newly formed laws are neither shutting down APMC mandis, nor are they imposing that MSPs will not be active. Moreover, truth is this— across different sectors of the economy, liberalization has grown friendlier the size of the pie and improved wellbeing across the board.

But why should our farmer cannot have more options?

If the private deal is not markedly finer, a farmer can keep going on as before. If corporate farming does manage to weaken the APMC mandis system, it would only be because multitude of farmers prefer and chose corporate farming or selling there produce outside existing mandis.

Could it be the case where the arhatiyas are the ones who are threatened by these reforms?

Furthermore, there is an unentertained fascination with MSPs in our country. As observed in the Agriculture Census of 2015-16, showed that more than 85% of all land holdings belong to small and marginal farmers (i.e. less than 2 hectares).

These farmers with such small land holdings are totally dependent on them are net buyers of food. This is why, even a small fluctuation in MSPs they feel troublesome and hurt. This is

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not at all withstanding the observations that depict more and more selling of farm produce to private players instead of the government via MSPs.

On the other side, one can easily understand why our farmers are so skeptical about markets. A great illustration is the situation when the government impelled a restriction on the onion exports. The government weighted the profits of the consumers over those of the producers (the farmers). This is not the only example. There are numerous past situations where government's firmness to save consumers from inflated prices have come up with farmers being robbed.

Where is all this pointing and moving towards?

At the end, the real conclusion of the ills and wills of the three ordinances can only be determined by the implementation.

It would not be good if farmers feel swindles and exploited when they involved in the reforms passed by the governance, they will blame the political masters. However, if they tasted favorable outcomes via better returns on a sustained state with elevated profits that make them to move towards better living standards, then numerous long-laid doubts and misfaiths about governance, markets and reforms will surely vanish away.