Vol.1 Issue-2, October 2020

JUST AGRICULTURE
multidisciplinary e-Newsletter

Farmer's Amendment Bill / Ordinance

Soumya Unnikrishnan
College of Agriculture ,Wayanad Kerala Agricultural University
Corresponding Email : **uniksoumya98@gmail.com**

ARTICLE ID: 073

On 5th June 2020 the Centre passed three agriculture bills aiming at 'One Nation ,One Market' policy, which lead to widespread protests taking place in Punjab , Haryana and mostly the Northern states of India. Hundreds of farmers were involved in the tractor march and protests which lead the police to lathicharge them for defying the administration's warning during the raging pandemic. During the current COVID-19 scenario such news are very disturbing. The Union minister for Food Processing Industries, Harsimrat Badal also resigned from the Union Council of ministers as a protest against these bills, which she said are anti-farmer. Punjab and Haryana occupy an extremely important place in agriculture in India. Both of these two states are regarded as the Breadbasket of India and have contributed substantially to the country's food security.

What are the Three Bills

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

The bill assures to give farmers a freedom of choice to sell their farm produce outside the registered mandis/markets under the Agricultural Produce Market Committee(APMC). This would serve as an "additional marketing channel" for farmers, promote inter-state and intra-state trade of the farmers produce outside mandis and help improve the farmer's income. But for this kind of trade all farmers need not be capable of affording the transportation charges. In the long run this bill can put an end to the APMC system and hence farmers will lose the minimum support price (MSP) they earned for their farm produce, which the APMC system had ensured them with. Also in states like Kerala where there is no APMC system, this bill fails to prove its relevance. Eventually if the APMC markets would come to an end, it is not clear if the unified integrated market e-NAM (electronic National Agriculture Market) will materialise. A fear that such laws would create two market spaces with two completely

JUST AGRICULTURE
multidisciplinary e-Newsletter

different sets of rules and that it would make the task of knowing anything about transactions in these new markets difficult, also persists.

2. **The Farmer (Empowerment and Protection) Agreement of Price Assurance and Farm Service Bill,2020**

This bill claims that farmers can access modern technology and get better inputs by entering into a contract with agricultural firms, wholesalers and exporters. Also that this will help eradicate middlemen, as farmers will be directly involved in marketing. Though this sounds good on the surface, but will the poor farmers who cannot manage the pressure from middlemen itself , be able to solve disputes with huge multinational companies , exporters and agribusiness firms? The farmers will again be the weak players in negotiating their needs and big private companies will have an edge in disputes .The APMC was in fact set up to safeguard farmers from middlemen and limit distress sale by farmers under the pressure of intermediaries. But the first bill stated above, The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill,2020 is passed to gradually bring an end to the monopoly of APMC.

3. **The Essential Commodities (Amendment) Bill, 2020**

This bill comes with the provision to remove commodities like cereals, pulses , oilseeds , onions and potatoes from the list of essential commodities . This would do away with the imposition of the stock holding limits of such items, except under extraordinary circumstances like war and will attract private sector investment for farm infrastructure like cold storage. While, this can also allow corporates to create an artificial shortage of commodities and dictate the prices due to the increase in demand. Hence the corporate and private sector will be making huge profits and these bills will ultimately prove no good for the farmers as well as consumers.

Conclusion

As in most developing countries, agriculture is an important pillar of the Indian economy. Contribution of Agriculture sector in Indian economy is much higher than world's average (6.4%). The Indian farming sector is very vulnerable to conditions like drought, flood, pest attack and crop damage and farmers find it difficult to earn a livelihood under conditions of such severe scarcity. The GDP growth rate is estimated to be 5% in 2019-20 as compared to 6.8% in 2018-19. Growth of agriculture sector has been fluctuating: it increased from -0.2% in 2014-15 to 6.3% in 2016-17, and then declined to 2.8% in 2019-20. (Economic Survey 2019-20). During the current COVID crisis, besides the uncertainty in other sectors, only the agricultural sector proved to have not perished and contributed to the growth in GDP in India. The Centre has targeted Doubling the Farmer's Income (DFI) by 2022 and the action plan to strengthen agriculture in India needs to be on domestic reforms, not through reduction of government intervention in the market economy but playing major role as evaluator and implementation of the policies, increased investment and prioritising the area to invest.

References

Arijit, S. (2020, September 17). Explainer: Are farm bills game-changer or anti-farmer? DNA Web Team https://www.dnaindia.com/india/report-explainer-are-farm-bills-game-changer-or-anti-farmer-2843667

Bala , J. (2015). REGIONAL AGRICULTURAL DEVELOPMENT: A CASE STUDY OF PUNJAB AND HARYANA. *Global Journal of Advanced Research*. 2(8):1349-1350 http://gjar.org/publishpaper/vol2issue8/d290r50.pdf

Dr.Mohanty, S S. and Singh. A. (2014). Agricultural Produce Market Committee (APMC) Act in Uttarakhand and its Impact on Agribusiness. *International Journal of Marketing and Technology*. 4 (4): 196-200 (https://www.researchgate.net/publication/261634894_Agricultural_Produce_Market_Committee_APMC_Act_in_Uttarakhand_and_its_Impact_on_Agribusiness)

GOI: 'APMCs' Ministry of Agriculture and Farmers' Welfare, Govt. of India https://enam.gov.in/web/stakeholders-Involved/Apmcs

GOI: 'National Agriculture Market' Ministry of Agriculture and Farmers' Welfare, Govt. of India https://enam.gov.in/web/

Harish ,D , Anju A.C, Parthasarathi B. (2020, September 15). Three ordinances and a protest: Why farmers in Haryana and Punjab are angry The Indian Express https://indianexpress.com/article/explained/three-ordinances-protest-why-are-haryana-farmers-angry-6592559/

Hindustan Times. (2020, September 18). PM Modi defends farm bills, says critics misleading farmers. https://www.hindustantimes.com/india-news/pm-modi-defends-farm-bills-says-critics-misleading-farmers/story-UT2pBUnVESGwWLNEGEeHhO.html

PRS Legislative Approach. (2020, September 18). The Essential Commodities (Amendment) Bill, 2020 Ministry of Consumer Affairs and Food Distribution https://www.prsindia.org/billtrack/essential-commodities-amendment-bill-2020

PRS Legislative Approach. (2020, September 18). The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill, 2020 Ministry of Agriculture and Farmers' Welfare https://www.prsindia.org/billtrack/farmers-empowerment-and-protection-agreement-price-assurance-and-farm-services-bill-2020

PRS Legislative Approach. (2020, September 18). The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020 Ministry of Agriculture and Farmers' Welfare https://www.prsindia.org/billtrack/farmers-produce-trade-and-commerce-promotion-and-facilitation-bill-2020