



AGRICULTURAL BILLS 2020: AN ANALYTICAL STUDY

***Dr. K. BARATHIRAJA**

Associate Professor of Political Science
School of Law

Vel -Tech Dr. Rangarajan R&D Institute of Science and Technology, Avadi, Chennai-62

****Mrs. JAYALATCHUMI G**

Assistant Professor of Law
School of Law

Vel -Tech Dr. Rangarajan R&D Institute of Science and Technology, Avadi, Chennai-62

Abstract

The Indian government was introduced three agricultural Bills in the year of June 5, 2020 under the 123 Constitutional Amendment Act. The first, and perhaps the for the most part extensive and notorious, is called the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020. The second is the Essential Commodities (Amendment) Bill, 2020 that attempts to remove the uncertainty and impulsiveness in notifying stocking limits, by linking it to translucent rule-based price triggers. The third ordinance, the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill, 2020 is more easily referred to as the 'Contract Farming bill' and aims to provide a framework for written agreements between farmers and sponsors without mandating them. This bill attempts to bypass the state-level APMC Acts and can hence be referred to as the 'APMC Bypass bill'. The Indian agriculture acts of 2020, often termed the Farm Bills, are three acts initiated by the Parliament of India in September 2020. The Lok Sabha approved the bills on 17 September 2020 and the Rajya Sabha on 20 September 2020. The President of India, Ram Nath Kovind, gave his assent on 27 September 2020. On the occasion of Gurupurab on 19 November 2021, Narendra Modi, Prime Minister of India, announced that his government would repeal the three acts during the upcoming winter session of Parliament in December. This paper tries to analyse the entire process of the bills.

Key Words: *Bill, Amendment, Rajya Sabha, Lok Sabha, Farmers, and Agriculture.*

Introduction

India is an agriculture one of the dominated countries. Further more than 70% of Indian people are whichever in a straight line or in a roundabout way involved in agricultural activities and developments.

Owing to the unbreakable effort of these farmers we are ingestion peacefully. These farmers provide for whole country but it is a make unhappy of them fact that they are intertwined in the restraints of undernourishment and deficiency. In recent times Union Government has passed new bills for well being of farmers and agriculture sector. But farmers and State Governments are opposing these bills. Farmers across the country have protested against these bills in streets and on roads. Punjab and Haryana farmer's tractor protests in July and on 26th January in Delhi were opposition of these agriculture bills 2020. On 28th August 2020 Punjab Assembly has also passed a resolution rejecting the Central Government's ordinances.

Historical views on Agricultural bill 2020

Farm Bill 2020 or Agriculture Bill 2020 is a combination of three bills passed by Parliament recently. These bills are;

- Firstly, Farmers Produce and Commerce (Promotion and Facilitation) Bill 2020,
- Secondly, Farmers Agreement (Empowerment and Protection) on Price Assurance These two bills were introduced by Union Minister of Agriculture and Farmers' Welfare, Rural Development and Panchayati Raj, Mr. Narendra Singh Tomar .
- Thirdly, Farm Services Bill 2020 and Essential Commodities (Amendment) Bill 2020. This bill introduced by Ministry of State for Consumer Affairs, Food, and Public Distribution Mr. Raosaheb Patil Danve introduced in the Lok Sabha.

Moreover, each of the three bills deals with one aspect of agricultural marketing. Collectively, they are designed to reduce barriers that diverse agri-food supply chain actors face in connecting to farmers. They aim to do so by falling reliance on traditional APMC-(Agricultural Produce Market Committee) based intermediaries ('disintermediation') and by creating a unified national market ("one nation-one market"). In spite of the titles of the bills highlighting 'farmers', rather than focusing directly on farmer welfare all three bills rely overwhelmingly on supply chain actors to take advantage of the new rules and share their gains with the farmers.

The three Farmer Bills are passed by the Lok Sabha on 17th September 2020 and further by the Rajya Sabha on 20th September 2020. The President finally gave his assent to the Farmer Bill on 27th September 2020.

Benefits of Farmer Bill 2020

According to government of India, the New Farm Bill 2020 invent a structure that will create an ecosystem where the farmers will enjoy the freedom of choice of sell and purchase of agricultural produce and promote barrier-free inter and intrastate trade.

There will be no Agricultural Produce Market Committee (APMC) market fee or cess on transactions in such trade areas. Agricultural Product Market Committees will continue their functioning. APMCs have to

complete with their alternative platforms and now farmers have a choice for selling their products. This new bill gives powers to farmers to sell their products to the company or exporter buying in bulk from the farm.

Advantages and Disadvantages of Farm Bill 2020

The main intention of the introduction of the new Farmer Bill is based on the concept of “*One India, One Agricultural Market*”. The new farmer bill aims at opening the gates for farmers to the corporate world to create additional trading opportunities beyond the APMC market yards to help farmers to get remunerative prices due to additional competition.

On the other hand, the opposition is of the view that the new farmer bills 2020 passed challenges the three pillars of the food security system that is (MSP), Public Procurement and Public Distribution System.

Opposition Parties' Protest the Agrarian Bill 2020

After the bill introduced by the parliament the Congress chief ministers, Pradesh Congress Committee presidents, Congress legislative party leaders along with MPs, MLAs, and senior leaders of the party will walk from the Pradesh Congress Committee (PCC) office or a prominent place like Mahatma Gandhi statue to the Raj Bhavan. Then on September 28, the party's leaders are submitting a communication to the Governor, addressed to the President of India, tracking and pulling out of these farm bills.

On October 2, the birth anniversary of Mahatma Gandhi and Lal Bahadur Shastri, Congress will observe 'Save farmers and farm labourers day'. "We will clutch dharnas and protests in every state and district headquarters across India against the agriculture bills, asking for their immediate withdrawal," Venugopal said. On October 10, the party's state units will organise 'kisaan sammelans'. In addition, in the middle of October 2 and 31, Congress workers went villages and collected signatures from the farmers against the agrarian bills 2020. Around two crore signatures were collected and the document against the farm bills were submitted to the President of India on Jawaharlal Nehru's birth anniversary on November 14, the occasion of the Surjewala informed in a press conference.

Moreover, on September 25, is set to be a red-letter day in opposition parties' protests against the agrarian bills, with a number of gatherings and protests planned. The Bharatiya Kisan Union (BKU) hold a countrywide protest and carry out barriers of the road. The Aam Aadmi Party (AAP) has decided to support the September 25 Punjab 'bandh' called given by various farmers' outfits against the three new farm bills. As many as 30 farmers' outfits have already given a call for the complete shutdown of Punjab on September 25 in protest against the three farm bills. The protest are very effective against of the ruling government.

Besides, the All India Kisan Sangharsh Coordination Committee has also called for a protest on Friday, September 2020 in which at least 10 trade unions have accessible their support. In other side Tamil Nadu, the DMK government and its allied political parties also have announced protests starting 28th

September, 2020. Consequently, the Left Front and its associated political parties also blocked roads and hold protest rallies with farmers in Bengal.

What are the broad arguments for and against the laws?

The government claims these Acts will transform Indian agriculture and attract private investment. The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020, provides for contract farming, under which farmers will produce crops as per contracts with corporate investors for a mutually agreed remuneration. The protesting farmers fear that powerful investors would bind them to unfavourable contracts drafted by big corporate law firms, with liability clauses that would be beyond the understanding of poor farmers in most cases.

According to the government of India, The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020 liberates farmers by benevolent them the liberty to vend wherever. The Opposition articulates this would prime to corporatisation of agriculture, with the market, along with the rainy season, becoming an impulsive determinant of the intention of farmers. They argue that farmers can sell outside the APMC even now, and most in fact do, although after paying the prerequisite fees or cess.

In Punjab and Haryana, the epicentre of the remonstrations, the market fee, rural development fee, and arhatiya's commission are 3%, 3%, and 2.5%; and 2%, 2%, and 2.5% respectively. These are big sources of state revenue — with states not permitted to levy market fee/cess outside APMC areas under the new laws; Punjab and Haryana could lose an estimated Rs 3,500 crore and Rs 1,600 crore each year respectively.

Analysis and Interpretation

Among the tree farmer bills the Farmers Produce Trade and Commerce (Promotion and Facilitation) Bill allows barrier-free intra- and inter-state trade of farm produce. Previously, farm produce was sold at notified wholesale markets, or *mandis*, run by Agricultural Produce Marketing Committees (APMCs). Each APMC, of which there are around 7,000, had licensed middlemen who would buy from farmers - at prices set by auction - before selling to institutional buyers like retailers and big traders. Under the proposed system, farmers can (eliminate middlemen and) sell directly to institutional buyers at prices to be agreed between them. However, farmers' groups are worried this exposes them to corporates who have more bargaining power (and resources) than small or marginal farmers. A Madhya Pradesh farmer who spoke to NDTV said: "I am worried... sometimes they ask for wheat at ₹ 1,400 or ₹ 1,500 per quintal. They will take (produce) as they wish".

In India, nearly 85 per cent of poor farmers own less than two hectares of land. Farmers like these find it difficult to negotiate directly with large-scale buyers. In a report by news agency Reuters, leaders within the farming community said *mandis* play a crucial role in ensuring timely payments to them. Removing these markets, or allowing corporates direct access, without offering an alternative, such as regulated direct-purchase centres, does not make sense, they say. Also, with APMCs, farmers were usually required to sell to

nearby markets rather than in the open, which will now be allowed. The government has pointed to this to suggest farmers' incomes will increase. In practice, however, small farmers may find it difficult to avail potentially better prices at markets further away because of constraints on travel and storage, as well as associated costs.

The second bill to clear the Rajya Sabha - The Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services - is supposed to allow "contract farming", or allow farmers to enter into agreements with agri-firms, exporters or large buyers to produce a crop for a pre-agreed price. Farmers are worried this means the MSP (a price guaranteed by the government) will be removed. They point, once again, to small and marginal farmers who will likely be vulnerable to disadvantageous contracts unless the sale prices continue to be regulated. As Congress MP P Chidambaram pointed out, there needs to be a clause linking MSPs to the lowest agreeable price. Although the new law has not explicitly removed MSPs (and Prime Minister Narendra Modi has insisted it will not), farmers are concerned because allowing prices to be settled outside regulated *mandis* makes it difficult for the government to monitor each transaction individually.

MSPs are also of concern to rice and wheat farmers, who sell directly to the government at these guaranteed prices. They fear that government purchase will give way to private buyers, who could arm-twist them to sell at lower rates. These guaranteed prices, which the government today raised, are often a source of credit in hard times like droughts and crop failure. In addition to farmers' concerns, state governments - particularly those in Punjab and Haryana - fear that if private buyers start purchasing directly from farmers, they will lose out on taxes that are charged at *mandis*. The potential scrapping of *mandis*, they also argue, endangers the jobs of millions who work there.

Repealed the agricultural bill

Indian Prime Minister Narendra Modi November 19, 2021, said his government would repeal all three farm laws that have been a point of contention between farmers from Haryana and Punjab and the Centre for more than a year. "In spite of our best intention to support our farmers, especially the small farmers, we could not take them into confidence. I apologise to our fellow citizens. The Union government has decided to repeal all three farm laws," he said in an address to the country on the occasion of Gurupurab, the birth of the anniversary of the first Sikh Guru and Guru Nanak.

Thousands of farmers had been protesting at the national capital's borders for an over year, demanding rollback of the laws. The PM said the process to formally repeal the laws would start in the upcoming Parliament session by the end of this month. He also announced the formulation of a new committee to promote Zero Budget Natural Farming, encourage a scientific shift in the crop pattern, make minimum support price more beneficial for farmers, and make future decisions for the benefit of farmers. The committee will comprise officials from the Centre and states, as well as farmers and agricultural experts. "The Union government will continue to work for the farmers of this country," he said.

Conclusion

The farmers are the soul of the country and their growth and development is the foremost duty to be taken care of by the government. The passing of the bill is a step in the right direction providing a bigger platform to the farmers to get the desired price for their agricultural product. The reforms will accelerate agricultural growth through private sector investment in constructing agricultural infrastructure and supply chains for Indian farm produce in national global markets, generate employment opportunities, and strengthen the economy. Farmers will be freed from the clutches of selling their goods at designated places. The procurement of Minimum Support Price (MSP) will continue and 'mandis' established under state laws will also continue to operate. It will empower the farmers and foster their growth and development in the country reshaping the Indian Economy.

References:

- Banerji, A. & Meenakshi, J. V. (2008): "Millers, commission agents and collusion in grain markets: evidence from basmati auctions in North India. *The BE Journal of Economic Analysis & Policy*, 8(1).
- Chatterjee, S. (2018): Market Power and Spatial Competition in Rural India, Working Paper. Princeton University.
- GoI (2007) 'Report of the Working Group on Agricultural Marketing Infrastructure, Secondary Agriculture and Policy Required for Internal and External Trade', Agriculture Division, Planning Commission, Government of India, New Delhi. <https://niti.gov.in/planningcommission.gov.in/docs/aboutus/committee/wrk...>
- <https://www.linkedin.com/pulse/essay-farm-bill-2020-english-1000-words-mukesh-kumar>
- <https://www.selfstudymantra.com/2020/11/farm-bill-2020-essay.html>
- <https://www.google.com/search?q=what+is+the+role+of+opposition+party+in+agricultural+bill+2020&oq=what+is+the+role+of+opposition+party+in+agricultural+bill+2020&aqs=chrome..69i57.21753j0j15&sourceid=chrome&ie=UTF-8>
- <https://www.ndtv.com/india-news/farm-bills-explainer-why-many-farmers-and-some-parties-oppose-the-new-farm-laws-10-points-2298946>.
- <https://www.downtoearth.org.in/news/agriculture/government-will-repeal-all-3-farm-laws-modi-80280>.
- <https://indianexpress.com/article/explained/narendra-modi-farm-laws-repealed-explained-7630834/>.
- <https://timesofindia.indiatimes.com/blogs/economic-update/the-new-farmers-bill-and-its-effects/>