AGRICULTURAL LAW: CAPITALISM AND FEDERALISM

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Abstract

The three Agriculture Bills deal with the establishment of private markets for the sale and purchase of agricultural products, and greatly relaxing the terms of the Contract Agriculture and Essential Commodities Act, 1955. The main objectives of the BJP's Government are to privatize the Agriculture sector, eliminate MSP's and APMC markets and increase centralization by weakening the federal structure. Allowing the private sector, large corporations and agribusiness in the agricultural sector will increase inequality, unemployment, uncertainty in the country, while increasing misuse of natural resources will reduce the quality of environment. Agriculture bills will prove fatal to small and marginal farmers, who are already struggling or aggravated by economic hardships.

Keywords: Agriculture Bill's, Minimum Support Price, Privatization, Contract farming, Centralization, Federalism.

The Indian government introduced three decrees on june5, 2020 in the name of Agricultural sales reform: the farmers Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020; the farmers (Empowerment and Protection) Agreement on Price Assurance and Farm services Bill,2020; and Essential Commodities (Amendment) Bill,2020. These regulations related to agricultural trade and pricing have now become bills, which have been passed by the Indian Parliament and approved by the President of India. The parliament passed the laws without any discussion. The agricultural policy of the current government is conducive to deepen the entry of agricultural commercial capitalism and centralized control of Indian agriculture (Singh & Singh, 2020). Farmer's organizations are protesting the bills on a large scale. As agro-business took over the agricultural sector, farmer's organizations worried about the survival of agricultural communities. The state governments is concerned that central government's violation of state federal rights in agriculture has increased.

What opportunities does the new agricultural reform create for farmer?

The Agricultural Trade and Commerce (Promotion and Facilitation) Act of 2020 allows farmers to sell their agricultural products outside the jurisdiction of the Agricultural Market Committee (APMC) without paying taxes. The farmers (Empowerment and Protection) agreement on price assurance and farm service Bill, 2020 allow farmers to sell their future produce to agribusiness companies at predetermined price and The Essential Commodities Act (Amendment) of 2020 relaxes the centre's control over the production and sales of agricultural products.

Why oppose the farm bill?

The central goal behind the behavior is to encourage agribusiness companies to make private investment in production, processing, storage, transportation and sale of agricultural products .Farmers group believe that the new law will slowly terminate the MSP (Minimum Support Price) and will result in substantial loss of income for APMC under the state government. By relaxing the control of APMC, the government risked farmers accepting prices lower than the MSP. In 2006, Bihar abolished APMC and passed similar laws. After the Mandi system was abolished in 2006, Bihar witnessed breakdown in agricultural growth. These three bills may free farmers from the shackles of middlemen, who are also called Moneylender. The relationship between the farmer and the moneylender is very old. As farming is a seasonal occupation, the farmer fulfills his basic needs by borrowing money directly from the moneylenders. Although many of the conditions of the lenders are not in his favor which need to be improved but they do not want to end this relationship. Farmers bring their products to wholesale markets or mandis under APMC (Agricultural Market Committee) jurisdiction. APMC in each state decides the price to pay to producers before selling it. If the commission agent does not purchase the product at this price, the government is responsible for purchasing. Under the new regulations, merchants can contact any farmers across the country and purchase agricultural products at any price they agree. Farmers disagree. There are many problems in the APMC mandi system that needs to be reformed. No one denies this. However, reforming APMC mandi does not mean that you will push farmers from one group of middlemen to another. This is not an agricultural solution.

According to BJP's Government, the three bills will help small and marginal farmers to sell agricultural products outside mandis, allowing them to sign agreement with agribusiness and removing restrictions on share holdings in basic commodities. The legislation on contract farming will allow farmers to sign contracts with agribusiness or corporations at pre agreed prices for agricultural products. However, the real increase in freedom of large agribusiness. The most severely affected will be the marginal, small and medium-sized farmers, whose bargaining power with large enterprises with a lot of resources is so small that such farmers cannot reach an agreement .Rice and wheat growers also pay attention to the MSPs and they sell directly to the government at these guaranteed prices. They are worried that the government will leave them in the hands of unrestrained private markets which will exploit the farmers by paying less than the fair price of crops. The Essential Commodities (Amendment) Act, 2020 removes grains, pulses, cooking oil, onions and potatoes from the list of essential commodities. Except in special circumstances, this will eventually impose inventory restrictions. This law aims to eliminate concerns about private investors over regulating their business operations. The freedom of production, holding, transfer, distribution and supply will lead to the use of economies of scale and attract private/foreign direct investment in the agricultural sector. This will harm farmers and consumers, and will only benefit hoarders. As a result, the gap between rich and poor will widen.

Contracting agriculture is good or bad for farmers?

Providing the necessary legal framework to promote contract farming and related activities in agriculture is the main objective of farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill, 2020. Contract agriculture is an agreement between farmer and corporate companies for the supply and production of agricultural products in accordance with predetermined agreements and prices. Contract agriculture is beneficial to those who grow large farmers. This is harmful to small, marginal and medium farmers. Small and marginal farmers with less than two hectares of land constitute 86.2 percent of all farmers in the country. Farmers who know the commercial concepts of agriculture can hope to benefit from the system, but farmers who only know the agriculture and crop cultivation will lag behind the system. Lack of capital, money and technology makes small and marginal farmers lass able to make big deals. It is difficult for small farmers to prove that the agreement has been violated. Another devil in the details of the farm law is stipulation that once any dispute arises, farmers shall not submit their cases to the formal courts. Farmers argue that the local government are the part of government system and are not as independent as the judiciary. Therefore, they worry that these authorities will favor the company. Basically in India, there are no strict rules and regulations to perform the contract, which leads to the failure of the contract.

Why the new agriculture reforms will attack on the Federalism?

While agriculture is included in the constitutional state list, Entry 33 of the concurrent list provide centre and states power to control the production, distribution and supply of products in any industry including agriculture. The Essential Commodities (Amendment) Act, 2020 is undoubtedly the most devastating attack on agricultural federal rights of the states to date. The Government's ''One India, One Market'' slogan is an open declaration of the centralizing objective of these laws. According to the farmers Trade and Commerce (Amendment) Act, 2020 the state government will lose the mandi tax, which is also a huge source of revenue for them. The demonetization of central policies and the goods and services tax have also weakened the fiscal position of the states. These three regulations on agricultural trade have reduced the income of the state government, leading to the possibility of the government destroying rural livelihoods and exacerbating the suffering and impoverishment of farmers.[1]After GST, New Education Policy, the main objective of the BJP's government is to increase centralization and reduce the power of federal states.

Does Indian agriculture need reforms?

Due to shortage of food in the country in the 1960s, the union government had to resort to importing food from abroad, and finally imported food from U.S under PL 480, which caused the country to pay a high price. In order to get rid of this problem, the Government decided to adopt a "new agricultural policy'' in the country. New Agriculture policy is a set of high-yielding seed varieties, guaranteed irrigation, fertilizers, pesticides, machinery and modern agricultural practices. Although this policy led to a substantial increase in agricultural productivity and production and sustained it for a long time, and was called the 'Green Revolution'. It has led to depletion of ground water, ecological destruction and forced living under the burden of debt. They lead a life of extreme poverty, forcing them to commit suicide.[2] These problems are getting worse. The three new ordinances aim to increase them and take over the agricultural sector of corporate sector. These bills are likely to have an impact similar to the 1991 New Economic Policy. Since 1991, the country's industry and service industries have made considerable progress, but this progress has been uneven. Large companies use the country's resources to increase profits, while small companies in these sectors have been ignored. Due to the country's capitalist/corporate economic growth model, economic inequalities are increasing rapidly. Now is the time to replace the capitalist/corporate model with a human-nature friendly development model. For decades, agriculture has suffered from low prices. For decades, farmers have been deprived of their income. Deliberately restrict agriculture. The need for agricultural market reform stems from the inefficiency of traditional marketing channels, fragmentation of middlemen, poor discoveries, insufficient infrastructure, and policy distortions, which hinder farmer's income growth (Chand 2012). It is argued that reforming the agriculture market will enable farmers to

[1] Punjabi Tribune (2020): The Minister of Finance of Punjab, Manpreet Badal, estimates that due to this agricultural plan of the centre, Punjab alone will lose 40 billion rupees every year.

[2]Singh, Gian (2020): ''Paying for Poison? Income Taxpayers Do Not Subsidies Farmers in India'', www.thecitizen.in, 22 December

increase their income by diversifying the development of high-value agriculture (Singla 2017). Let us reform and expand the APMC network in this country. Provide farmers with MSP and make it legally binding, that is, there are no transactions lower than MSP. Farmers are not stupid .If they can get crops at higher prices, will they protest on the border during the Corona virus Pandemic? The government follows the American model and introduces companies into agriculture, which is detrimental to economy and ecology. If small and marginal farmers, who make up about four-fifths of the agricultural population, are excluded from this arrangement, the government's agenda to double farmer's incomes by 2022 will not be achieved. Adopt a pro-people and pro-nature model to address growing poverty, hunger and inequality in India.

The economic interests and moral obligations of all political factions and state governments that represent federalism, pluralism, and ecological sustainability are also coordinating their efforts to oppose this initiative[3]. The struggle for federalism and pluralism is also a struggle for democracy. It is necessary to defend the Constitution and the basic structure of democracy.

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[3] Singh, Pritam (2020): ''BJP's Agrarian Policies: Deepening Agro-Business Capitalism and Centralisation", EPW, Vol. 55, No.41, Oct10.

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