

## ESSAY SERIES - ESSAY 2

### THE FARMERS BILL 2020: A CRITICAL ANALYSIS

The Farmers Bill 2020 (hereinafter referred to as "*The Bill*") has come to light and has certainly captured everyone's interest for all the not-so-good reasons. According to the government, this bill focuses on improving India's agricultural industry. The aforementioned bill included the three acts listed below:

1. The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act.
2. The Farmers Produce Trade and Commerce (Promotion and Facilitation) Act.
3. The Essential Commodities (Amendment) Act.

Such bills had been introduced in the introduced in Lok Sabha (House of the People) on 14 September 2020 and the Rajya Sabha (Council of States) on September 20, 2020. As a result, on September 27, 2020, the President of India Mr. Ram Nath Kovind, gave them the accent. The Minister of Agriculture and Farmers Welfare, Narendra Singh Tomar, introduced the bills and the passage of such bills was welcomed by our Prime Minister, Mr. Narendra Modi, as a "*watershed moment in the history of Indian agriculture.*"

Let's take a look at each of the above-mentioned Acts individually:

*The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020:* In India, this law allows farmers to trade without limitations. This Act establishes a national framework for Farmer-Sponsor arrangements, which include the trader or buyer before the production or rearing of any farm produce. It also allows for the free trade of agricultural commodities between states and among states, as well as providing a foundation for electronic trading.

A farming agreement can be formed between the farmer and the buyer under *Section 3 (1)* of this Act, which will provide the necessities of the commerce such as cost, quality, and

quantity. This agreement guarantees that the farmer receives the agreed-upon price for his crop, and also that the cost cannot be adjusted regardless of market pricing.

It also includes a "*Force Majeure*" clause, which states that if a farmer fails to produce the pre-determined amount of crops due to a natural disaster, the money cannot be reclaimed. In these types of conflicts, the Sub-divisional Magistrate would be the adjudicatory authority. Farmers can also enter into agreements with corporations under *Section 3 (3)* of this Act.

*The Farmers Produce Trade and Commerce (Promotion and Facilitation) Act, 2020*: This Act permits intra and inter-state trade of farmers' produce beyond the physical premises of Agricultural Produce Market Committee (APMC) markets and other markets notified under the state APMC Acts. It allows farmers to participate in inter-state trade outside of mandis, and it also states that no market fee will be imposed on trade conducted outside of mandis. The goal of this act is to expand the scope of selling farmers' produce while also allowing farmers to sell where ever they want and get the best value for their output.

*The Essential Commodities (Amendment) Act, 2020*: This Act was first brought in decades back in 1955. It allows the central government to manage the production, supply and the distribution of some food products that are known to be essential, but only in exceptional situations (such as war and famine). Stock restrictions on agricultural commodities would be levied only if prices started to increase.

While reforming the regulatory climate, the administration also assured that consumer interests were protected. The Amendment allows for the control of some agricultural food products in situations such as war, drought, unusual price increases, and natural disasters. To avoid discouraging agricultural investment, the installed capacity of supply chain participants and the exporter's export demand will be barred from this stock restriction implementation.

The attempt is a big structural change in the farm sector by the Government. But the farmers are vehemently protesting against the newly introduced Bills at the Delhi border, with one of

their main grievances being that MSP (Minimum Support Price) is not ensured under such new laws, and farmers also fear that mandis will become obsolete once such laws take effect, forcing them to sell their agricultural products outside the mandis at a cheaper price. The entire discontent can be ascribed to the fact there were no explicit provisions for MSP, according to the farmers, and they feel that the lack of such measures will expose them to abuse.

Several farmers have argued that the ruling government is significantly biased in favour of large corporations and that these laws reflect that bias. They have also claimed that these legislation were passed unconstitutionally.

But no one can deny that this problem has sparked widespread outrage among farmers and political groups. The Supreme Court of India on 11 January 2021, has also issued a stay on the implementation of the three Farm Acts 2020 and has recommended that a four-member committee be formed to produce a ground report outlining any necessary changes. The Government has also proposed that the implementation of Farm Laws 2020 should be kept on hold for a period of one to one and a half years, which the farmers have refused. Even though these rules were meant to help farmers, they are riddled with loopholes that can be exploited. One of them is the introduction of corporate entities, which is thought to favour large farmers because they place large orders of produce.

Another area of concern from a judicial standpoint is that the adjudicating authority would be the Sub-Divisional Magistrate, and that, on the ground, this would merely add to their workload, resulting in an ineffective adjudication procedure.

The general public's main concern would be the monopolistic situation. Once the deal is done, the agricultural corporations have the right to demand any price they want, and we must pay them. If this situation persists, what we are purchasing for Rs 10 today will become Rs 100.

However, these bills are enacted with good statutory interpretations but they have to be restructured, and that can only happen if we understand what is going on at the ground level.

These legislations, with certain legislative changes and the government's constant presence, have the potential to transform the agriculture industry and acknowledge its full potential. The agriculture sector in India has enormous growth potential, but it is currently in a bad state. Some reforms are urgently needed in this sector.

KARATLAWZACADEMY