

Agriculture Reforms: There's no wrong time to do the right thing

For a country that is often witness to farmers hitting the streets for government hand-outs, these Bills passed in Lok Sabha would truly empower them to take informed decisions on their own destiny



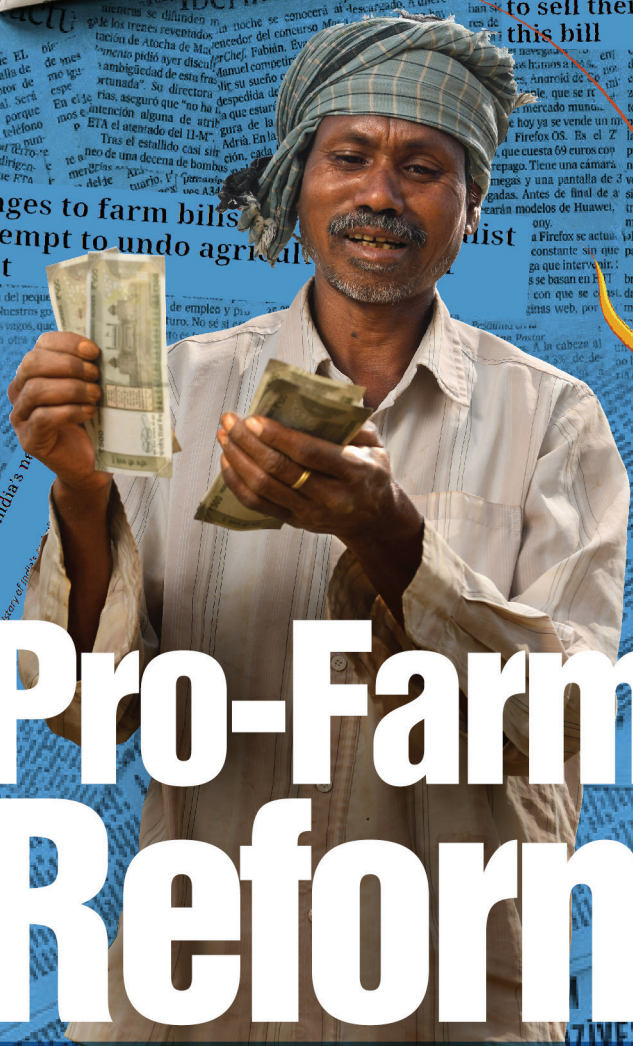
# FarmLaws2020

CORRECTING A HISTORICAL WRONG



Challenges to farm bills era, attempt to undo agricultural moment

We need laws that give farmers to sell their produce — new farm bill



# Pro-Farmer Reforms

Hailed By Experts and Farmers

*This is a collection of news articles on the truth about the farm laws passed by the Modi government and its true impact.*

*It contains articles by experts explaining the benefits of farm laws and ground reports of the way the farm laws are already helping farmers.*





**MINISTRY OF INFORMATION AND BROADCASTING**  
**GOVERNMENT OF INDIA**

# Table of Contents

## Expert Speak

<b>The farmer's freedom to sell</b> Ashok Gulati .....	<b>1</b>
<b>Challenges to farm bills harken to socialist era, attempt to undo agriculture's 1991 moment</b> Ashok Gulati .....	<b>4</b>
<b>We need laws that give farmers more space to sell their produce — new farm laws fit this bill</b> Ashok Gulati .....	<b>7</b>
<b>Punjab needs a package to help it diversify output, overcome MSP trap</b> Ashok Gulati .....	<b>10</b>
<b>Protesting farmers are arguing for the perpetuation of colonial rule</b> Surjit Bhalla .....	<b>13</b>
<b>An intellectual biography of India's new farm laws</b> Gautam Chikermane .....	<b>17</b>
<b>Farmer interests are missing in farm protest politics</b> Gautam Chikermane .....	<b>41</b>
<b>Agriculture reforms: ignore political rhetoric, embrace prosperity economics</b> Gautam Chikermane .....	<b>45</b>
<b>The APMC conundrum: Rolling back this reform will encourage vested interests to strike down all reform</b> Arvind Panagariya .....	<b>50</b>
<b>Corporates can help expand market rather than driving out mandis</b> Arvind Panagariya .....	<b>53</b>
<b>Farm Bills Are Latest In The Sequential Liberalisation Of Agricultural Sector</b> TV Mohandas Pai and Nisha Holla .....	<b>56</b>



<b>APMC laws had shackled farmers, Modi govt's ordinance makes them as free as other sectors</b> Ila Patnaik and Shubho Roy .....	<b>59</b>
<b>Farmers Protest: Why Congress was right in 2019, and is wrong in 2020</b> Gaurav Choudhury .....	<b>63</b>
<b>Agriculture Reforms: There's no wrong time to do the right thing</b> Anand Kochukudy .....	<b>68</b>

## Informative Articles

<b>Farm Laws 2020: Correcting a Historical Wrong</b> Organiser .....	<b>72</b>
<b>Who Is Anti-farmer? Those Who Brought Farm Bills or Those Who Are Opposing the Bills?</b> The True Picture .....	<b>85</b>
<b>Farmers' protest is 'about politics, not economics', India's IMF executive director Surjit Bhalla tells CNN-News18</b> Firstpost .....	<b>89</b>
<b>Maharashtra: FPCs in 4 districts make over Rs 10 crore in out-of-mandi trade since new farm laws</b> Indian Express .....	<b>91</b>
<b>How new farm laws can benefit growers in a friendly market</b> India Today Bureau .....	<b>93</b>
<b>Farmers' unions should consider Govt proposal; we are ready for further talks, says Tomar</b> PTI, CNBC TV18 .....	<b>97</b>
<b>Farmers' Group in Support of New Laws Meets Agri Minister Tomar, Threatens to Protest if Repealed</b> News18 .....	<b>100</b>
<b>Farm Bills will give India's farmers more economic freedom</b> Money Control .....	<b>102</b>
<b>Note To Eminent Intellectuals: Tortured Arguments Are Not A Substitute For Economics 101</b> Swarajya .....	<b>105</b>
<b>Opposition's support to farmers' protest flies in the face of having previously backed similar reforms</b> Firstpost .....	<b>110</b>

## विशेषज्ञ की राय

- विपक्षी दलों के भ्रमजाल में फंसने के बजाय किसान खेती को लाभदायक बनाने की मुहिम में पीएम मोदी का दें साथ  
Shivraj Singh Chouhan ..... 114
- कृषि सुधारों को लेकर मोदी सरकार हमेशा किसानों के संपर्क में रही  
Amitabh Sinha ..... 117
- नए कृषि कानूनों को लेकर भ्रम का कुहासा पैदा किया गया है  
Umesh Chaturvedi ..... 119
- तीन दशक पहले ही पड़ गई थी कृषि कानून की नींव, मोदी सरकार बस अमल में लाई  
Ravi Parashar ..... 122
- कृषि कानूनों के खिलाफ किसान आंदोलन के जरिये राजनीतिक दल संकीर्ण हितों को पूरा करने की फिराक में  
Editorial ..... 124
- उचित रूप से लागू हुए तो खेती का कायाकल्प करने वाले हैं मोदी सरकार के ये तीनों कृषि कानून  
Ashok Gulati ..... 126
- गरीब किसान, छोटे जमींदार और उपज का संकट: देश को सख्त कृषि सुधारों की आवश्यकता क्यों ?  
Santosh Chaubey ..... 128
- कैसे कृषि कानूनों का गलत मतलब निकाल रहे हैं किसान संगठन ?  
Kailash Adhikari ..... 131

## जानकारीपूर्ण लेख

- फॉर्चून राइस लिमिटेड कंपनी को लेना होगा अनुबंध मूल्य पर धान  
MPIInfo-org ..... 134
- IMF के कार्यकारी निदेशक सुरजीत भल्ला बोले- मंडी व्यवस्था प्रासंगिक नहीं, ऋद्ध के लिए लड़ रहे अमीर किसान  
News18 ..... 135
- कृषि कानून पर वाराणसी में बोले विशेषज्ञ - 'नया कृषि कानून लागू होने से किसानों को होगा अधिक मुनाफा'  
Jagran ..... 136
- आलू बेल्ट में किसानों को भा रहा कृषि विधेयक  
Jagran ..... 138
- किसानों को नियमों की बेड़ियों से आजाद कराने के लिए हैं नए कानून, फिर क्यों जारी है आंदोलन ?  
Karan Bhasin ..... 139





# The farmer's freedom to sell

Ashok Gulati  
Indian Express  
26th September, 2020

The passing of the farm bills in both the Houses of Parliament has sparked a major controversy in the country. The government claims that it is a historic step taken in the interest of farmers, giving them the freedom to sell their produce anywhere in the country and to any one they want. But the opposition parties described the passing of the bills as a "black day" because these pieces of legislation could destroy the existing system of minimum support price (MSP) and the APMC markets, leaving farmers at the mercy of big corporations.

Where does the truth lie? Let us dig a little deeper into the economics and politics of it.

The bills – The Farmers Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020 (FPTC); The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill, 2020 (FAPAFS); and The Essential Commodities (Amendment) Bill, 2020 (ECA) – have to be seen in totality. Essentially, the FPTC breaks the monopolistic powers of the APMC markets, while FAPAFS allows contract farming, and ECA removes stocking limits on traders for a large number of commodities, with some caveats still in place.

The economic rationale of these pieces of legislation is to provide greater choice and freedom to farmers to sell their produce and to buyers to buy and store, thereby creating competition in agricultural marketing. This competition is expected to help build more efficient value chains in agriculture by reducing marketing costs, enabling better price discovery, improving price realisation for farmers and, at the same time, reducing the price paid by consumers. It will also encourage private investment in storage, thus reducing wastage and help contain seasonal price volatility. It is because of these potential benefits that I had compared these pieces of legislation to the de-licensing of industry in 1991 ('A 1991 moment for agriculture', IE, May '18). I had also suggested that for these legal changes to deliver results, we need to create Farmer Producer Organisations (FPOs) and invest in marketing infrastructure. In that context, it is good to see that Prime Minister Narendra Modi has initiated programmes for the creation of 10,000 FPOs and an Agriculture Infrastructure Fund (AIF) of Rs one lakh crore to handle post-harvest produce, anchored largely with FPOs. NABARD has been entrusted to implement this along with other agencies and state governments.

I must caution that sometimes good ideas/laws fail because of bad implementation. Just to cite an example, late Arun Jaitley had announced a scheme called TOP (tomatoes, onions and potatoes) to stabilise the prices of these farm products through processing and storage. He also allocated Rs 500 crore for it. The scheme was entrusted to the Ministry of Food Processing for

***The economic rationale of these pieces of legislation is to provide greater choice and freedom to farmers to sell their produce and to buyers to buy and store, thereby creating competition in agricultural marketing. This competition is expected to help build more efficient value chains in agriculture by reducing marketing costs, enabling better price discovery, improving price realisation for farmers and, at the same time, reducing the price paid by consumers.***

implementation. But even after three years of the scheme, not even 5 per cent of the money promised has been spent. No wonder, the government is back to export bans of onions, fearing a spike in onion prices. This is contrary to the signal that the government wants to give through the farm bills that farmers have freedom to sell.

It seems the government has one foot on the accelerator to liberalise agri markets, and the other foot is on the brake (ban on onion exports). All this dents its credibility. I am saying

this to emphasise that NABARD has a lot of heavy lifting to do, else they will fail the country by not realising the full potential of these legal changes. NABARD must get its act together, take professional advice and work with implementing agencies in the private sector, including various foundations already working with farmers. The pay off will be very high. It will make Indian agriculture globally competitive, and benefit farmers and consumers alike.

But then why is there so much opposition? The Congress is leading the charge. But its manifesto for the 2019 general election said, "Congress will repeal the Agricultural Produce Market Committee Act and make trade in agricultural produce – including exports and inter-state trade – free from all restrictions". And further: "We will establish farmers' markets with adequate infrastructure and support in large villages and small towns to enable the farmer to bring his/her produce and freely market the same" (points 11 and 12 of the manifesto under the section on 'Agriculture'). I fail to understand how this is different from what the three bills are about? I don't have any political affiliation, but all my professional life has been spent in analysing agri-policies; I have found how farmers in India have been implicitly taxed through restrictive trade and marketing policies. This is so much in contrast with China and other OECD countries that heavily subsidise their agriculture (see graph). So, the freedom to sell is the beginning towards correcting this massive distortion and that's why I welcome this move.

But the Opposition has now changed the goal post. It is asking MSP to be made legal, implying that all private players buying below this price could be jailed. That will spell disaster in the markets, and private players will shun buying. The government

does not have the wherewithal to buy all the 23 commodities for which MSP is announced. Even for wheat and paddy, it cannot assure MSP throughout India. The reality, as the 70th round of NSSO on Key Indicators of Situal Agricultural Households in India shows that only six per cent of farmers gain from MSPs. Roughly the same percentage of value of agri-produce is sold at MSPs. The rest of the farming community (94 per cent) faces imperfect markets. It is time to “get agri-markets right”. These farm bills are steps in that direction.

Some states fear losing revenue from mandi fees and cess. The Centre can promise them some compensation, for say 3-5 years, subject to reforms in APMC markets. Arhtias are smart. They can take on new roles of aggregation for the private sector.

# Challenges to farm bills harken to socialist era, attempt to undo agriculture's 1991 moment

Ashok Gulati  
Indian Express  
26th October, 2020

By passing its farm bills, Punjab has fired the first salvo against the pieces of legislation enacted by Parliament last month. Other states in which the Congress holds office, Rajasthan and Chhattisgarh, could follow suit soon. Notwithstanding whether President Ram Nath Kovind gives his assent to the state bills that undermine the central ones, the important issue is to sift the grain from chaff – how much of this conflict is about economics aimed at helping farmers and how much sheer politics. My take on this episode is that it is 90 per cent politics and only 10 per cent economics – if at all. Let me explain.

Punjab's farm bills prohibit private players from buying wheat and paddy below the MSP (minimum support price) even outside the APMC (agriculture produce market committee) markets. Anyone trying to do so will end up with three years in prison, and also levied a hefty fine. The point is that this pertains only to wheat and paddy. Why not do it for other crops, say maize, cotton, pulses and oilseeds that are under the ambit of the central MSP system? Or even extend it to milk and vegetables by declaring local MSPs for them? Because the state government is smart and knows full well that it will

create a fiasco in agri-markets, which might boomerang on it politically.

Would a law for only wheat and paddy help farmers? Not really, as the Centre already buys more than 95 per cent of Punjab's wheat and paddy at MSP through the Food Corporation of India (FCI) and state procurement agencies. So, where is the economic gain for the Punjab farmer? Much of the uproar is about the Rs 5,000 crore that the state government (Rs 3,500 crore) and arhtiyas (Rs 1,500 crore) squeeze annually from the FCI for wheat and paddy procurement.

Let me get to the economic roots of this politics. My reading is that the Congress and many social activists who demand that MSP be made a legal instrument (rather than indicative) actually exhibit deep distrust of the private sector and markets. This line of thinking goes back to about 50 years. It may be worth recalling what late Indira Gandhi did to wheat and paddy traders in 1973-74, when she was at the peak of her popularity. Recall that in 1971, she had won the war with Pakistan (that gave birth to Bangladesh), abolished the privy purses of the families of erstwhile princely states, given the catchy slogan of "Garibi hatao", and nationalised commercial banks in 1969. All this was part of the socialist era, although the word, "socialist",



was inducted in the Preamble of the Constitution only in 1976.

In October 1972, Indira Gandhi announced an important agri-marketing policy step – that the wholesale trade in wheat and rice (paddy) will be taken over by the government as traders were being unscrupulous in not giving farmers their due MSP and manipulating prices. The first marketing season of the government takeover of wholesale wheat trade, in 1973-74, saw a major fiasco. Market arrivals dropped, and wheat prices shot up by more than 50 per cent. It was a bitter lesson. But Indira Gandhi learnt, and gave up the policy the very next year.

In Punjab's farm laws, I find resonances of the wheat trade takeover of 1973-74 – that was also the period of "licence raj" in industry with marginal income tax rates going as high as 98 per cent. Do we want to go back to the economic philosophy of those days in the early 1970s that gave us what my teacher, the famous agri-economist, Raj Krishna, described as the "Hindu rate of growth" or 3.5 per cent GDP growth?

It is to the credit of the Congress Party leadership under then Prime Minister PV Narasimha Rao that it supported the economic reforms package prepared by Manmohan Singh and his team of trusted economists in 1991. The reforms took some time to yield results, but, by the 2000s, India was taking 7 per cent GDP growth as its new normal – double the "Hindu rate of growth" of the 1970s socialist era of Indira Gandhi. But even the 1991 economic reforms bypassed agriculture marketing reforms.

It was only under the leadership of the late PM Atal Bihari Vajpayee that agri-marketing reforms became high on the agenda. It was triggered by the bulging stocks of wheat and rice

with the FCI. In 2003, a model act on agri-marketing was circulated to the states. Vajpayee's style of functioning was an accommodative one, as he was leading a large coalition government. But that model act did not go far enough. The NDA lost the general elections in 2004.

The UPA government, from 2004 to 2014, did not pursue any major agri-marketing reforms. In food, they again turned socialist, enacting the National Food Security Act in 2013, giving 5 kg wheat or rice to 67 per cent of the population at Rs 2/kg and Rs 3/kg. One may well ask what happened to "Garibi hatao" of 1971, if 67 per cent of the population was still food-insecure in 2013?

***Centre already buys more than 95 per cent of Punjab's wheat and paddy at MSP through the Food Corporation of India (FCI) and state procurement agencies.***

The NDA government under Prime Minister Narendra Modi set up a high-level committee (HLC) under Shanta Kumar in 2014 to restructure the grain management system. The committee suggested major changes, including cash transfers in the public distribution system, and overhauling the FCI's operations with a good dose of free markets to make the system more efficient. But the Modi government could not muster courage to undertake bold reforms, except some marginal tinkering of labour rules in the FCI. It also tried going the Vajpayee way through model acts on agri-marketing reforms. But again, they did not go

far enough.

The COVID-19 crisis opened a window of opportunity to reform the agri-marketing system. The Modi government grabbed it – this is

somewhat akin to the crisis of 1991 leading to de-licensing of industry. Patience and professionalism will bring rich rewards in due course, not noisy politics.

## We need laws that give farmers more space to sell their produce – new farm laws fit this bill

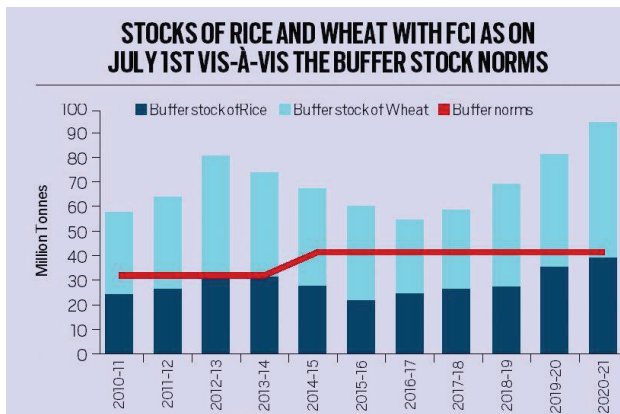
Ashok Gulati  
Indian Express  
12th October, 2020

Indian democracy has been at full play in reaction to the new farm laws. While the government hailed it as a historic decision – I tend to agree with that – the Opposition parties described the passing of these farm laws as “a dark day for farmers” and a “sell out to corporate sharks”. What amused me the most was how everyone’s heart was suddenly bleeding for the farmer.

I could, however, see that both sides of the political spectrum want farmers’ incomes to increase. The Opposition parties want to ensure that through higher and more effective MSP (minimum support prices), while the government is offering greater choices to farmers through markets, without demolishing the existing MSP system.

Having analysed the MSP business over decades, let me say clearly that the

regime was the creation of the era of scarcity in the mid-1960s. Indian agriculture has, since then, turned the corner from scarcity to surplus. The policy instruments of dealing with shortages are different from those dealing with surpluses. In a surplus economy, unless we allow a greater role for markets and make agriculture demand-driven, the MSP route can spell financial disaster. This transition is about changing the pricing mix – how much of it should be state-supported and how much market-driven. The new laws are trying to increase the relative role of markets without dismantling the MSP system. Let me also say that, currently, no system is perfect, be it the one based on MSP or that led



***My reading is that in the next three to five years, hundreds and thousands of companies will be encouraged to build efficient supply lines somewhat on the lines of milk, as a result of these changes in farm laws.***

by the markets. But the MSP system is much more costly and inefficient, while the market-led system will be more sustainable provided we can “get the markets right”. Let me explain that in some detail.

MSPs pertain primarily to paddy and wheat in selected states – in recent years, the government has also been buying some amounts of pulses, oilseeds and cotton occasionally. A perusal of the MSP dominated system of rice and wheat shows that the stocks with the government are way above the buffer stock norms (see figure). The economic cost of procured rice comes to about Rs 37/kg and that of wheat is around Rs 27/kg. The CTC (cost to company) of departmental labour of the Food Corporation of India is six to eight times higher than contract labour in the market. No wonder, market prices of rice and wheat are much lower than the economic cost incurred by the FCI. In Bihar’s rural areas, for example, one can easily get rice in the retail market at Rs 23-25/kg. The bottom line is that grain stocks with the FCI cannot be exported without a subsidy, which invites WTO’s objections. The real bill of food subsidy is going through the roof but that is not reflected in the Central

budget as the FCI is asked to borrow more and more. The FCI’s burden is touching Rs 3 lakh crore. We are simply postponing a financial crisis in the food management system. The FCI can reduce costs if it uses policy instruments like “put options”. But who cares for cost efficiency when arguments are put forward in the name of the poor?

Some scholars have even spoken of sugarcane pricing and milk pricing by co-operatives in the same vein as the MSP. Technically, that is not correct. The MSP is an assurance (not legal binding) by the government to the farmers that it will buy at this assured price if the market prices go below it. In the case of sugarcane, the government announces a “fair and remunerative price” (FRP) to be paid by sugar factories – Uttar Pradesh announces its own “state advised price” (SAP). Look at the mess we have created in the sugar sector. The sheer populism of SAP has resulted in cane arrears amounting to more than Rs 8,000 crore, with large surpluses of sugar that can’t be exported. This sector has, consequently,

***These companies will help raise productivity, similar to what has happened in the poultry sector. Milk and poultry don’t have MSP and farmers do not have to go through the mandi system paying high commissions, market fees and cess.***



become globally non-competitive. Unless sugarcane pricing follows the C Rangarajan Committee's recommendations – somewhat akin to milk pricing – the problems of the sugar sector will not go away.

That brings me to the most important commodity of Indian agriculture, milk, whose value is more than that of rice, wheat, and sugarcane combined. In the case of milk co-operatives, pricing is done by the company in consultation with milk federations, not by the government. It is more in the nature of a contract price. R S Sodhi, the managing director of the largest milk co-operative (GCMMF, AMUL) has said that milk does not have a MSP. It competes with private companies, be it Nestle, Hatsun or Schreiber Dynamix dairies. And, the milk sector has been growing at a rate two to three times higher than rice, wheat and sugarcane. Today, India is the largest producer of milk – 187 million tonnes annually – way ahead of the second-ranked US which produces around 100 million tonnes every year.

My reading is that in the next three to five years, hundreds and thousands

of companies will be encouraged to build efficient supply lines somewhat on the lines of milk, as a result of these changes in farm laws. These supply lines – be it with farmers producer organisations (FPOs) or through aggregators – will, of course, be created in states where these companies find the right investment climate. Some will fail, but many will succeed. These companies will help raise productivity, similar to what has happened in the poultry sector. Milk and poultry don't have MSP and farmers do not have to go through the mandi system paying high commissions, market fees and cess. The choice is ours: Do we want growth that is financially sustainable, or create a mess somewhat like what we have created in the case of rice, wheat, and sugar.

I must say also that the pricing system has its limits in raising farmers' incomes. More sustainable solutions lie in augmenting productivity, diversifying to high-value crops, and shifting people out of agriculture to high productivity jobs elsewhere. But no one talked about these during these agitations.

# Punjab needs a package to help it diversify output, overcome MSP trap

Ashok Gulati  
Indian Express  
7th December, 2020

Punjab's farmers have been agitating over farm laws, braving cold nights on Delhi borders. They fear that these new laws will hit their incomes adversely. There is nothing wrong in that – every citizen not only wants to protect what s/he is earning but aspires to earn more on a sustainable basis. How do we do that is the moot question, beyond the current impasse. So far talks have remained inconclusive. Hoping that the protests remain peaceful, and a solution is found amicably, let us focus on Punjab farmers' incomes – an issue that will stay relevant even after the protests are over.

Punjab's stellar role in ushering the Green Revolution in the country in the late 1960s through the mid-1980s is well-known. India was desperately short of grains in 1965, and heavily dependent on PL 480 imports from the US to the tune of almost 10 million metric tonnes (MMT) against rupee payments, as the country did not have enough foreign exchange to buy wheat at global markets. The entire foreign exchange reserves of the country at the time could not help it purchase more than 7 MMT of grains. It is against this backdrop that the minimum support price (MSP)

system was devised in 1965.

The situation today is vastly different. Today, the Food Corporation of India (FCI) is saddled with huge stocks of grains – it touched 97 MMT in June this year against a buffer stock norm of 41.2 MMT. The economic cost of that excess grain, beyond the buffer stock norm, was more than Rs 1,80,000 crore, a dead capital locked in without much purpose. That's the situation of the current grain management system based on MSP and open ended procurement.

On the foreign exchange front, India has more than \$575 billion – way more than comfort levels. When situations change, societies too need to change in ways that can lead to higher levels of development, else they stagnate and remain stuck in a low-level equilibrium trap. Schumpeter's process of "creative destruction" of the old and inefficient is a fundamental law behind the development of countries around the world. India is no exception.

It is also worth noting that in 1966, when Haryana was carved out of it and a part of its territory was transferred to Himachal, Punjab had the highest per capita income.

***It is also worth noting that in 1966, when Haryana was carved out of it and a part of its territory was transferred to Himachal, Punjab had the highest per capita income. It remained a frontrunner in that respect till almost the early 2000s. But, thereafter, Punjab started sliding down very fast in the overall ranking of major states of India – if smaller states are included in the ranking, Punjab's position fell to 13th in 2018-19***

It remained a frontrunner in that respect till almost the early 2000s. But, thereafter, Punjab started sliding down very fast in the overall ranking of major states of India – if smaller states are included in the ranking, Punjab's position fell to 13th in 2018-19. There are several reasons behind this deterioration, ranging from lack of industrialisation to not catching up even with respect to the modern services sector like IT, financial services. But I focus here on agriculture and suggest how Punjab can regain its top position.

Punjab's agriculture is blessed with almost 99 per cent irrigation against an all-India average of little less than

50 per cent – Maharashtra's irrigation cover, in fact, is just 20 per cent. The average landholding in Punjab is 3.62 hectare (ha) as against an all-India average of 1.08 ha – in Bihar, this figure is just 0.4 ha. Punjab's fertiliser consumption per ha is about 212 kg vis-à-vis an all-India level of 135 kg/ha. No wonder the productivity levels of wheat and rice in Punjab stand at 5 tonnes/ha and 4 tonnes/ha respectively, against an all-India average of 3.5t/ha and 2.6t/ha.

In Punjab, the total farm families are just 1.09 million, a fraction of the all-India total of 146.45 million. The subsidy provision to Punjab farmers through free power by the state government (2020-21 budget) amounts to Rs 8,275 crore. The fertiliser subsidy –through the central government – to Punjab was about Rs 5,000 crore in 2019-20. The overall subsidy, from just power and fertilisers, therefore, would amount to roughly Rs 13,275 crores. That means each farm household in Punjab got a subsidy of about Rs 1.22 lakh in 2019-20. This is the highest subsidy for a farm household in India. Let's not forget that the average income of the Punjab farm household is the highest in India – in fact, almost two-and-a-half times that of an average farm household in the country.

But to assess the real contribution of farmers/states to agriculture and incomes, the metric is the agri-GDP per ha of gross cropped area of the state in question. This is an important catch-all indicator, as it captures the impact of productivity, diversification, prices of outputs and inputs and subsidies. On that indicator, unfortunately, Punjab has the 11th rank amongst major agri-states.

States in south India like Andhra Pradesh, Tamil Nadu and Kerala have a much more diversified crop pattern tending towards high-value

***In Punjab, the total farm families are just 1.09 million, a fraction of the all-India total of 146.45 million. The subsidy provision to Punjab farmers through free power by the state government (2020-21 budget) amounts to Rs 8,275 crore. The fertiliser subsidy –through the central government – to Punjab was about Rs 5,000 crore in 2019-20. The overall subsidy, from just power and fertilisers, therefore, would amount to roughly Rs 13,275 crores. That means each farm household in Punjab got a subsidy of about Rs 1.22 lakh in 2019-20. This is the highest subsidy for a farm household in India.***

crops/livestock – poultry, dairy, fruits, vegetables, spices, fisheries. Even West Bengal and Himachal Pradesh score over Punjab in this respect. The writing on the wall is clear: If Punjab farmers want to increase their incomes significantly, double or even triple, they need to gradually move away from MSP-based wheat and rice to high-value crops and livestock, the demand for which is increasing at three to five times that of cereals.

Punjab needs a package to

diversify its agriculture – say a Rs 10,000 crore package spread over five years. The Centre and the state can pitch in, on a 60:40 ratio. That will be a win-win situation for all. Once farmers diversify their farm output and double their incomes, they will not be stuck in the MSP trap. Can the Centre and the Punjab government join hands to find a sustainable solution to farmers' incomes and also save depleting water, soil, and air? Only then can they make Punjab great again.

# Protesting farmers are arguing for the perpetuation of colonial rule

Surjit Bhalla

Indian Express

12th December, 2020

There is an old saying – no one ever went broke under-estimating the intelligence of the American public. If you think about it further, it probably works better with over-estimation. If you think about it more, it fits almost all democracies. And if you are patient enough, and think some more, it fits best if the word American is switched with the word Indian. Especially, now with all the “debate” around the long awaited, long argued, and vastly overdue farm bills.

A little detail on these bills: The old farm produce laws (the creation of the Agricultural Produce Marketing Committee (APMC) came into existence almost 150 years ago to feed the colonial masters raw cotton for their Manchester mills. The output of these mills was then sold to the “natives” for a hefty profit. The farmer was obligated, required, forced to sell to the masters in a regulated market whose regulation was set by, you guessed it, the colonial masters. It is very likely that the people blindly

supporting the “poor” farmers (who were recently seen distributing expensive dry fruit freely to all those coming to their “protest”) are unaware of some simple facts. By supporting these very (relatively) rich farmers, the protesters are in fact arguing for the perpetuation of colonial rule.

Some steps further in this historical lesson. The corrosive monopoly power held by the APMCs has been recognised by almost all political parties and farmer unions (for example, the Bharat Kisan Union took out a protest in 2008 arguing for the right of farmers to sell produce to corporates). The Congress party had these very same laws in its 2019 election manifesto.

Let us further follow this chain of logic of the farm protest supporters. In 1991, the government freed industry from its cage and the results are there for everybody to see, and applaud (except, of course, the wilfully blind). GDP growth in India doubled to an average of 6 per cent over the next

***Farmers are forced to sell their marketable produce only through a mandi regulated by the government. The new reformed law allows the farmer to sell through the APMC, and to sell outside the APMC. It is her choice.***



30 years, from the previous average of less than 3 per cent.

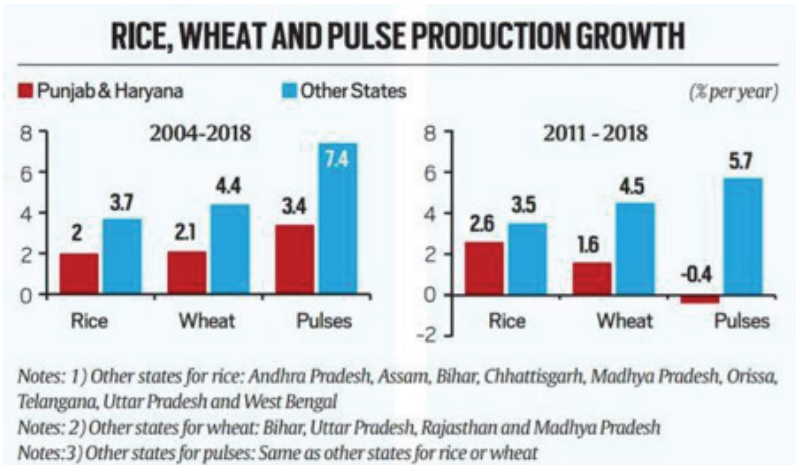
For reasons best known to the “political” economists, agriculture was not freed in 1991, or thereafter – until now. Farmers are forced to sell their marketable produce only through a mandi regulated by the government. The new reformed law allows the farmer to sell through the APMC, and to sell outside the APMC. It is her choice. The government procures all of its food through APMCs – only about 6 per cent of the farmers in India sell through the APMCs to the government. These 6 per cent are all large farmers, primarily residing in the two states of Punjab and Haryana. These two states typically account for close to 60 per cent of wheat procurement and close to a third of rice procurement. The government procures from these farmers in order to re-distribute the food via ration shops to the bottom two-thirds of the population. But there are leakages. This leakage was first openly discussed by former Prime Minister Rajiv Gandhi in 1985 when he stated that only 15 per cent of the food procured by the government reached the poor.

There are no more than two million farmers – total – in Punjab and

Haryana and less than 5 per cent have holdings above 10 hectares. A rough back of the envelope calculation suggests that the protesting farmers from Punjab and Haryana total no more than 200,000 – that is two hundred thousand so there is no confusion with numbers. The number of all farmers in India, very small, small and large is 100 million. So about 0.2 per cent of all farmers in India have “reason” to protest. And what are they protesting for? Likely the licence to remain the richest farmers in India or the world because in addition to the exclusive APMC largesse, the income of these farmers is not taxed. The non-taxation of agricultural incomes does not benefit the poor farmer because she does not have enough income to be taxed.

### Rice, wheat and pulse production growth

Be honest – how many of you know a law in any of the 195 out of 200 countries in the world that prohibit an individual from selling her wares in the market? Count the countless street vendors in the world, in both developing and developed markets. Are they prohibited from selling who they want to sell to? Then why the demand that the APMC be the sole buyer for all farmers?



All these facts are well known, except to large elements of the ideologically motivated domestic and international media. "News" is making the rounds that the largest demonstration in the world has taken place in India and/or that 250 million workers have participated in that. Fake news can only be "influential" if there is some plausibility in the fakeness. What we are being asked to believe is that the richest 2,00,000 farmers are being supported by the considerably poorer 100 million farmers and all those who earn considerably less than the rich untaxed farmers! Remember the opening paragraph?

The political economy of the protest is also illustrated by the following comment from the former chief economic adviser to the government of India and former chief economist of the World Bank, Kaushik Basu. He recently tweeted: "I've now studied India's new farm bills & realise they are flawed & will be detrimental to farmers. Our agriculture regulation needs change but the new laws will end up serving corporate interests more than farmers. Hats off to the sensibility & moral strength of India's farmers."

The sensibility part is understandable – the rich do not want to let their richness go, especially if such richness is undeserved. The moral part is not obvious but maybe some digging will illustrate. Let us abstract from moral philosophy and examine what India's unreformed markets have done to the farm economies of Punjab and Haryana. These two states were the pioneers of the Green Revolution. Electricity to these farmers is subsidised (so that they can destroy the water table), as is their extensive use of fertiliser (so that they have a license to over-use and destroy the environment). But maybe the rich Punjab-Haryana (PH) farmers have provided agricultural

***Be honest – how many of you know a law in any of the 195 out of 200 countries in the world that prohibit an individual from selling her wares in the market? Count the countless street vendors in the world, in both developing and developed markets. Are they prohibited from selling who they want to sell to? Then why the demand that the APMC be the sole buyer for all farmers?***

growth at a faster rate and thereby helped the state, the country, and the poor.

A comparison of growth in output in states other than Punjab and Haryana indicates a much lower growth in these two states. Output growth for three important crops – rice, wheat and pulses – and two time-periods – the last 15 years (2004 to 2018) and the last eight (2011 to 2018) are presented in the table. Neither APMC, nor subsidies, nor "favouritism" has resulted in higher output growth in Punjab-Haryana. No matter which crop, or which time-period, the results are a sad reflection on the misguided policy. For both periods, output growth of wheat in other states was more than double the growth achieved in Punjab and Haryana; ditto the

case for pulses (between 2011-2018, pulses production growth in Punjab and Haryana was at a -0.4 per cent per annum, compared to 5.7 per cent per annum in 10 other states). In rice, the other states do much better than Punjab and Haryana, but the excess growth is not double that of the two states; however, it is nearly double for 2004-18 – two per cent for Punjab and Haryana, and nearly double (3.7 per cent) for nine other states.

All the above facts have been known, and discussed, by learned people for decades. Which is precisely why the intellectual gymnastics played by many learned people defending the farmer protests is so shocking. The “demand” by intellectuals that the farm bill should have been discussed before being passed is well beyond the bounds of conventional dishonesty.



OBSERVER  
RESEARCH  
FOUNDATION

# An intellectual biography of India's new farm laws

---

*Gautam Chikermane*  
ORF  
11th December, 2020

The debate around the economics and administration of farm laws stands frozen by politics. It is, therefore, time for politicians, administrators, economists, policymakers and other concerned citizens to examine the evolution of these laws. The three laws that have been enacted by Parliament attempt to take farmers towards harvesting economic gains; they have thus far been held back by outdated laws, manipulated markets and vested interests-driven corruption. This is aside from macro-factors, such as India moving away from food shortages into an era of surpluses.

As yesterday's proponents of these reform ideas become today's opponents of its laws, noise has become the currency of discourse. Confusion mars the economics of farm laws, misinformation drives its politics, bandh and siege have become its instruments of engagement. Worse, false narratives are being created across multiple platforms. Institutions that were

not part of the debate – and aren't – are being picked up, cooked and served as facts in a post-truth world. Any researcher, analyst or journalist studying the laws and the sector for clarity is negotiating misinformation traps. That the three laws are part of agricultural reforms that have taken more than two decades to fructify is bad enough. Worse, lost in the din is the farmer on whose behalf these reforms have been legislated, and protests organised.

This page is for those who wish to engage with the ongoing debate around agricultural laws. It aims to capture debates that have happened at the highest levels of India's farm sector – politicians, administrators, economists, activists, writers and experts – for those wanting to get a clearer picture. It will help readers and thinkers place their ideological stances in perspective, get a more rounded analysis from the highest echelons of India's policymaking, across time. It goes beyond politics and ideologies and enables politicians and ideologues to contextualise their stances and ideas. It also shows a policy mirror to them. In other words, this is a brief history of farm politics and agricultural economics, within the context of the current controversy around the recently enacted three laws.

In the process of collating, reading and excerpting reports drafted by Parliamentary Standing Committees, expert committees, and task forces, this page can be seen as an intellectual biography of the three farm laws in particular, and the problems of India's agriculture in general. The

*That the three laws are part of agricultural reforms that have taken more than two decades to fructify is bad enough. Worse, lost in the din is the farmer on whose behalf these reforms have been legislated, and protests organised.*

reports below have been arranged chronologically, with a link at the end for those who want to delve deeper and understand the nuances of the three laws better. All ideas-reports are linked with one another, but each is adding its own weight and carrying the debate further. Even after the ongoing controversy ends, this list of intellectual material will help scholars understand and negotiate the landscape of India's agriculture better.

The chronology of, and the clarity on, these laws begins here.

**19 DECEMBER 2000: EXPERT COMMITTEE SET UP BY THE MINISTRY OF AGRICULTURE, DEPARTMENT OF AGRICULTURE AND COOPERATION ON "STRENGTHENING AND DEVELOPING OF AGRICULTURAL MARKETING" UNDER THE CHAIRMANSHIP OF SHANKERLAL GURU**

The idea behind this Committee was to call for ideas to promote agricultural growth and benefits from exports and to ensure that a greater share of the ultimate price of the agricultural produce goes

to farmers. Within this, agricultural marketing became an important component. This included the development of infrastructure for agricultural marketing, establishing sound linkages between production and marketing, development of market intelligence for the benefit of farmers and consumers, promotion of direct marketing, application of information technology in marketing and encouraging public, private and cooperative sectors to make investments for the development of agricultural marketing.

#### **29 JUNE 2001: SHANKERLAL GURU COMMITTEE SUBMITS REPORT**

Some conclusions:

- ✓ The Guru Committee made several recommendations, one of which included remodelling the Agriculture Produce Marketing Committees (APMCs).
- ✓ Being "corporate bodies" established under State legislations, APMCs are either elected or nominated by the government.
- ✓ Although, technically the farmer is free to sell his produce in any mandi he likes, practically he has no liberty to sell his produce in his village or to the retail chain, processor, bulk buyer directly.
- ✓ He has to take his produce to a regulated market where the sales and deliveries are effected. This has hampered development of retail supply chains and direct supply to the processing, consuming factories or other bulk purchasers.
- ✓ As far as warehousing goes, godowns should be declared as deemed warehouses and no APMC market fee, sales tax, purchase tax, or octroi should

be leviable on the goods stored. Similarly, provisions of Essential Commodity Act, Labour Act, Mathadi Act, Shop Establishment Act, or Industrial Disputes Act should not be applicable to these warehouses.

## **1 JULY 2001: REPORT OF THE TASK FORCE ON EMPLOYMENT OPPORTUNITIES, CHAIRED BY MONTEK SINGH AHLUWALIA**

**U**nder control in agriculture, the task force made seven observations, of which two are around the Essential Commodities Act and APMCs:

- ✓ The Essential Commodities Act is a Central Legislation which provides an umbrella under which States are enabled to impose all kinds of restrictions on storage, transport and processing of agricultural produce. These controls have been traditionally justified on the grounds that they are necessary to control hoarding and other types of speculative activity, but the fact is that they do not work in times of genuine scarcity and they are not needed in normal times. Besides, they are typically misused by the lower levels of the administration and become an instrument for harassment and corruption. At a time when European countries have integrated their national markets and regard the resulting large European market as a feature which strengthens their position globally, it is an anomaly that we have laws that actually prevent the development of an integrated national market for agricultural products. After full consideration of this issue, we are of the view that the Essential Commodities Act should be repealed.
- ✓ The Ministry of Agriculture in the Central Government, in

collaboration with the Planning Commission, should undertake a systematic review of State laws and control orders which impose harmful controls on agriculture and actively seek their repeal. Vested interests and inertia will resist such a move, but we feel that it is an essential step for extending the benefits of economic reforms to agriculture.

- ✓ The marketing of agricultural produce, especially fruits and vegetables, is governed by laws that stifle the development of agriculture. The existing laws require that wholesalers must purchase agricultural produce only in regulated mandis controlled by the Agricultural Produce Marketing Committee (APMC). Since most farmers are small farmers, they cannot directly bring vegetables and fruits to the mandis. They typically sell their produce to village commission agents who collect produce on behalf of the market commission agent who sells to wholesalers in the mandi. Although sale in the mandi is supposed to be by open auction to ensure fair pricing, in practice the price is determined in a highly non-transparent manner by negotiations between market commission agents and wholesalers. Lack of transparency is perpetuated by the fact that produce is not graded before it is sold. The prices arrived at in this fashion are declared as the mandi price and the farmer receives the residual price after the commission of the village commission agent and the market commission agent is deducted from the declared market price. Not only is the price determination non-transparent, the large number of middlemen, each of whom charges a commission, squeezes the realisation of the farmer so that the gap between



the farm-gate price and the retail price paid by the consumer is very large. Although originally designed to protect farmers' interests by creating regulated markets, the system has actually created a monopoly situation in which a small group of traders and agents are able to extract huge benefits. It is absolutely essential to liberalise the existing laws and allow competing markets to be set up.

#### **4 JULY 2001. INTER-MINISTERIAL TASK FORCE CONSTITUTED UNDER RCA JAIN, ADDITIONAL SECRETARY, DEPARTMENT OF AGRICULTURE AND COOPERATION, MINISTRY OF AGRICULTURE**

**T**he RCA Jain Task Force was constituted to look into the Guru Committee recommendations. These included examining legislative reforms, institutional and policy support measures to expand credit, and the creation of marketing infrastructure. This Task Force spanned across ministries and was not restricted to agriculture alone.

Some recommendations:

- ✓ All State governments should amend their respective APMC laws to deliver the following:
- ✓ Enable private and cooperative sectors to establish and operate (including levy of service charge) agricultural marketing infrastructure and supporting services.
- ✓ Direct marketing of agricultural commodities from producing areas and farmers' fields, without the necessity of going through licensed traders and regulated markets.

- ✓ Permitting 'Contract farming' programs by processing or marketing firms. The APMC within whose jurisdiction the area covered by contract farming agreement lies, should record the contract farming agreements and act as a protector of producer's and processor's interests with due legal support in its jurisdiction. Incidence of taxes by way of market fee, cess, duties, taxes etc. on procurement of agricultural or horticultural produce under the 'Contract farming' program should be waived or minimised.

- ✓ Promote the forward and futures markets in agricultural commodities.

- ✓ Essential to delink minimum support price (MSP) from procurement, particularly if the private sector is to be restored its rightful role in marketing agricultural produce. The alternative policy should allow market forces to determine the price and provide financial support through an insurance programme to farmers for protection of their incomes in falling markets.

#### **9 SEPTEMBER 2003. MODEL APMC ACT CREATED.**

**I**n order to reform APMCs across the country, the Union government drafted the Model APMC Act, 2003.

Excerpts:

- ✓ The monopoly of [state] government regulated wholesale markets has prevented development of a competitive marketing system in the country, providing no help to farmers in direct marketing, organising retailing, a smooth raw material supply to agro-processing industries and adoption of

innovative marketing system and technologies.

✓ If agricultural markets are to be developed in private and cooperative sectors and to be provided a level competitive environment vis-a-vis regulated markets, the existing framework of State APMC Acts will have to undergo a change.

✓ Section 14: There will be no compulsion on the growers to sell their produce through existing markets administered by the APMC. However, agriculturists who do not bring his produce to the market area for sale will not be eligible for election to the APMC.

✓ Sections 26 and 27: The APMC have been made specifically responsible for:

- » Ensuring complete transparency in pricing system and transactions taking place in market area;
- » Providing market-led extension services to farmers;
- » Ensuring payment for agricultural produce sold by farmers on the same day;
- » Promoting agricultural processing including activities for value addition in agricultural produce
- » Setup and promote public private partnership in the management of agricultural markets.

**“PROVISION MADE FOR DIRECT SALE OF FARM PRODUCE TO CONTRACT FARMING SPONSOR FROM FARMERS’ FIELD WITHOUT THE NECESSITY OF ROUTING IT THROUGH NOTIFIED MARKETS”**

✓ Chapter VII: a new Chapter on ‘Contract Farming’ added to provide for:

» Compulsory registration of all contract farming sponsors

» Recording of contract farming agreements

» Resolution of disputes, if any, arising out of such agreement

» Exemption from levy of market fee on produce covered by contract farming agreements

» Provide for indemnity to producers’ title or possession over his land from any claim arising out of the agreement

✓ Chapter VII: Provision made for direct sale of farm produce to contract farming sponsor from farmers’ field without the necessity of routing it through notified markets

✓ Section 42: Provision made for imposition of single point levy of market fee on the sale of notified agricultural commodities in any market area and discretion provided to the State Government to fix graded levy of market fee on different types of sales

✓ Section 50: Provision made for resolving of disputes, if any, arising between private market or consumer market and market committee

**29 DECEMBER 2004: NATIONAL COMMISSION ON FARMERS, CHAIRED BY MS SWAMINATHAN, SUBMITS ITS FIRST REPORT, “SERVING FARMERS AND SAVING FARMERS: FIRST REPORT”**

In order to strengthen and expand the horticulture revolution, the policy focus must be on post-harvest management, processing and marketing. Further, the policy must bridge the disconnection between production and profit:

- ✓ Adoption of this strategy would call for immediate amendment to the APMC Act by each State to decentralise the system and permit marketing by other players for achieving the ultimate goal of ensuring better returns to the growers and reasonably good quality products to the consumers.
- ✓ It was felt that the reforms in APMC Acts were necessary for creating a nation-wide integration of the agriculture markets, facilitating emergence of agriculture markets in private and cooperative sectors and creating a conducive environment for private sector investment in the market infrastructure.

**11 AUGUST 2005: NATIONAL COMMISSION ON FARMERS, CHAIRED BY M.S. SWAMINATHAN, SUBMITS ITS SECOND REPORT, "SERVING FARMERS AND SAVING FARMING: FROM CRISIS TO CONFIDENCE"**

- ✓ States/UTs where there is no APMC Act and hence not requiring reforms: Kerala, Manipur, Andaman & Nicobar Islands, Dadra & Nagar Haveli, Daman & Diu and Lakshadweep
- ✓ States/UTs where APMC Act already provides for the reforms: Tamil Nadu
- ✓ States/UTs where reforms to APMC Act has been done as suggested: Madhya Pradesh, Himachal Pradesh, Sikkim and Nagaland (Gazette Notification under issues), Andhra Pradesh (ordinance under issue)
- ✓ States/UTs where reforms to APMC Act has been done partially: Maharashtra, Rajasthan, Haryana, Punjab, Karnataka, Gujarat and NCT of Delhi
- ✓ States/UTs where administrative action is initiated for the reforms: Orissa, Assam, Mizoram, Arunachal Pradesh, Tripura, Chhattisgarh, Meghalaya, J&K, Uttaranchal, Goa, West Bengal, Uttar Pradesh, Pondicherry and Chandigarh
- ✓ States/UTs where there is no progress: Bihar and Jharkhand
- ✓ The role of the APMCs and the State Agriculture Marketing Boards [SAMBs] needs to change from regulation to development in the changed production and demand environment. The APMCs and SAMBs should be primarily involved in grading, branding and packaging and building up markets for the local products in domestic and even international markets.
- ✓ The State Agriculture Produce Marketing Acts need to be amended to provide for, among others, encouraging the private sector or cooperatives to establish markets, develop marketing infrastructure and supporting services, collect charges and allowing marketing without the necessity of going through APMC/licensed traders. Further, the market fee and other charges needs to be rationalised.
- ✓ The APMC Act in different States/ Union Territories needs to be amended on the lines of the draft of the amended APMC Act circulated by the Government of India. It would encourage private sector investment in development of agricultural marketing.
- ✓ Need for review of the Essential Commodities Act and other Acts/Orders concerning storing, marketing and processing etc of the agricultural commodities.
- ✓ There is an urgent need to

undertake a review of the Essential Commodities Act and other legal instruments covering marketing, storing and processing of agriculture produce; some of these Acts and Orders appear to have outlived their utility.

**DECEMBER 2005: THE FOOD AND AGRICULTURE ORGANISATION (FAO) OF THE UNITED NATIONS SUBMITS A REPORT TO THE NATIONAL COMMISSION ON FARMERS (NCF), "TOWARDS AN INDIAN COMMON MARKET: REMOVAL OF RESTRICTIONS ON INTERNAL TRADE IN AGRICULTURE COMMODITIES"**

The study was undertaken by FAO at the request of the NCF through the Union Ministry of Agriculture to study the possibilities of emergence of a farmer-centric Indian common market catering to both over a billion consumers within the country and consumers abroad. The technical project was initiated to study the possibilities of removal of unnecessary restrictions on the movement of agriculture products both within and between states in India and measures that could be taken for better market integration. Some conclusions:

- ✓ The Essential Commodities Act was introduced during a period when India was not self-sufficient in agriculture and controlling the movement and storage practices acted as an efficient check against dishonest business practices. However, given the fact that India has now created a respectable buffer stock of food grains against any disaster, thanks to the operation of the Food Corporation of India, there is scope for re-looking at the actual utility of the provision.
- ✓ There is reason to believe that the law has outlived its utility and is only contributing to the rising transaction costs. Although in the last few years both the State and the Central governments have taken number of steps to reduce the rigours of the ECA and the number of commodities covered by it has been drastically cut down, the government still retains the right to bring any commodity under its purview, if need be.
- ✓ Out of the 15 commodities still kept in the list, 11 are related to agricultural products. The mere threat of potential Government action keeps the private sector participation in storage, transport and processing at a low level. It also bears consequences on verifications made at the inter-state borders on movement of goods.
- ✓ The powers for states to restrict the movement of agricultural products out of their territory granted by the ECA are incompatible with the principle of a single market. They may have served a purpose in helping to preserve local food security but at the cost of reducing food security for India as a whole. For these reasons the provision should gradually be phased out.
- ✓ As regards the collection of market fees through the APMC Act, it still continues to be a major hurdle on the free movement of primary agriculture products not only between States but also even within the States from one market area to another. As already stated, it sometimes results in double taxation of the same products. Moreover, its operation creates monopolies of the State Marketing Board/Market Committees in regulating the wholesale market by not allowing

direct marketing, often leading to cartelisation of a few brokers or arhtiyas and non-transparency in price setting to the disadvantage of the farmers.

- ✓ The monopolistic operation of the market committee also acts as a disincentive to the private sector in setting up processing units for value addition, as they do not have direct linkage with the farmers, which would otherwise help them in getting raw materials of assured quality and quantity. The policy framework should give farmers the liberty to freely market their produce anywhere including direct marketing to processors or other buyers without paying any market fees. However, in case they want the facilities of the market yard, they have to pay a service charge, which should be sufficient to cover the operation costs of the market committee.
- ✓ It is therefore recommended that farmers, processor companies or other private operators may be allowed to operate their own wholesale market and charge a suitable fee for the service. This would encourage more investment in setting up infrastructure and create opportunities for providing better and more cost-effective services.
- ✓ The reform of APMC would facilitate free movement of agriculture products between different States and from the jurisdiction of one market committee to another. However, as market fee is a major source of income for a number of States, it may result in loss of revenue to some of them. It is felt that in the major cereal producing States like Punjab, Haryana, Western UP and Andhra Pradesh where bulk of food grains are procured by the FCI for the central pool,

the loss of market fee may not be significant as the FCI and the State Government agencies are expected to continue their procurement through the existing Mandi structure.

**29 DECEMBER 2005: NATIONAL COMMISSION ON FARMERS, CHAIRED BY MS SWAMINATHAN, SUBMITS ITS THIRD REPORT, "SERVING FARMERS AND SAVING FARMING: 2006: YEAR OF AGRICULTURAL RENEWAL"**

- ✓ The Essential Commodities Act, 1955, and the Control Orders were relevant and issued in situation of demand exceeding the supply. The demand-supply balance and the economic environment have changed in recent years, but the restrictions and controls are continuing and coming in the way of efficient functioning of the marketing system and also the agricultural development in the country.
- ✓ The number of essential commodities has been reduced from a high of seventy in 1989 to only fifteen. It would be useful if the remaining agricultural products are also removed from the list of essential commodities. Alternatively, the ECA, 1955, may be put under suspended animation for the present and revived by Government notification if any emergency situation develops, for a limited time, for a specific commodity and in a specified area.
- ✓ The Government needs to abolish market fee on primary agricultural commodities altogether and levying of charges for various services like loading, unloading, weighing etc. in the APMC yard and replace it with one consolidated service charge for use of the market infrastructure.

- ✓ The State has already amended the APMC Act, thereby facilitating the growth of pro-farmer markets. The transition from existing trade channels like Arhtiyas should be brought about with care, so as to ensure that the new systems of farmers-purchaser linkages are both beneficial and sustainable. Opportunities for assured and remunerative marketing hold the key for Punjab's agricultural future.
- ✓ The APMCs have also generally failed to provide adequate infrastructure at the mandis. The focus of the APMCs has been on regulation and not development of markets for the local products, introducing grading and encouraging local processing etc. The APMCs have also not played any significant role in bringing better market information to the farmers.
- ✓ Direct marketing could enable the farmers to sell their produce to the processors or bulk buyers at lower transaction costs and maybe at better prices than what they get from intermediaries or from the wholesale markets. However, the APMC Act in most of the States does not allow direct buying by processing industries, exporters or wholesalers. Although this requirement has been waived on a case-by-case basis in some States under pressure from the industry, the market fee still has to be paid even though the produce may not enter the APMC yard.
- ✓ The monopoly of APMCs has meant that the private sector including cooperatives have not been able to contribute in establishing and developing mandis. The provision of the APMC Acts in different States requires modification to create a lawful role for the private sector in the marketing development.
- ✓ The Essential Commodities Act and other legal instruments including the State Agriculture Produce Marketing Committee Acts [APMC Acts] relating to marketing, storage and processing of agriculture produce need to be reviewed in order to meet the requirements of modern agriculture and attracting private capital in this sector.
- ✓ As regards the collection of market fees through the APMC Act, it still continues to be a major hurdle on the free movement of primary agriculture products not only between States but also even within the States from one market area to another. As already stated, it sometimes results in double taxation of the same products. Moreover, its operation creates monopolies of the State Marketing Board/Market Committees in regulating the wholesale market by not allowing direct marketing, often leading to cartelisation of a few brokers or arhtiyas and non-transparency in price setting to the disadvantage of the farmers.
- ✓ The reform of APMC would facilitate free movement of agriculture products between different States and from the jurisdiction of one market committee to another. However, as market fee is a major source of income for a number of States, it may result in loss of revenue to some of them.

**13 AUGUST 2006: NATIONAL COMMISSION ON FARMERS, CHAIRED BY MS SWAMINATHAN, SUBMITS ITS FOURTH REPORT, "SERVING FARMERS AND SAVING FARMING: JAI KISAN: A DRAFT NATIONAL POLICY FOR FARMERS"**



**H**armonising the recommendations of the previous three reports, the fourth report of the NCF creates a Draft National Policy for Farmers.

Some recommendations:

- ✓ The Essential Commodities Act and other legal instruments including the State Agriculture Produce Marketing Committee Acts [APMC Acts] relating to marketing, storage and processing of agriculture produce need to be reviewed in order to meet the requirements of modern agriculture and attracting private capital in this sector.
- ✓ The role of the APMCs/State Agriculture Marketing Boards need to change from regulatory focus to promotion of grading, branding, packaging and development of distant and international markets for the local produce.
- ✓ The farmer wants different options for marketing his produce. The State APMC Acts need to be amended to provide for, among others, encouraging the private sector or cooperatives to establish markets, develop marketing infrastructure and supporting services, collect charges, allowing marketing without the necessity of going through APMC/ licensed traders etc.

**4 OCTOBER 2006: NATIONAL COMMISSION ON FARMERS, CHAIRED BY MS SWAMINATHAN, SUBMITS ITS FIFTH REPORT IN TWO VOLUMES, "TOWARDS FASTER AND MORE INCLUSIVE GROWTH OF FARMERS' WELFARE"**

**T**his is NCF's fifth and final report, submitted in two volumes. It deals with some

of the key issues confronting our farmers and farming such as the economic survival of farmers with small holdings in a globalised economy, shaping the economic destiny of farmers, strengthening the ecological foundations essential for sustainable agriculture, attracting and retaining youth in farming, and restoring the glory of Indian farmers and farming. It presents an action plan for making hunger history.

Volume 1:

- ✓ If we continue the practice of importing large quantities of pulses and oil seeds, without determined action to produce them within the country, dry farming areas will continue to languish in poverty and malnutrition. The linkages between low small farm productivity and the persistence of poverty and malnutrition is very strong. Therefore, the sooner we revise our import policies in relation to pulses and oil seeds and divert our attention to helping the millions of farmers toiling in rain-fed areas to produce more of these essential commodities by assuring them of a support price, the greater will be the possibility of reducing substantially hunger and poverty in the country. Whenever there is a good crop of pulses or oilseeds like the one in mustard this year, farmers suffer due to lack of assured and remunerative marketing opportunities. The interests of the producer-consumer needs greater protection than those of the interests of trader-importers.
- ✓ The APMCs and State Agriculture Marketing Boards need to change their role from regulatory to promotional and developmental. These agencies should focus more

***The farmer wants different options for marketing his produce. The State APMC Acts need to be amended to provide for, among others, encouraging the private sector or cooperatives to establish markets, develop marketing infrastructure and supporting services, collect charges, allowing marketing without the necessity of going through APMC/ licensed traders etc.***

on developing new markets for the local products. Their entire functioning, management, operations and disposal of surplus need a relook. The need is also to encourage and support the farmer's cooperatives and private sector to operate the wholesale agriculture produce markets and provide competition to APMCs.

- ✓ Development of agro-processing is important to increase farmers' income and also to create employment. It would, however, be necessary to introduce reforms in the agriculture sector to facilitate greater private corporate sector investments in agro-processing not only in new units but also in modernising the established units. The processing industry requires adequate and

continuous availability of raw material for processing. Direct purchase from the growers is not possible under the existing APMC Act in many of the States and hence it has to be either routed through the APMC or the concerned State Govt. has to specifically permit the same.

Volume 2:

- ✓ Farmer of Punjab could not transport surplus wheat outside due to stringent provisions in 9th Schedule of Essential Commodities Act. It had acted to the detriment of interest of the farmers in the past.
- ✓ PM in his speech on 15.08.2006, mentioned that farmer must get appropriate remunerative price from the market. This must be implemented.
- ✓ Need to give more attention to remunerative prices for the farmers for their produce. APMCs and State Marketing Boards should understand their new developmental role. There was a huge scope of improvement in existing working style of the APMCs.
- ✓ Hamal and coolie do not deal with farmers respectfully; rather they insult them. Farmers selling their produce in APMC feel that the traders and management connive and often cheat them. There is need for a greater say of farmers in managing the APMCs and a say particularly in the auction system. The farmer's interest should be uppermost in the working of the APMCs. Ungraded produce fetches low price. The need is to introduce grading at the farm gate itself.
- ✓ NGO should also be permitted to

buy agricultural produce directly from the farmers without going through the APMCs.

- ✓ Benefits of APMCs have not reached small, marginal and medium farmers.

### **2007 (UNDATED): MODEL APMC RULES, 2007**

Across XIII Chapters and 115 Sections, the Union government drafts the Model APMC Rules, 2007. The Rules come with 26 forms.

The rules detail how Market Committees will function (Chapter V), contract farming done (Chapter VI), and levy of fees and its collection (Chapter VIII).

### **FEBRUARY 2012: ECONOMIC SURVEY 2011-12, CHAPTER 8: AGRICULTURE AND FOOD**

Excerpts:

- ✓ Mandi governance is an area of concern. A greater number of traders must be allowed as agents in the mandis. Anyone who gets better prices and terms outside the Agricultural Produce Marketing Committee (APMC) or at its farm

***Direct purchase from the growers is not possible under the existing APMC Act in many of the States and hence it has to be either routed through the APMC or the concerned State Govt. has to specifically permit the same.***

gate should be allowed to do so. For promoting inter-state trade, a commodity for which market fee has been paid once must not be subjected to subsequent market fee in other markets including that for transaction in other states. Only user charges linked to services provided may be levied for subsequent transactions.

- ✓ Perishables could be taken out of the ambit of the APMC Act. The recent episodes of inflation in vegetables and fruits have exposed flaws in our supply chains. The government-regulated mandis sometimes prevent retailers from integrating their enterprises with those of farmers. In view of this, perishables may have to be exempted from this regulation.
- ✓ The role of the agriculture market is to deliver agricultural produce from the farmer to the consumer in the most efficient way. Agriculture markets are regulated in India through the APMC Acts. According to the provisions of the APMC Acts of the states, every APMC is authorised to collect market fees from the buyers/traders in the prescribed manner on the sale of notified agricultural produce. The relatively high incidence of commission charges on agricultural /horticultural produce renders their marketing cost high, which is an undesirable outcome. All this suggests that a single point market fee system is necessary for facilitating free movement of produce, bringing price stabilisation, and reducing price differences between the producer and consumer market segments. Another point to be highlighted is that the cleaning, grading, and packaging of agricultural produce before sale by the farmers have not been popularised by these market committees on a sufficient scale.

- ✓ As the APMC was created to protect the interests of farmers it will be in the fitness of things to give farmers the choice of going to the PMC or not. In the light of this, the need is to pursue further reforms in the state APMC Acts.
- ✓ 22 JANUARY 2013: FINAL REPORT OF COMMITTEE OF STATE MINISTERS, INCHARGE OF AGRICULTURE MARKETING TO PROMOTE REFORMS, CHAIRED BY HARSHVARDHAN PATIL
- ✓ This Committee was set up on 2 March 2010 to persuade various

***As the APMC was created to protect the interests of farmers it will be in the fitness of things to give farmers the choice of going to the PMC or not. In the light of this, the need is to pursue further reforms in the state APMC Acts.***

States/UTs to implement the reforms in agriculture marketing through adoption of Model APMC Act and Model APMC Rules, suggest further reforms necessary to provide a barrier free national market for the benefit of farmers and consumers and also suggest measures to effectively disseminate market information and to promote grading, standardisation, packaging, and quality certification of agricultural produce.

Excerpts:

“DUE TO RESTRICTIVE PROVISIONS OF THE ESSENTIAL COMMODITIES ACT....PRIVATE INVESTMENT IN LARGE SCALE STORAGE AND MARKETING INFRASTRUCTURE INCLUDING IN THE AREAS OF CONTRACT FARMING, DIRECT MARKETING HAVE NOT BEEN VERY ENCOURAGING”

- ✓ Due to the restrictive provisions of the Essential Commodities Act and various Control Orders issued thereunder, private investment in large scale storage and marketing infrastructure including in the areas of contract farming, direct marketing have not been very encouraging. Under the present system, the marketable surplus of one area moves out to consumption centres through a network of middlemen and traders and institutional agencies. Thus, there exists national level physical, though, there is no national level regulation for the same and the existing regulation does not provide for a barrier free market in the country. There are many significant Inter-State barriers to trade, viz. (a) Taxation Related Barriers (variation in rates, applicability of VAT, levy of market fee at multiple point, etc.); (b) Physical Barriers (Essential Commodities Act, Check Posts, APMC Regulations, etc.); and (c) Statutory Barriers relating to licensing and registration of traders, commission agents. Therefore, there is a need to develop a national level single market for agricultural commodities by removing all the existing barriers of licensing, movement and storage.
- ✓ In order to regulate and control the supply and distribution of foodgrains from surplus to deficit areas, the Government of India implements Essential Commodities Act to control and regulate production,

manufacturing and distribution of essential commodities in the country in the event of short supply. The Act itself does not lay the Rules and Regulations but allows the States to issue Control Orders in the event of malpractices like hoarding and black marketing i.e., "Licensing of Dealers/Retailers for trade in foodgrains"; "Restrictions on movement of foodgrains"; and "Regulation of Storage limits". Since 1993, the Central Government has decided to treat the entire country as a single food zone, but the States are still imposing such orders and restrict movements now and then.

- ✓ State Governments often issue Control Orders promulgated under the Essential Commodities Act, 1955 adversely affecting trading in agricultural commodities such as foodgrains, edible oils, pulses and sugar. These Control Orders broadly relate to licensing of dealers, regulation of stock limits, restrictions on movement of goods and compulsory purchase under the system of levy. Due to the restrictive provisions of the Essential Commodities Act and various Control Orders issued thereunder, private investment in large scale storage and marketing infrastructure including in the areas of contract farming, direct marketing have not been very encouraging.
- ✓ Agricultural Produce Marketing Regulation Act and Essential Commodities Act need to be amended to ensure barrier free storage and movement of agricultural commodities across the States as storage and movement are very important marketing functions for maintaining regular supply and distribution of food products in the country from the point of

production to the consumption centres. This will help to contain uneven price fluctuations and ensure optimum management of the supply chain.

- ✓ The regulation of markets, however, achieved limited success in providing an efficient agricultural marketing system in the country because, over the years, these development-oriented institutions (e.g. the State Agriculture Marketing Boards, APMCs etc.) turned out to be more of revenue generating institutions than facilitating efficient marketing practices to benefit the farmers and other market participants. Apart from the market regulation programme, the Essential Commodities Act and plethora of Orders promulgated under this Act by the Centre and States prevented development of free and competitive marketing system in the country
- ✓ Apart from the market regulation programme, the Essential Commodities Act, 1955 (EC Act) and plethora of Control Orders promulgated under this Act by the Centre and States prevented development of free and competitive marketing system in the country. Due to the restrictive provisions of the EC Act and various Control Orders issued thereunder, private investment in large scale storage and marketing has virtually become non-existent. These Control Orders also give rise to inordinate delay in haulage of agricultural produce at the border check points creating artificial barriers on the movement and storage of agricultural commodities and to that extent the formation of common market.
- ✓ The regulatory framework needs to undergo a change by providing

free hand to private sector to own, operate and manage markets/alternate marketing system with backward and forward linkages. The Government may at best formulate rules of the game for the market players rather than controlling the system. The role of the Government should be that of facilitator only.

- ✓ The present Act restricts the farmers from selling their produce to processor/manufacturer/bulk processor outside the market yard as the produce will have to channel through regulated market according to provisions of the APMC Act. In the changed scenario, the producer should be free to enter into direct sale without the involvement of other middlemen outside the market yard in the market area under the relevant provision of the concerned Act. This will facilitate direct marketing between the producers and processing factories with monetary gains to the producer-seller through improving competitiveness and to the consumers by way of reasonable prices.
- ✓ Under the present APMC Act, only State Governments are permitted to set up markets. Monopolistic practices and modalities of the State-controlled markets have prevented private investment in the sector. The licensing of traders in the regulated markets has led to the monopoly of the licensed traders acting as a major entry barrier for new entrepreneurs. The traders, commission agents and other functionaries organise themselves into associations, which generally do not allow easy entry of new persons, stifling the very spirit of competitive functioning.

## **FEBRUARY 2013: ECONOMIC SURVEY 2012-13, CHAPTER 8: AGRICULTURE AND FOOD MANAGEMENT**

Excerpts:

- ✓ Organised marketing of agricultural commodities has been promoted in the country through a network of regulated markets to ensure reasonable gains to farmers and consumers by creating a market environment conducive for fair play of supply and demand. In order to bring about reforms in the sector, a model Agricultural Produce Marketing (Development and Regulation) (APMC) Act was prepared in 2003. Though the process of market reforms has been initiated by different state governments through amendments in the present APMC Act on the lines of Model Act, many of the states are yet to adopt the Model Act uniformly. It is therefore necessary to complete the process of market reforms early in order to provide farmers an alternative competitive marketing channel for transaction of their agricultural produce at remunerative prices. Development of an agricultural marketing infrastructure is the foremost requirement for the growth of a comprehensive and integrated agricultural marketing system in the country. For the purpose, the Ministry of Agriculture is implementing demand-driven Plan schemes by providing assistance to entrepreneurs in the form of back-ended credit-linked subsidy, viz. the Grameen Bhandaran Yojana and Development/ Strengthening of Agricultural Marketing Infrastructure, Grading and Standardisation.

## **FEBRUARY 2014: ECONOMIC**

Excerpts:

- ✓ 52: Information asymmetry is a major market barrier. In order to benefit all stakeholders in the agriculture supply chain, and especially to enable farmers to take rational and informed decisions about cropping pattern and marketing strategies, the FMC is implementing the Price
- ✓ 79: On domestic and international marketing, the plethora of government interventions that were used to build a marketing set up have actually served as barriers to trade. Removing market distortions will create greater competition in markets, promote efficiency and growth, and facilitate the creation of a national agriculture market. Thus, while the agricultural market is by itself not fully malleable to becoming a perfectly competitive structure, it can asymptotically approach

***Under the present APMC Act, only State Governments are permitted to set up markets. Monopolistic practices and modalities of the State-controlled markets have prevented private investment in the sector. The licensing of traders in the regulated markets has led to the monopoly of the licensed traders acting as a major entry barrier for new entrepreneurs. The traders, commission agents and other functionaries organise themselves into associations, which generally do not allow easy entry of new persons, stifling the very spirit of competitive functioning.***

Dissemination Scheme. Under this, the futures and spot prices of National Exchanges and the spot prices of AGMARKNET from around 1700 mandis are run on real-time basis on price tickers/boards installed in 267 APMCs, KVKs, and other locations where farmer footfall is high. To increase awareness amongst farmers and other stakeholders and for them to benefit from the price discovery mechanism, there is need to install them in all markets, including farmers markets.

it. Since agriculture provides the backward linkage to agro-based industries and services, it has to be viewed holistically as a seamless farm-to-fork value chain, comprising farming, wholesaling, warehousing, logistics, processing, and retailing including exports. For establishing a national common market, some reforms are needed:

- (i) Examine the APMC Act, EC Act, Land Tenancy Act, and any such legally created structures whose



provisions are restrictive and create barriers to free trade.

(ii) Rigorously pursue alternate marketing initiatives, like direct marketing and contract farming.

(iii) Examine inclusion of agri related taxes under the General Goods and Services Tax (GST).

(iv) Establish stable trade policy based on tariff interventions instead of non-tariff trade barriers.

(v) Develop and initiate competition in the agro-processing sector. Incentivise the private sector to scale up investments.

### **NEED FOR REFORMS IN AGRICULTURAL MARKET**

- ✓ There has been limited success in establishing efficient agricultural marketing practices in India. The monopoly of government-regulated wholesale markets has prevented development of a competitive marketing system in the country. In the context of liberalisation of trade in agricultural commodities and for the domestic farming community to reap the benefits of new global market access opportunities, there is a need to integrate and strengthen the internal agricultural marketing system.
- ✓ Various committees and task forces of the government recommended that control over agricultural markets by the state be eased to facilitate greater participation of the private sector, particularly to stimulate massive investments required for the development of agricultural marketing. The model Agricultural Produce Marketing (Development and Regulation) [APM(DR)] Act of 2003 was circulated to all states for adoption. The reforms have largely

focused on addressing some of the concerns within the existing framework of state Agricultural Produce Marketing Committees (APMC). They have however failed to address monopolistic and uncompetitive practices in inter-state trading of agricultural products. The Committee on Agricultural Reforms (2013) noted that, 'By and large, the APMCs have emerged as some sort of Government sponsored monopolies in supply of marketing services/ facilities, with all drawbacks and inefficiency associated with a monopoly'.

- ✓ Thus, the APMC Act has not achieved the basic objective of setting up a network of physical markets. There are some successful initiatives in direct marketing, such as Apni Mandi in Punjab, Uzhavar Sandhai in Tamil Nadu, Shetkari Bazaar in Maharashtra, Hadaspur Vegetable Market in Pune, Rythu Bazar in Andhra Pradesh, Krushak Bazaar in Odisha, and Kisan Mandi in Rajasthan.
- ✓ Some measures that would facilitate the creation of a barrier-free national market are:
  - (i) Permit sale and purchase of all perishable commodities such as fruits and vegetables, milk and fish in any market. This could later be extended to all agricultural produce.
  - (ii) Exempt market fee on fruits and vegetables and reduce the high incidence of commission charges on agricultural/ horticultural produce.
  - (iii) Taking a cue from the success of direct marketing efforts of states, the APMC/other market infrastructure may be used to organise farmers markets. FPOs/self-help groups (SHGs) can be encouraged to organise farmers markets near urban centres,

malls, etc. that have large open spaces. These could be organised every day or on weekends, depending on the concentration of footfalls.

(iv) Include 'facilitating organisation of farmers markets' under the permitted list of corporate social responsibility (CSR) activities under Companies Act 2013, to encourage companies engaged in agri-allied activities, food processing etc to take up this activity under CSR and also help in setting up supply chain infrastructure. This would be similar to the e-Choupal initiative of ITC Ltd., but under CSR.

(v) All the above facilitators can also tie-up a link to the commodity exchanges' platform to disseminate spot and futures prices of agricultural commodities.

**FEBRUARY 2015: ECONOMIC SURVEY 2014-15 VOLUME I, CHAPTER 8: A NATIONAL MARKET FOR AGRICULTURAL COMMODITIES- SOME ISSUES AND THE WAY FORWARD**

8.2: APMCS LEVY MULTIPLE FEES, OF SUBSTANTIAL MAGNITUDE, THAT ARE NONTRANSPARENT, AND HENCE A SOURCE OF POLITICAL POWER.

- ✓ Tables 8.1-8.3 convey a sense of the magnitudes and multiplicity of fees arising from the operation of the APMCs. They charge a market fee of buyers, and they charge a licensing fee from the commissioning agents who mediate between buyers and farmers. They also charge small licensing fees from a whole range of functionaries (warehousing agents, loading agents etc.). In addition, commissioning agents charge commission fees on transactions between buyers and farmers.

- ✓ The levies and other market charges imposed by states vary widely. Statutory levies/mandi tax, VAT etc. are a major source of market distortion. Such high level of taxes at the first level of trading have significant cascading effects on the prices as the commodity passes through the supply chain.

- ✓ For rice, listed in Table 8.1, these charges can be as high as 14.5 percent in Andhra Pradesh (excluding the state VAT) and close to 10 percent in Odisha and Punjab. For wheat, too, these charges can be quite high (Table 8.2).

- ✓ Even the model APMC Act (described below) treats the APMC as an arm of the State, and, the market fee, as the tax levied by the State, rather than fee charged for providing services. This is a crucial provision which acts as a major impediment to creating national common market in agricultural commodities. Removal of this provision will pave a way for creating competition and a national common market for agricultural commodities.

- ✓ Moreover, though the market fee is collected just like a tax, the revenue earned by the APMCs does not go to the State exchequer and hence does not require the approval of State legislature to utilise the funds so collected. Thus APMC operations are hidden from scrutiny.

8.3: ESSENTIAL COMMODITIES ACT, 1955 VS APMC ACT

- ✓ The scope of the Essential Commodities Act (EC Act) is much broader than the APMC Act. It empowers the central and state governments concurrently to control production, supply and distribution of certain

commodities, including pricing, stock-holding and the period for which the stocks can be kept and to impose duties. The APMC Act on the other hand, controls only the first sale of the agricultural produce. Apart from food-stuffs which are covered under the APMC Act, the commodities covered under the EC Act generally are: drugs, fertilisers, and textiles and coal.

#### 8.4: MODEL APMC ACT

✓ Since these State Acts created fragment markets (2477) for agricultural commodities and curtailed the freedom of farmers to sell their produce other than through the commission agents and other functionaries licensed by the APMCs, the Ministry of Agriculture developed a model APMC Act, 2003 and has been pursuing the state governments for over a decade now to modify their respective Acts along the lines of the Model APMC Act, 2003. The Model APMC Act:-

(a) provides for direct sale of farm produce to contract farming sponsors;

(b) provides for setting up "Special markets" for "specified agricultural commodities" - mostly perishables;

(c) permits private persons, farmers and consumers to establish new markets for agricultural produce in any area;

(d) requires a single levy of market fee on the sale of notified agricultural commodities in any market area;

(e) replaces licensing with registrations of market functionaries which would allow them to operate in one or more different market areas;

(f) provides for the establishment of consumers' and farmers' markets

to facilitate direct sale of agricultural produce to consumers; and

(g) provides for the creation of marketing infrastructure from the revenue earned by the APMC.

✓ The model APMC Act provides some freedom to the farmers to sell their produce directly to the contract-sponsors or in the market set up by private individuals, consumers or producers. The model APMC Act also increases the competitiveness of the market of agricultural produce by allowing common registration of market intermediaries. Many of the States have partially adopted the provisions of model APMC Acts and amended their APMC Acts. Some of the states have not framed rules to implement the amended provisions, which indicate hesitancy on the part of state governments to liberalise the statutory compulsion on farmers to sell their produce through APMCs. Some states – such as Karnataka – have however adopted changes to create greater competition within state.

#### 8.6: INADEQUACIES OF MODEL APMC ACT

✓ The provisions of the Model APMC Act do not go far enough to create a national - or even state level common market for agricultural commodities. The reason is that the model APMC Act retains the mandatory requirement of the buyers having to pay APMC charges even when the produce is sold directly outside the APMC area, say, to the contract sponsors or in a market set up by private individuals even though no facility provided by the APMC is used. The relevant provision (No.42) in the model APMC Act is:

✓ "Power to levy market fee (single

point levy): Every market shall levy market fee (i) on the sale or purchase of notified agricultural produce, whether brought from within the State or from outside the State into the market area.”

- ✓ Though the model APMC Act bars the APMCs and commission agents from deducting the market fee/ commission from the seller, the incidence of these fees/ commission falls on the farmers since buyers would discount their bids to the extent of the fees/ commission charged by the APMC and the Commission agents.
- ✓ Though the model APMC Act provides for setting up of markets by private sector, this provision is not adequate to create competition for APMCs even within the State, since the owner of the private market will have to collect the APMC fees/taxes, for and on behalf of the APMC, from the buyers/sellers in addition to the fee that he wants to charge for providing trading platform and other services, such as loading, unloading, grading, weighing etc.

#### 8.7 ALTERNATIVE WAYS OF CREATING NATIONAL MARKET FOR AGRICULTURAL COMMODITIES

- ✓ The 2014 budget recognises the need for setting up a national market and stated that the central government will work closely with the state governments to reorient their respective APMC Acts to provide for the establishment of private market yards/private markets. The budget also announced that the state governments will also be encouraged to develop farmers' markets in towns to enable farmers to sell their produce directly.
- ✓ More steps may have to be taken

and incremental moves may need to be considered to get the states on board. For example, first, it may be possible to get all the states to drop fruits and vegetables from the APMC schedule of regulated commodities; this could be followed by cereals, pulse and oil seeds, and then all remaining commodities.

- ✓ State governments should also be specifically persuaded to provide policy support for setting up infrastructure, making available land etc. for alternative or special markets in private sector, since the players in the private sector cannot viably compete with the APMCs in which the initial investment was made by the government on land and other infrastructure. In view of the difficulties in attracting domestic capital for setting up marketing infrastructure, particularly, warehousing, cold storages, reefer vans, laboratories, grading facilities etc. Liberalisation of FDI in retail could create the possibilities for filling in the massive investment and infrastructure deficit which results in supply-chain inefficiencies.

#### 8.8 USING CONSTITUTIONAL PROVISIONS TO SET UP A COMMON MARKET

- ✓ If persuasion fails (and it has been tried for a long time since 2003), it may be necessary to see what the centre can do, taking account of the allocation of subjects under the Constitution of India. The Constitution of India does empower the States to enact APMC Acts under some entries in the List II of Seventh Schedule (State List), viz., Entry 14: 'Agriculture ...', Entry 26: 'Trade and Commerce within the State ...' And Entry 28: 'Markets and fairs'.

- ✓ However, the perception that the Constitution will have to be amended if the centre has to play a decisive role in creating a national market remains open. There are provisions/entries in List III of the Seventh Schedule (Concurrent List) in the Constitution which can be used by the Union to enact legislation for setting up a national common market for specified agricultural commodities, viz., Entry 33 which covers trade and commerce and production, supply and distribution of foodstuffs, including edible oilseeds and oils raw cotton, raw jute etc. Entry 42 in the Union List, viz., 'Interstate Trade and Commerce' also allows a role for the union. Once a law is passed by the Parliament to regulate trading in the specified agricultural commodities, it will override the state APMC laws, paving the way for creating a national common market. But this approach could be seen as heavy-handed on the part of the centre and contrary to the new spirit of cooperative federalism.

**FEBRUARY 2015: ECONOMIC SURVEY 2014-15 VOLUME II, CHAPTER 5: PRICES, AGRICULTURE AND FOOD MANAGEMENT**

Excerpts:

**BOX 5.3 : RECENT INITIATIVES IN AGRICULTURAL MARKETING**

(i) The Department of Agriculture (DAC) has issued a comprehensive advisory to states to go beyond the provisions of the Model Act and declare the entire state a single market with one licence valid across the entire state and removing all restrictions on movement of agricultural produce within the state.

(ii) In order to promote development of a common national market for agricultural commodities

through e-platforms, the department has approved Rs 200 crore for a central-sector scheme for Promotion of National Agricultural Market through Agri-Tech Infrastructure Fund (ATIF) to be implemented during 2014-15 to 2016-17. Under the scheme, it is proposed to utilise the ATIF for migrating towards a national market through implementation of a common e-platform for agri-marketing across all states.

(iii) On the request of the central government, a number of state governments have exempted the marketing of fruits and vegetables from the purview of the APMC Act. The NCT of Delhi has taken the initiative in this direction by issuing a notification on 2 September 2014, ending the regulation of fruits and vegetables outside redefined market yard/ sub-yard area of the APMC, MNI, Azadpur, APMC, Keshopur, and APMC Shahdara. The Small Farmers Agribusiness Consortium (SFAC) has taken the initiative for developing a kisan mandi in Delhi with a view to providing a platform to FPOs for direct sale of their produce to prospective buyers totally obviating or reducing unnecessary layers of intermediation in the process. They plan to scale their activities in other states based on the outcome of the experience of the Delhi kisan mandi.

**AUGUST 2017: ECONOMIC SURVEY 2016-17 VOLUME 2, CHAPTER 7: AGRICULTURE AND FOOD MANAGEMENT**

- ✓ 23: The Indian farmer faces price uncertainties, for his produce in seasons during a year, across years owing to supply and demand fluctuations, speculation and hoarding by traders. The price risks emanating from an inefficient APMC market, are severe for farmers in India since they have very low resilience owing to the perishable nature of produce,

inability to hold produce, hedge in surplus/shortage scenarios or to insure against losses.

✓ 37: The market risks that arise in agriculture trade, both domestic and international are mainly due to uncertainty in the policies of agricultural trade and market policies pursued by the government from time to time. The agriculture markets under the Agricultural Produce Market Committee (APMC) Act of the State Governments, with around 2,477 principal regulated markets based on geography (the APMCs), and 4,843 submarket yards are regulated by the respective APMCs. The posts in the market committee and the market board – which supervises the market committee are occupied by the politically influential, who enjoy a cosy relationship with the licensed commission agents, who in turn exercise monopoly power, at times by forming cartels. The farmers lose out in the APMC market dynamics.

- ✓ 38: There is need to remove all restrictions on internal trade on agricultural commodities and dismantle fragmented legislations that govern agriculture. At present, there are four legislations in existence/formulation to regulate agriculture markets,
  - » Model APMC Act, 2016 to replace the present state legislations on markets,
  - » Agricultural Produce Trading (Development and Regulation) Act, 2017,
  - » A law that would regulate contract farming and
  - » A law/regulation that would regulate e-NAM.

✓ 39: Several legislations of the State and Centre ensure that the agricultural markets are fragmented and the benefits to the farmers remain low. The above legislations need to be dismantled and move towards a Common National Agriculture Market as envisaged in the e-NAM initiative.

✓ 40: The perishable farm produce needs to be kept outside the purview of present APMC, Act/proposed Model APMC, Act 2016 as has been stated in the Budget Speech (2017-18), in para 29, by the Finance Minister that, “Market reforms will be undertaken and the States would be urged to denotify perishables from APMC.” This will give opportunity to farmers to sell fruits and vegetables through the government created electronic trading portal and get remunerative prices.

STOCK LIMITS UNDER THE ESSENTIAL COMMODITIES ACT (ECA), 1955

✓ 41: The stock limits imposed

***The price risks emanating from an inefficient APMC market, are severe for farmers in India since they have very low resilience owing to the perishable nature of produce, inability to hold produce, hedge in surplus/shortage scenarios or to insure against losses.***

under ECA, 1955 end up curtailing demand for farm produce and so price. The analysis of the stock limits in select states indicates that a wholesaler is permitted a stock limit of around between 16 to 50 times in urban areas and between 10 and 80 times in other areas than the stock limits for the retailer, which is uniform for the entire year. This sharp difference needs to be rationalised by permitting the maximum limit commencing the sowing period till two months after procurement, to be gradually reduced to a ceiling of half. In the higher ceiling the farmer shall benefit due to higher demand and in the reduced ceiling the consumer shall benefit due to increased offloading. In contrast, requests for enhancing stock limits come when procurement process has commenced or is completed. However, the ideal situation relates to doing away with the stock holding limits along with the ECA, 1955 as envisaged in the 'Removal of Licensing requirements, Stock limits and Movement Restrictions on Specified Foodstuffs Order, 2016,' according to which all restrictions on permit/licensing requirements, stock limits and movement restrictions were to be removed.

**3 JANUARY 2019: STANDING COMMITTEE ON AGRICULTURE (2018-2019), MINISTRY OF AGRICULTURE AND FARMERS WELFARE (DEPARTMENT OF AGRICULTURAL, COOPERATION AND FARMERS WELFARE): AGRICULTURE MARKETING AND ROLE OF WEEKLY GRAMIN HAATS**

Chaired by Hukmdev Narayan Yadav, this Standing Committee examined the issue of Weekly Gramin Haats and came up with the following observations and recommendations:

- Under Essential Commodities Act, there is a need to have distinction between genuine service providers and black marketeers/hoarders to encourage investment and better service delivery to the farmers. It is recommended that Contract Farming Sponsors and Direct Marketing licensees may be exempted from the stock limits up to six months of their requirement in the interest of trade and facilitating long term investment.

- The States should amend their APMC Acts on the lines of Model Act and the reforming States may also notify Rules, and States may complete the process early.

- The private markets should be treated at par with the existing APMCs.

- The Committee feel that scarcity of marketing platforms for agriculture produce and mismanagement and corruption in APMC markets have created a situation where farmers are being deprived of fruits of their hard-earned labour leading to low price realisation for farm produce.

- The Committee desires the Government to provide adequate funds and manpower to the DMI (directorate of marketing inspection) in order to complete the survey in minimum possible time. Further, the Committee also desires the Government to hold discussion with the State Governments to keep Gramin Haats out of the ambit of APMC Act.

- The Committee observe that there is urgent need for radical reform in APMC Act in the country, if we intend to provide justice to the farmers. Remunerative pricing for the farmers cannot be ensured unless number of marketing platforms for farm produce are enhanced and functioning of APMC markets is made democratic and transparent.



The Committee appreciate efforts of the Government for reforms in APMC market. However, the Committee is surprised to note the lukewarm response of the State Governments towards reforms in APMC market. The Committee is of the view that there is need to involve all the stakeholders especially the State Governments in the process of reforms in the APMC Act. The Committee, therefore, recommends the Government to constitute a Committee of Agriculture Ministers of all States in order to arrive at a consensus and chalk out legal framework for marketing of agriculture Produce in the Country. The Committee is also of the opinion that provisions regarding entry fee and other Cess levied on transaction of agriculture produce should be done away with as it will help to reduce corruption and malpractices prevalent in APMC Markets. The Committee would like the Government to hold discussion with the State Governments to abolish entry fee and other cess in APMC Markets.

- Various factors such as distance to the nearest APMC market, dominance of middleman in APMCs, lack of transportation facilities etc. are the major factors which propel majority of small and marginal farmers to use the services of local middleman or shops to dispose of their surplus agriculture produce much below the Minimum Support Prices (MSP) announced by the Government.

- The Committee notes that Agriculture Produce Market Acts (APMC Act) which were enacted in various State Governments with the objective to ensure an environment for fair play for supply and demand forces thereby resulting in an effective price discovery for farm produce, to regulate market practices and attain transparency in transactions has become hotbed of politics, corruption and monopoly of traders

and middleman. The Committee observes that APMC markets across the country are not working in the interest of farmers due to various reasons such as limited numbers of traders in APMCs markets thereby reducing competition, cartelisation of traders, undue deduction in the name of market fee, commission charges etc. The Committee was also informed that provisions of the APMC Acts are not implemented in their true sense. Market fee and commission charges are legally to be levied on traders, however, the same is collected from farmers by deducting the amount from farmers net proceed.



OBSERVER  
RESEARCH  
FOUNDATION

# Farmer interests are missing in farm protest politics

*Gautam Chikermane*  
ORF  
7th December, 2020

The entry points to the capital of the world's fifth-largest economy will be blocked on 8 December 2020. The reason is a protest against three laws that attempt to give freedom of choice to farmers, a virtue in any other part of the world. Leaders of 11 political parties, from Congress president Sonia Gandhi and DMK chief M.K. Stalin, NCP leader Sharad Pawar to Samajwadi Party chief Akhilesh Yadav are lending their support for the 'Bharat Bandh'. Residents of New Delhi will not be allowed on roads, they will not be permitted to do their business because a few middlemen and their political organisers will lose their monopsony power to buy from farmers. Illiterate motivations have attempted to turn this into a geopolitical moment, with Canadian Prime Minister Justin Trudeau following Indian leaders in politicising the issue.

In a sublime whataboutary, the former have nurtured the ideas behind the new farm laws domestically, and the latter has been fighting against the interests of the same farmers in WTO. The sole constituency that may lose a small part of their interest would be the middlemen now institutionalised, and meddling trade unions finally finding a cause. Both of these have offered the Opposition platforms from which to exploit and extract political capital. The currency of democracy has shifted its stance from principled and beneficiary-focussed debate and protests, to petty opportunism. Politics is skimming the cream off the economy. If the three farm laws are repealed, as the protestors are demanding, farmers will lose thrice over.

## **Farmers will lose their flexibility to sell**

First, farmers lose the flexibility of selling their produce at better prices outside predesignated mandis. The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020, beaks the monopsony of Agriculture Produce Marketing Committees (APMC). This is an institution created during the economy of shortages and bound farmers to selling their output to the APMCs (mandis) and nowhere else. Over the decades, the economics of APMCs has gathered political power. This is an institution that as served its purpose and needs to dissolve or die in the 21st century. Simply put: the new law entitles farmers to sell their crop outside APMCs and across states (Chapter II, Sections 3 and 4). While

***Because agriculture is a state subject under the Constitution, but food is a national market, the law enables farmers to access that market while remaining within the Constitutional confines of Union-State relations. No rational farmer, or a politician seeking to benefits them, can oppose this law.***

this is clearly a benefit, it doesn't stop them from selling to APMCs. But it – rightly – prevents APMCs from charging any market fee, cess or levy outside APMC areas. Further – again rightly – it prevents state governments from levying “market fee or cess or levy, by whatever name called” on any farmer, trader or electronic trading and transaction platform (Chapter II, Section 6). With a dispute resolution mechanism in place (Chapter III, Sections 8, 9 and 10), the law plugs potential exploitation of the farmer. Because agriculture is a state subject under the Constitution, but food is a national market, the law enables farmers to access that market while remaining within the Constitutional confines of Union-State relations. No rational farmer, or a politician seeking to benefits them, can oppose this law.

**Farmers will return to the era of price controls**

Second, loss of inventory of crop

as cold chain infrastructure does not come up and return to the era of price controls. The Essential Commodities (Amendment) Act, 2020 brings an ancient 20th century law, the Essential Commodities Act, 1955, in tune with 21st century realities, flexibilities and aspirations. It aims to ease excessive controls over the production and distribution of agricultural commodities. It attempts to deregulate the prices of cereals, pulses, potato, onions, edible oilseeds and oils (Section 2); controls will come into effect “only under extraordinary circumstances which may include war, famine, extraordinary price rise and natural calamity of grave nature”. These circumstances have been specified – 100 percent increase in the retail price of horticultural produce, or 50 percent increase in the retail price of non-perishables. The time period has been specified – the prevailing price over the preceding 12 months or average retail price over the preceding five years. Most important, given the criminal wastage of food year after year in FCI, this amendment paves the way for cold chain infrastructure to come up, thereby managing the problems of seasonality. Essentially, it allows cold chains to hold perishables to be able to sell them after the harvest period. This will help the storage of fruits and vegetables – and has no impact on rice and wheat. By repealing this law, the Indian farmer will be relegated back to the 20th century, function within a limited span of prices and commodities, while the rest of the country, including wealthy farmers and middlemen protesting in their name, drive their SUVs into the 21st.

**Farmers will lose protections when dealing with institutions**

Finally, the repeal of the third law will ensure that any legislative mechanism that farmers get while dealing with non APMC buyers, such as agri-business firms, processors,

wholesalers, exporters or large retailers, will end. The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020 is a closure of the two laws above. It creates a legal framework of agreements within which farmers can engage with companies and wholesalers. From defining a “farming agreement” (Chapter I, Section 2(g)), to detailing it (Chapter II, Sections 3 to 12) and finally creating a dispute settlement mechanism (Chapter III, Sections 13 to 15), this law legislates all components of an agriculture transaction – pricing, transparency, payment mechanisms and manner of delivery. It places compliances on quality and standards (Chapter II, Section 4), a power held by the middlemen in APMCs and to which the small farmer has no questioning recourse, that factors in farm practices, climate, pesticide residue and food and safety standards. Irrespective of the output and whatever the nature of agreement or dispute, the law prohibits sponsors (companies, processors, wholesalers) from acquiring ownership rights or making permanent modifications on farmer’s land or premises (Chapter II, Section 8), thereby protecting the farmer’s land. The law further enables the agreement with modern financial instruments like insurance and credit (Chapter II, Section 9).

### **What’s all the fuss all about?**

The political economy of this bandh,

this protest, is really the politics of vested interests that is steamrolling over farmer economics. Every reform has to pass through and either co-opt or side-line vested interests – the incumbents who resisted foreign entry into Indian businesses in 1991, the brokers who resisted electronic trading in 1994, the unions that have resisted the entry of private banks (and still do), the traders who resisted FDI in retail (and still do), the companies that found loopholes in the Insolvency and Bankruptcy Code (IBC) law such that it has had to be amended several times, the corrupt tax officials that have turned the goods and services tax into a compliance nightmare rather than a catalyst of convenience...the list of vested interests coming in the way of economic reforms is long.

Many of those protesting against these laws have been proponents of the same reforms earlier. There are more than 200 citizens from 12 states, including from Punjab, that have signed on “Farmers’ Manifesto for Freedom”, among which the APMC and Essential Commodities Act have been named as institutions getting in the way of these freedoms. Item No. 21 under Chapter 7 in the Indian National Congress (INC) manifesto of 2019 says the party will replace the Essential Commodities Act, which “belongs to the age of controls”; Item 11 under the same Chapter says the INC will repeal the APMC Act and “make trade in agriculture – including exports and inter-state trade – free

***Irrespective of the output and whatever the nature of agreement or dispute, the law prohibits sponsors (companies, processors, wholesalers) from acquiring ownership rights or making permanent modifications on farmer’s land or premises (Chapter II, Section 8), thereby protecting the farmer’s land.***

from all restrictions". This is what the Essential Commodities (Amendment) Act, 2020, and the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020 have done. An August 2010 letter by Sharad Pawar (then Union Minister of Agriculture) to Sheila Dikshit (then Chief Minister of Delhi) called for amending the state APMC Act "to encourage private sector in providing alternative competitive marketing channels".

All three – farmer bodies, the Congress and Pawar – can change their minds: a democracy and its interests are free to shift stances in tune with changing needs. Further, in a democracy, all voices need to be heard and protests are a valid and valuable tool. By negotiating with farmer representatives, the government is hearing them. If a new argument comes against the laws,

the government must act on it with an amendment, as it has done with IBC. But if the dharna, the protest and the inconvenience to citizens is merely another reason to hold back important and crucial reforms because of a politics that supports small slivers of vested interests rather than the large swathe of small farmers, the government must not give in. At the same time, while digging its heels on the economics of farm laws, it must simultaneously reach out to genuine beneficiary farmers. If the potential benefits of these reforms are not articulated politically to those benefiting from them, the debate would be hijacked by the entrenched elite trying to hold them back. The wellbeing of farmers must be taken into account – it is the missing conversation in this political drama.



OBSERVER  
RESEARCH  
FOUNDATION

# Agriculture reforms: ignore political rhetoric, embrace prosperity economics

*Gautam Chikermane*  
ORF  
22nd September, 2020

A visibly low-hanging economic reform contains within it several vested interests. The protests we see against three important agricultural reforms recently are, therefore, not surprising. They are one more step in the noisy democracy of India that desperately needs economic reforms on the one hand but gets swept by the tide of political rhetoric on the other. A reform that proposes to increase the prices farmers get for their output by giving them flexibility to sell, with governments continuing to support a base minimum through the minimum support price (MSP) within the extant system, should not cost anyone but benefit millions of farmers.

And yet, the discourse against India's recent agricultural reforms has been hijacked by protests in the name of poor small farmers. The drivers of these protests are rich, large and influential farmers and traders. This is one more example where politics of the past is attempting to prevent prosperity of the future. The Union government must not give in. In fact, it must start communicating directly with small farmers – the middlemen in the closed agricultural chain are the same that ensure exploitative politics on farms. While doing that it must offer a farmer credit driven Jan Dhan equivalent, an institution currently controlled by the same middlemen opposing this reform.

## Three laws for one constituency

There are three laws that have become controversial. Here are some key provisions these laws offer.

The Essential Commodities (Amendment) Act, 2020. This law aims to ease excessive controls over the production and distribution of agricultural commodities. It brings an ancient 20th century law, the Essential Commodities Act, 1955, in tune with 21st century realities, flexibilities and aspirations. The law aims to deregulate cereals, pulses, potato, onions, edible oilseeds and oils that will come into effect "only under extraordinary circumstances which may include war, famine, extraordinary price rise and natural calamity of grave nature". These circumstances have been specified – 100 percent increase in the retail price of horticultural produce, or 50 percent increase in the retail price of

non-perishables. The time period has been specified – the prevailing price over the preceding 12 months or average retail price over the preceding five years. Given the wastage of food produce, this amendment paves the way for cold chain infrastructure to come up. It enables food storage and hurts none.

The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020. This law beaks the monopsony of Agriculture Produce Marketing Committees (APMC), overseen by state governments, and enables farmers to sell their produce to entities other than APMC – it does not exclude APMCs – and prevents state governments from levying any market fee, cess or levy outside APMC areas. Further, it prevents state governments from levying “market fee or cess or levy, by whatever name called” on any farmer, trader or electronic trading and transaction platform. It also sets up a dispute resolution mechanism.

***The discourse against India's recent agricultural reforms has been hijacked by protests in the name of poor small farmers. The drivers of these protests are rich, large and influential farmers and traders. This is one more example where politics of the past is attempting to prevent prosperity of the future.***

Agriculture is a state subject under the Constitution; but food is a national market. This law enables farmers to access that market while remaining within the Constitutional confines of Union-State relations. The issue of Union-State control does not arise as the state AMPC laws and infrastructure are not being touched; only a new enabling law has been enacted. This law too grants greater flexibility but changes nothing else, hurts no farmer.

The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill, 2020. This law flows in a logical progression from the one above. It creates a legal framework of agreements within which farmers can engage with companies and wholesalers that buy in bulk and sell further. The law aims to write into these agreements pricing, transparency, payment mechanisms and manner of delivery. It places compliances on quality and standards – a power held by the middlemen in APMCs and to which the small farmer has no questioning recourse. At worst, competition between APMCs and companies will ensure a better price to the small farmer. In addition, as protection to small farmers, it prohibits acquiring ownership rights of farmers at any cost. It links the agreements with financial instruments like insurance and credit. Finally, it creates a dispute settlement mechanism, including an appellant authority.

#### **Focus on farmers...**

Although procurement from farmers by the Food Corporation of India (FCI) under the MSP will continue as it is, the performance data is not encouraging. In the past 15 years (2003 and 2018), procurement by government agencies has been 26.8 percent for wheat (procurement of 359 million tonnes versus production of 1,340 million tonnes) and 31.3



percent for rice (procurement of 488 million tonnes, production of 1,558 million tonnes). The numbers are similar for last year (2018) – 31.3 percent procurement of wheat, 32.7 percent for rice. Where does the balance go? According to the Sixty-Second Report of the Standing Committee on Agriculture (2018-2019) titled, 'Agriculture Marketing and Role of Weekly Gramin Haats', presented to Parliament in January 2019, the surplus is purchased by moneylenders and traders at very low prices. The moneylender and traders buy independently or work as an agent of a bigger merchant of the nearby mandi. Clearly, the balance of power is against small farmers.

The same story plays out in horticulture. In the picturesque hills of Uttarakhand, for instance, small farmers leave their produce on the road in two to eight wooden boxes. The boxes lie there until a small truck from one of the traders at the APMC in Haldwani drives past and picks it up. The farmer can see the price on his phone. But the trader pays less than the market price. His tools of price cuts are size of the peaches or the extent of ripeness, all as per his decision, which is opaque. The farmer has no recourse but to accept the price. Already reeling under the weight of reduced water in rainfed farms and warmer climates pushing more profitable apples northwards, small farmers here have been reduced to becoming price takers, the middlemen price setters. With the change in laws, and competition between middlemen and companies, the small farmer will definitely get a chance at higher price.

APMCs are not doing what they were supposed to; they are not working in the interest of farmers. Their monopsony status has entitled the worst practices – limited numbers of traders, reducing competition,

***Competition between APMCs and companies will ensure a better price to the small farmer. In addition, as protection to small farmers, it prohibits acquiring ownership rights of farmers at any cost. It links the agreements with financial instruments like insurance and credit. Finally, it creates a dispute settlement mechanism, including an appellant authority.***

cartelisation of traders, undue deduction in the name of market fee, or commission charges. On the last, while the fees and charges are legally to be levied on traders, the cost is transferred to farmers by deducting the amount from their net proceeds. In some states, these fees are levied even when sale of agriculture produce takes place outside the market yard. Despite the politics of agriculture being located in states and farmers there, successive state governments have come and gone, leaving the small farmers where they were. These reforms could – the word 'could' rather than 'will' is being used because the best of intentions and reforms can end up failing, as the repeated amendments to the Insolvency and Bankruptcy Code, 2016 have shown – bring economic justice to small farmers.

### **...but stop demonising middlemen.**

Having critiqued them above in practice, the ongoing assault on the institution of middlemen is unwarranted. Bad practices, or twisting of an institution, does not render the institution inert. Middlemen provide an important service. This service happens across all economic activities, from auto sales (car showrooms) and real estate (property brokers) to stock markets (stock brokers) and insurance (agents). Without the stock broker, for instance, there will be no liquidity in stock markets.

The middlemen are market-makers. Over a period of time, the premium commanded for their services falls. Every time this has happened in India, anti-reform voices have been raised, in the name of investors or consumers. Stock broking, for instance, carried a commission of 5 percent in the pre-electronic trading days; today, it is a statistically insignificant fraction of a market size that is a multiple of what it was in the 1990s. The only area where advantages have not reached consumers in the corporatised-institutionalised space is in insurance, where the regulator has been found deeply wanting – a sector crying for reform.

This problem of vested interests opposing a proven and prosperity inducing reform is now happening in agriculture. The problem in this agency structure in agriculture is not the agency but the lack of regulatory oversight over that agency. It is also the social structures of financing and credit – the middleman is also the moneylender, even if the rates are usury – an area that commercial banking has not been able to penetrate, but can by extending the Jan Dhan Yojana.

The market failure is the capture

this institution by politicians, administration and middlemen. Once a corporatised structure enters the farm market, several of these problems could end. What the new institutions need to ensure is that there is no transfer of old practices into this new structure. For instance, state governments interfering with and slowing down companies. The latter may create new structures that align themselves with the current ones. This will be a work in progress. The middlemen may stay, but their extortive premiums and practices need to end. The three reform-laws will ensure this happens. The transition will also have political implications, whose results will define the outcomes of the 2024 elections.

### **Ignore political rhetoric...**

Lost in the 'farmer-farmer' din is the farmer. Voiceless, powerless and exploited, he has become a bystander in the larger political wrestling in Parliament as well as on roads. In an amazing U-turn, the same political parties in whose manifesto these reforms have been written, is now fighting this reform. The 'farmer' has been devalued to a word, a lever for a politics that supports the entrenched and serves the powerful. The small farmer has become incidental. Remember, it is the larger farmers that have been hurt by MGNREGA, under which poorly-paid farm labour shifted to a more dignified and better paying social security system. Then too, they resisted but fell by the wayside as benefits to farm labour accumulated a momentum that has now set in. But it took one election cycle for these benefits to be communicated with on-ground changes. These reforms too are likely to go the same way.

### **...embrace prosperity economics.**

The last argument against these reforms is also a red herring – that

the Union government is selling out to corporations. The pathetic slogan 'suit-boot ki sarkar' will now find a new expression. That slogan slowed down reforms in the current government's first term. Having learnt their lesson, these reforms must not be stopped. The evidence that economic reforms deliver political benefits is not clear. But the reform instinct is in the right direction. Living in palatial, colonial bungalows that are a startling contradiction to the poverty of India in general and small farmers in particular, it is very easy to say money is bad, properties are evil and prosperity for all a mirage. Getting taxpayer-funded benefits for life, law makers even had their taxes being paid by taxpayers. The large farmers pretending to fight for small

farmers don't pay taxes. If money and corporations are evil and vile, this celebration of taxpayer-funded entitlements must end – you can't have the benefits and eat them too.

As far as intellectuals go, they have been crying hoarse about getting these reforms for decades. Now that they are happening, with every protection given to small farmers, their sole argument seems to be a lack of trust in Prime Minister Narendra Modi. That's not the world of ideas, not the universe of thought. They would do better to join a political party and follow their dharma there than to pretend to be independent thought leaders. These reforms must not be stalled or stopped at any cost.

## The APMC conundrum: Rolling back this reform will encourage vested interests to strike down all reform

Arvind Panagariya  
Times of India  
9th December, 2020

To appreciate the value of the recent reform of agricultural marketing, it is important to first understand how the system has functioned for many decades. Under the Agricultural Produce Marketing Committee (APMC) Act, each state divides its entire area into several market areas with each area managed by an APMC. The state government appoints the APMC and commission agents ("arhtiyas") and wholesalers responsible for selling and buying the produce. The APMC manages market yards and sub-yards (mandis) where wholesale trade in the produce of the entire market area takes place. It thus has a monopoly over wholesale trade in the entire area.

Commission agents typically send village commission agents to collect produce from farmers in villages and bring it to the market yard. In the yard, commission agents sell the produce to wholesalers. The wholesalers sell it to sub-wholesalers who sell it to retailers. Retailers finally sell the produce to the consumer.

The price at which market commission agents sell the produce to wholesalers is supposed to be

determined by auction, but in practice the process is opaque. Storage infrastructure at APMC yards being poor, a significant part of the produce regularly rots. A variety of taxes and commission agents' fees get added to the final price. The presence of multiple intermediaries; the nexus among APMC members, commission agents and wholesalers; poor storage facilities at the yard; taxes by the state government; and fees of commission agents result in the consumer paying a high price and the farmer receiving a low price.

The purpose of the two recent APMC laws enacted by the central government is to free up the farmer from this stranglehold of the APMC and be able to sell his produce directly to the highest bidder. One can understand that the commission agents who have guaranteed income from APMC transactions and the state government, which collects taxes on the sales in the yard, especially procurement of grains paid for by the central government and hence the Indian taxpayer, would be upset by the reform. But for the farmer, there is no downside and the upside is significant.

Therefore, it is not an accident that the reform has had near unanimous support of not just economists and policy analysts but also all central governments since Prime Minister Atal Bihari Vajpayee. The latter's government first introduced the reform via the Model APMC Act of 2003. During its ten years, the UPA government actively lobbied state chief ministers to adopt the model act. While the present government has finally implemented the reform using its powers under the concurrent list of the Constitution, the 2019 Congress manifesto also supported it unequivocally stating, "Congress will repeal the APMC Act and make trade in agricultural produce - including exports and inter-state trade - free from all restrictions."

In view of this diagnosis, how do we explain the current farmer protests? To be sure, some commission agents who double up as farmers can be expected to oppose it. One may further speculate that fearing the loss of tax revenue collected on large volumes of procurement of grain and paid by taxpayers in the rest of India, governments in states such as Punjab and Haryana might also covertly or overtly encourage their farmers to join the protests. But these explanations are insufficient to reconcile the massive scale of the

protests with the benefits that the vast majority of farmers would reap from the reform.

A more plausible explanation is that richer farmers, especially from Punjab, see an opportunity in the protests to extract a legal guarantee for a lucrative minimum support price (MSP) on all sales whether to the government or private agents. Quite likely, it is this intent that has led them to allege that the real intent of the government behind the reform is to eventually withdraw procurement at MSP when in fact no such link has ever existed.

How should the government respond to the protests? Ideally, it should not respond at all. Any rollback of the reform is bound to encourage vested interests to rise up against other reforms. Guaranteeing the MSP on all purchases must be especially resisted. Given that at MSP, the supply of grain would exceed demand, the price guarantee would leave many farmers holding their sacks of grain in hand with no one to buy them. And it would surely not be fair to expect the taxpayer to foot the bill by letting the government pick up all the excess supply.

As a last resort, if the government must offer an olive branch, it should do

***During its ten years, the UPA government actively lobbied state chief ministers to adopt the model act. While the present government has finally implemented the reform using its powers under the concurrent list of the Constitution, the 2019 Congress manifesto also supported it unequivocally stating, "Congress will repeal the APMC Act and make trade in agricultural produce - including exports and inter-state trade - free from all restrictions."***

so only after ensuring that protesting farmers genuinely represent the view of the majority of the farmers of their respective states. In that case, it may allow the states to amend the new central laws as per local sentiment by passing amendments in the legislatures and seeking the Centre's permission for them.

If Punjab chooses to live with laws that hurt its own farmers, so be it. Let the wiser states benefit from the reform and, like Bihar, which had done away with its APMC Act in 2006, see their agricultural sectors flourish while that of Punjab languishes.

# Corporates can help expand market rather than driving out mandis

*Arvind Panagariya  
Times of India  
18th December, 2020*

That nearly all opposition parties have joined the farmer protests against recent reforms of agricultural markets is not surprising. In democracies, opposition parties are there to oppose, sometimes even policy changes that they themselves championed when in power.

What is surprising, however, is that the present episode has seen even some leading economists switch sides. Specifically, the last two Chief Economic Advisers (CEAs) under the United Progressive Alliance (UPA) government, who had both recommended reforms similar to those just enacted, have now come down heavily on them.

The Economic Survey 2011-12, which the then CEA Kaushik Basu authored, states that any farmer “who gets better prices and terms outside the Agricultural Produce Marketing Committee (APMC) or at its farm gate should be allowed to do so.” It adds, “Considering significant investment gaps in post-harvest infrastructure of agricultural produce, organised trade in agriculture should be encouraged and the FDI in multi-brand retail once implemented could be effectively leveraged towards this end.” The

survey even recommends allowing imports of agricultural commodities in limited quantities.

Successor CEA Raghuram Rajan made the same recommendation in the Economic Survey 2012-13. This survey states, “It is necessary that we evolve mechanisms for linking wholesale processing, logistics and retailing with farm-production activities so as to generate enhanced efficiency, better farm prices, etc. The private sector should be allowed to operate in developing these market linkages... Recently the government allowed FDI in retail, which ... can pave the way for investment in new technology and marketing of agricultural produce in India.”

Both CEAs had thus endorsed the entry of not just Indian private companies but also foreign multi-brand retailers in agricultural marketing. Yet, both have now argued that the new laws open the door to the exploitation of farmers by private companies. It is possible that they made the recommendations in the Economic Survey despite holding contrary views because this was the government policy. But, to my knowledge, neither has offered such a clarification.

Be that as it may, the substantive question the critics must answer is



precisely how a private company would exploit the farmer rather than serve as counterweight to the APMC commission agent who, in cahoots with the wholesaler, fixes the price of his produce without any consultation with him while also charging a hefty commission?

***Some critics compare the poverty of Bihari farmers to the prosperity of Punjabi farmers to argue that APMC reform hurt Bihar. Such comparison is wholly fatuous. Bihari farmers are poorer than their Punjabi counterparts despite faster agricultural growth in recent years because they started out far poorer.***

When reminded of this pitfall of their argument, critics switch to arguing that the large corporations would simply drive out the APMC mandi and then pick up the farmer's produce for a song. One wishes that corporations had this kind of power to drive the government out of an activity it chooses to undertake. Reform advocates would then be spared decades of effort to persuade the central and state governments to exit many manufacturing activities in which they persist.

Economists Ramesh Chand and Ashok Gulati further remind us that Private corporations such as Nestle

and Hatsun have been buying milk from hundreds of thousands of small milk producers side-by-side with government cooperatives for years. Rather than exploit the producers, they have helped expand the demand for their milk by greatly expanding markets for milk products.

It bears reminding that agricultural marketing reform is not as new as critics would have us believe. Prime Minister A B Vajpayee first initiated it through the Model APMC Act, 2003. With encouragement from all subsequent central governments, to-date, 20 states have amended their APMC Acts with 16 notifying rules and regulations implementing one or more features of the Model Act. Additionally, Bihar entirely did away with its APMC Act in 2006. Broadly speaking, states such as Andhra, Bihar, Gujarat and Madhya Pradesh that embraced the Model Act in earnest have seen agriculture grow faster than other states. Between 2006-07 and 2018-19, the sector grew at annual average rates of 7.1%, 5.3%, 3.9% and 6.8%, respectively, in these states.

The corresponding growth rate in Punjab was a paltry 1.8%. Some critics compare the poverty of Bihari farmers to the prosperity of Punjabi farmers to argue that APMC reform hurt Bihar. Such comparison is wholly fatuous. Bihari farmers are poorer than their Punjabi counterparts despite faster agricultural growth in recent years because they started out far poorer.

Punjab, which had ranked 2nd among all states in per-capita Net State Domestic Product rankings till 1992-93, fell to the 10th rank in 2018-19.

Some critics have argued that unlike the 1991 reforms, which responded to a balance-of-payments crisis, the present "big bang" reform

***Private corporations such as Nestle and Hatsun have been buying milk from hundreds of thousands of small milk producers side-by-side with government cooperatives for years. Rather than exploit the producers, they have helped expand the demand for their milk by greatly expanding markets for milk products.***

has been introduced without there being any crisis in agriculture. But is it not the case that India's farmers are in perpetual crisis, partially due to poor realisation of price for their produce? And can the present reform be really characterised as big bang? In a large number of states, it has been under implementation in some form via the Model Act for a decade or longer. Moreover, whereas the 1991 reforms had dismantled the licence-permit machinery in one stroke, the current reform leaves the APMC structure intact, allowing the farmer to continue to transact as before.

A final criticism is that the reform has been introduced without sufficient prior groundwork. The flip side here is that prior groundwork can become an excuse to deny the farmer justice perpetually. None of telecom and airline reforms under PMs Narasimha Rao and Vajpayee, right to education reform under UPA and the Goods and Services tax under PM Narendra Modi's government would have progressed to their current stage had the respective governments waited till the ground had been fully prepared.

# #SWARAJYA

## Farm Bills Are Latest In The Sequential Liberalisation Of Agricultural Sector

TV Mohandas Pai and Nisha Holla  
Swarajya  
20th October, 2020

The farm bills are liberating farmers at a pivotal juncture when the composition of the gross value added (GVA) in the agricultural sector is rapidly changing. Crops, specifically cereals, once dominated the sector, and multiple controls were placed to ensure aggregation, distribution and supply.

The minimum support price (MSP) evolved as a mechanism to guard farmers against supply and demand

shocks in the cereals segment.

Now, however, farmers and agricultural producers have diversified their product segments, cereals no longer dominate production, and the old control mechanisms no longer hold sway.

Connecting farmers directly to the market and consumers is increasing farmer incomes by 20-30 per cent, as demonstrated by more than 600 agri-tech companies that have validated the value proposition over the last five-seven years. Harnessing the value of these trendlines requires a forward-looking policy environment which the farm bills are the latest in implementing.

In the last decade itself, India has witnessed tremendous change in the GVA composition of the agri-sector. The share of crops has decreased from 65.4 per cent in 2011-12 to 55.3 per cent in 2018-19, projected to further fall to 45.6 per cent in 2024-25. Within crops, only cereals are supported by MSP.

In the same period, value add of livestock and fishing and aquaculture is steadily increasing, as are the total value outputs of sub-segments like horticulture, milk and meat.

Agriculture (Nominal) GVA Composition (INR lakh crores)

Agri-components	2011-12		2014-15		2018-19		7-year CAGR	2024-25 Projected	
	GVA	% share	GVA	% share	GVA	% share		GVA	% share
Crops	9.82	65.4%	12.93	61.8%	16.15	55.3%	7.4%	24.73	45.6%
Horticulture*	2.66	-	4.52	-	6.71*	-	14.1%	14.84	-
Livestock (Less Inputs)	3.27	21.8%	5.10	24.4%	8.72	29.8%	15.0%	20.19	37.2%
Milk*	3.28	-	4.96	-	7.96*	-	13.5%	17.05	-
Meat*	0.96	-	1.54	-	2.51*	-	14.7%	5.69	-
Forestry & Logging	1.24	8.3%	1.74	8.3%	2.23	7.6%	8.7%	3.68	6.8%
Fishing & Aquaculture	0.68	4.5%	1.17	5.6%	2.13	7.3%	17.7%	5.66	10.4%
<b>Total Agri sector</b>	<b>15.02</b>	<b>100.0%</b>	<b>20.94</b>	<b>100.0%</b>	<b>29.23</b>	<b>100.0%</b>	<b>10.0%</b>	<b>54.27</b>	<b>100.0%</b>

With differentiated production strategies that are less reliant on cereals and more on other segments, farmers are accruing better incomes. By diversifying their produce, they are moving away from one-crop risks.

Three bills were recently passed to make farmers more independent and to improve their earning ability – the Farmers' Produce Trade and Commerce Bill, Farmers Agreement on Price Assurance and Farm Services Bill, and Essential Commodities (Amendment) Bill.

These bills endeavour to hand back agency to the Indian farmer. They enable farmers the freedom to diversify their crops and produce, which reduces mono-crop dependence and increases income avenues.

They can also now sell their produce anywhere, to the highest bidder across the country; no longer are they required to go to the mandis where they are subject to middlemen and layers of bureaucracy.

Contract farming is now open to farmers, with a framework that enables them to boost the value-add of their products via contracts and assured procurement by the food processing industries. Retaining the MSP system means the government is underwriting the whole network for certain crops to ensure farmers receive assured income for those crops. Government of India has procured 5.73 lakh tonnes of paddy worth Rs 1,082 crore at MSP since the last week of September 2020.

Structural changes were required in the agricultural system to improve the livelihoods of Indian farmers. Keeping them dependent on subsidies and restricted by APMCs and acts like the Essential Commodities Act wasn't in the nation's long-term interests. Recognising this, the Narendra

***These bills endeavour to hand back agency to the Indian farmer. They enable farmers the freedom to diversify their crops and produce, which reduces mono-crop dependence and increases income avenues.***

Modi government has been making sequential changes in the system.

It started with the introduction of the National Agriculture Market (e-NAM) to facilitate online trading of agri-produce. Then PM-KISAN was introduced to provide minimum income support to 9 crore marginal farmers at Rs 6,000 annually.

These beneficiaries don't benefit from MSP, which applies only to 6 per cent of farmers, mainly in the legacy farming regions like Punjab and Haryana. The first instalment of PM-KISAN Rs 2,000 per farmer was front-ended during the Covid-lockdown to protect the interests of the farmer. This income support was crucial in harvesting the record rabi crop cycle in April 2020 and sowing the kharif crops. Record procurement was also undertaken in April 2020.

The last four months, in particular, have brought many changes and support schemes for farmers. The KISAN credit card with an allotment of a total of Rs 2 lakh crore credit to maintain larger workforces and implements during harvest season is helping farmers plan and organise their harvests better, leading to increased production and incomes. It also enables farmers to build formal

credit histories linked to Aadhaar that can be capitalised on to avail credit for expansion and diversification strategies.

An important announcement has been the Rs 1 lakh crore Agri Infrastructure Fund as part of Atmanirbhar Bharat Abhiyan to focus on farm-gate and aggregation points, agricultural entrepreneurs, agri-tech companies, disease control, enhancing post-harvest management capabilities like cold storage and warehousing, and formalisation of Micro Food Enterprises via a cluster-based approach.

Recognising the crucial differences in growth of sub-segments, targeted programmes towards the various sub-segments like fisheries, animal husbandry, and dairy were also launched along with long-awaited amendments to the Essential Commodities Act 1955.

On the support of these sequential abutments to the agricultural industry, the three farmer bills enable farmers to pursue their own farming and diversification strategies.

The numerous protests against the bills expose the political and vested interests in restricting the agency of the farmers.

Meanwhile, the government of India has announced that the various subsidies that farmers avail will

continue while these bills are put into action, thus providing valuable support to farmers and ensuring continuity of relief as farmers pursue new strategies.

Over time, this independence-with-support model will lead to increased incomes for farmers and overall increased contribution of the agricultural sector to India's gross domestic product (GDP), compared to the current 17 per cent. Crucially, it will liberate 43 per cent of the national workforce that depends on agriculture for livelihood and sustenance.

This also gives India the long-awaited opportunity to orient its agriculture sector towards export markets. By catering to just the Indian economy, the exposure is hardly \$3 trillion (pre-Covid GDP); instead, export-orientation caters to an \$82 trillion global economy (pre-Covid) – a 27x expansion.

Agri exports by the US in 2018 were valued at \$140 billion whereas India's at \$38.5 billion.

India can comfortably triple this by providing infrastructure for grading, sorting, and supply chain distribution which is now possible due to the freedom given by the bills. The nation and farmers have a generational opportunity here to break out of a 70-year sectoral stagnation and aim bigger.

***Contract farming is now open to farmers, with a framework that enables them to boost the value-add of their products via contracts and assured procurement by the food processing industries. Retaining the MSP system means the government is underwriting the whole network for certain crops to ensure farmers receive assured income for those crops.***

## APMC laws had shackled farmers, Modi govt's ordinance makes them as free as other sectors

Ila Patnaik and Shubho Roy  
The Print  
3 July, 2020

Of the three ordinances announced by the government that create a legal framework for agricultural markets, the third restricts the powers of the designated mandis – Agricultural Produce Marketing Committees (APMCs).

Along with the amendments to the Essential Commodities Act and a new law on contract farming, the ordinance attempts to free the Indian farmer. It allows farmers to perform inter-state and intra-state transactions freely. It does not do away with APMCs; it gives farmers the ability to sell outside these mandis.

This ordinance is another milestone in the path of freeing up Indian farmers from the licence-permit raj.

### What the ordinance allows

While the ordinance on contract farming allows farmers to enter into agreements to produce crops, the ordinance on APMCs governs the sale of crops produced by the farmer without the need for a prior contract. This covers the vast majority of crops

grown in India.

Usually, when a farmer sows the crops, there is no fixed buyer. Only after the farmer harvests it does he go looking for a buyer.

The ordinance governs these transactions in three ways:

(i) It limits the operation of APMC laws by states to the market yards;

(ii) It allows private parties to set up online trading platforms for trading in agricultural commodities; and

(iii) It sets up a dispute-resolution mechanism for buyers and farmers to be operated by a sub-divisional magistrate.

The principal feature of the ordinance is that it does away with the requirement for farmers to necessarily use APMCs. So far, while some states exempt farmers from using APMCs, they may still force the farmer to trade with only APMC-licensed traders and pay fees to the APMC.

The ordinance clarifies that when a transaction is done outside the physical limits of an APMC yard,

there will be no licencing or fee requirements. Anyone will be able to buy directly from the farmer and not be required to pay any fees to the APMC.

The law also allows private entities to set up electronic trading platforms for farm produce, which can be inter- or intra-state. The central government may specify rules of operation, but there are no licencing requirements to set up markets.

Finally, it sets up a dispute resolution system for buyers and farmers. However, instead of using normal judicial systems, disputes are to be adjudged by executive magistrates in the district.

### **Impact on farmers**

The law frees up farmers from the clutches of APMCs, which have (as we have argued before) become cartels of traders. The law will allow farmers to sell their produce directly to anyone they want. It will increase the competition between buyers and provide better prices to the farmers.

Without a legally mandated intermediary, direct sales to consumers (like restaurants) become possible for farmers. This can reduce the price that consumers pay for food.

The difference between the price that farmers get for their produce and what consumers pay is called the farm-to-fork mark-up. As this Times of India report suggests, this may be as high as 65 per cent for India, compared to as low as 10 per cent for Nordic countries or 25 per cent for a developing country like Indonesia. The law may go a long way in reducing this difference.

The ordinance does not prevent intermediaries from operating. APMCs can continue to operate under state government laws and

collect fees for their services. Existing APMCs are entirely exempt from the structure envisaged in the ordinance; it merely introduces another choice for farmers to sell their produce.

***The difference between the price that farmers get for their produce and what consumers pay is called the farm-to-fork mark-up. As this Times of India report suggests, this may be as high as 65 per cent for India, compared to as low as 10 per cent for Nordic countries or 25 per cent for a developing country like Indonesia. The law may go a long way in reducing this difference.***

### **Objections that it violates Constitution**

The Punjab government and some keen observers have objected to the ordinance on the ground that this violates the federal structure of India. The Constitution of India gives powers to regulate markets and fairs to the state legislatures (Entry 28 of the State List of the Seventh Schedule to the Constitution). Therefore, they argue that since the APMCs regulate agricultural markets, the central government should not interfere in them.



***As we have discussed before, a farmer in a district or block has to go to a single APMC. It is analogous to saying an engineer from a district can only work in a licenced software company in the district.***

***The second restriction is on fees. Even if the farmer does not use any APMC facilities, the farmer or trader must pay APMC fees. It is analogous to cooking one's meal at home but still be required to pay money to the nearest restaurant.***

This argument is flawed in two ways: The extent of APMC laws and the restrictions they place on inter-state commerce. The states have extended the power of APMCs beyond what is considered reasonable law, regulating markets through measures like market areas and mandated fees. As we have discussed before, a farmer in a district or block has to go to a single APMC. It is analogous to saying an engineer from a district can only work in a licenced software company in the district.

***The Indian farmer has, for too long, been subjected to cruel and unusual laws. This ordinance is a step towards normalising farming in India, and allowing farmers to reap the benefits of freedom that other sectors in India take for granted.***

The second restriction is on fees. Even if the farmer does not use any APMC facilities, the farmer or trader must pay APMC fees. It is analogous to cooking one's meal at home but still be required to pay money to the nearest restaurant.

The core of any market law is freedom. While the market may be regulated, participation in a market has to be free. Forcing people to pay fees or come to a specific market make APMC laws go way beyond a law governing markets and fairs should. The states themselves have been aware of this.

Part XIII of the Constitution of India guarantees freedom of trade and commerce across India. No state can enact laws restricting inter-state commerce without the approval of the President. Most APMC laws, because of their restrictive provisions, impinge on this constitutional freedom. States have approached the President for approval to enact such laws [for example the West Bengal law mentions it has gained the approval of the President under Article 304(b)]. If these laws were mere regulation of markets and fairs, there would have been no need to approach the President.

The Indian farmer has, for too long, been subjected to cruel and unusual laws. This ordinance is a step towards normalising farming in India, and

allowing farmers to reap the benefits of freedom that other sectors in India take for granted.

# Farmers Protest: Why Congress was right in 2019, and is wrong in 2020

---

GAURAV CHOUDHURY  
*Money Control*  
2nd December, 2020

The farmers' protest against the three farm laws that seek to liberalise the market for agricultural produce and commodities entered Day 7 on December 2, with senior Congress leader Rahul Gandhi yet again taking the suit-boot jibe at the government and accusing it of being anti-farmer.

The government had a day earlier held an inconclusive round of talks with protesters who rejected the offer of a panel to discuss the laws. Farmers, most of them from Punjab, want a rollback, fearing that the trade in rice and wheat in particular will move away from the government's control into the hands of private sector.

The two sides are to meet again on December 3, but a breakthrough looks unlikely, with farmers hardening their stand and the government firm on the new laws that it says will help farmers get more money for their produce, choose what they want to grow and sell where they want.

Farmers are camping along the borders of Delhi and have said they won't move until the laws are taken back. The Congress, which is the ruling party in Punjab, has come out

in their support and has asked the government to give farmers their due.

The Congress that is opposing the laws was until 2019 in favour of changes in the farm sector, which badly needs modernisation in view of massive increases in agricultural output in the last two decades.

The processing and value-addition of this output requires a radically different system where buyers and sellers interact seamlessly. The mandi system that farmers are seeking to preserve is all about intermediation, an idea that has outlived its utility.

## How Did We Get Here

Over the last two decades, a common thread has been running through most commentaries on India's larger economy: agriculture remains the most unreformed sector.

For too long, the story of Indian agriculture has been a tale of market distortions. These seemingly insurmountable hurdles frustrated successive policymakers whose repeated counsel to dismantle these barriers often ran into political resistance, like now.

In May, when Finance Minister Nirmala Sitharaman announced a raft of measures, many saw these as the Narendra Modi government's demonstration of its intent to walk the talk on marshalling reforms that promised to tilt the terms in the favour of farmers.

Structurally, these moves were predicated on legislative changes. These required an overhaul of laws that, in many ways, provided the oxygen to vested interests – unscrupulous middlemen to local political strongmen – that kept these regulations alive.

The three ordinances that the Centre promulgated on June 5 – the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020; Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Ordinance, 2020, and the Essential Commodities (Amendment) Ordinance, 2020 – seek to facilitate barrier-free trade of farm produce outside the markets notified under the various state Agriculture Produce Market Committees (APMC) laws.

They also define a framework for contract-farming and impose stock limits on agricultural produce only if there is a sharp increase in retail prices.

Experts have often blamed the APMCs for unfair trading, a line of thought that the Congress also explicitly believed in, at least on paper.

The Indian National Congress' (INC's) poll manifesto, released ahead of the 2019 Lok Sabha election, unequivocally said "Congress will repeal the Agricultural Produce Market Committees Act and make the trade in agricultural produce – including exports and inter-state

trade – free from all restrictions".

In 2013, the Committee of State Ministers, In-charge of Agriculture Marketing to Promote Reforms, which the Congress-led ruling United Progressive Alliance (UPA) had formed, also favoured enacting an "Agricultural Produce Inter-State Trade and Commerce (Development & Regulation), Bill that may, to start with, be applied for a few perishable agriculture commodities and it may be expanded for other commodities depending upon the experience of its working".

***The Indian National Congress' (INC's) poll manifesto, released ahead of the 2019 Lok Sabha election, unequivocally said "Congress will repeal the Agricultural Produce Market Committees Act and make the trade in agricultural produce – including exports and inter-state trade – free from all restrictions".***

The committee, led by Harshvardhan Patil, minister of cooperation and parliamentary affairs in the previous Congress-led government in Maharashtra, said the APMC Act and Essential Commodities Act (ECA) "need to be amended to ensure barrier-free storage and movement of agricultural commodities across the States as storage and movement are very important marketing functions

for maintaining regular supply and distribution of food products in the country from the point of production to the consumption centres”.

### **Bigger Market**

To regulate and develop a national agricultural market and to provide the farmers access to such a market for better price realisation, the committee said there was a need for a central legislation to deal with “Inter-State Agricultural Marketing, promotion of agribusiness, trade and commerce at national level”.

This can be achieved even without creating any conflict with the provisions of existing state APMC Acts.

The Planning Commission, in the 12th five year plan (2012-17), the last before the institution ceased to exist, came out in support of urgent reforms in the APMC system that was fraught with inefficiencies.

“Reforming the Agricultural Produce Marketing Committee (APMC) Acts should, therefore, have priority... The introduction of the Model Act in 2003 was directed towards allowing private market yards, direct buying and selling, and also to promote and regulate contract-farming in high-value agriculture with a view to boost private sector investment in developing new regularised markets, logistics and warehouse receipt systems, and in infrastructure (such as cold storage facilities). This is particularly relevant for the high-value segment that is currently hostage to high post-harvest losses and weak farm-firm linkages,” the 12th Five Year Plan document said.

Critics have questioned the government’s move to push through a central legislation to govern agriculture – a subject that falls in the

state list. The government, however, has said that though agriculture is part of the state list, the committee was of the view that under item no. 42 of the Union List, the Centre is empowered to pass legislation regarding “Inter-State Trade and Commerce” of agricultural produce at the national level. The same was said by the Harshvardhan committee in its report.

The APMCs, over the years, became barriers for farmers to get a fair price for their produce, as they were forced to sell it through these committees, better known as mandis. The APMC regulations required farmers to only sell to licensed middlemen in notified markets, usually in the same area where farmers reside.

There is evidence to demonstrate that the middlemen or the buyers behave like cartels. In December 2010, the competition commission found out that nearly 20 percent of that month’s total onion trading at the Lasalgoan APMC, Asia’s largest onion market in Maharashtra’s Nashik, was accounted for by one firm.

This resulted in a large ‘price spread’, meaning many groups of middlemen pocketed their share before it reached the final consumer, leaving a yawning gap between the price the farmer received and the eventual retail selling price.

The government says the new law will enable farmers to sell their produce at attractive prices. It will also remove barriers in inter-state trade, allowing farmers from Uttar Pradesh, for instance, to sell to buyers and merchants in Gujarat through an e-trading framework.

The argument in support of amending ECA is also similar: to eliminate punitive measures such as preventive detention, confiscation of vehicles and attachment of

properties of suspected hoarders and black marketeers.

The government's view, it appears, is broadly on the following lines. The removal of restrictions, based on the recommendations of an expert panel, will enable merchants to directly purchase produce from farmers in large quantities. This can be particularly helpful in times of bumper harvest, when farmers are forced to dump produce in wholesale markets at throwaway prices.

***The government says the new law will enable farmers to sell their produce at attractive prices. It will also remove barriers in inter-state trade, allowing farmers from Uttar Pradesh, for instance, to sell to buyers and merchants in Gujarat through an e-trading framework.***

Previous rules limited the quantities traders could buy from farmers and hold as stock. If a trader could not buy or hold sufficient quantities of grains for a certain profit margin, they would not buy out surpluses that farmers may have to sell. This has been identified as one of the reasons why farm incomes have taken a hit.

In its 2019 manifesto, the Congress promised to replace the ECA with a new law, terming the ECA 1955 as a legislation that belonged to the "to the age of controls".

"Congress promises to replace the Act by an enabling law that can be invoked only in the case of emergencies," the manifesto said.

The agriculture reforms blueprint, which the government has laid out, also includes the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill, 2020, that is essentially aimed at creating a price signalling system, a move aimed at eliminating price-related uncertainties at the time of sowing.

It, however, has led to concerns that it could create corporate monopolies that could entrench India's farm and agriculture economy through widespread contract farming.

There is a strand of thought favouring the law, for instance, there's no way a tomato farmer can know the price of tomatoes when these ripen and they are ready for sale. This has been a major flaw in India's agriculture market structure, where the producer, mainly of vegetables, have no certainty about what price the product will fetch.

In the case of paddy and wheat, the government's minimum support price (MSP) serves as a proxy for market prices. The MSP serves as an assured floor price that government procurement agencies such as the Food Corporation of India (FCI) pay to farmers for paddy and wheat.

No such mechanism exists for vegetables, leaving farmers to the fate of merchants and traders who mostly seek to hammer down prices to maximise their gains.

The new framework, the government says, will ensure farmers get to know about the indicative market price of their produce at the time of sowing.

The Planning Commission, the government's think-tank until 2014, repeatedly favoured creating conditions for contract farming to boost farm income.

The 11th five-year plan (2007-12) noted that "Contract farming, which is being encouraged by many States, also provides a mechanism for improving linkages between farmers and markets through the active involvement of the private sector, which can also serve as a supplier of key inputs and extension advice".

The latest bill proposes a farming agreement that must provide for a conciliation board as well as a process for settlement of disputes.

Eventually, the success or otherwise of the latest shot at reforming India's farm sector will depend on the extent to which the new policies and laws can give stronger bargaining power to the millions of small and marginal farmers that form the backbone of India's food economy.



# Agriculture Reforms: There's no wrong time to do the right thing

ANAND KOCHUKUDY  
Money Control  
18th September, 2020

The farming community had been up in arms ever since the Bharatiya Janata Party (BJP)-led National Democratic Alliance (NDA) government's issuance of three ordinances pertaining to the agriculture sector. On September 14, three Bills – The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, The Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services Bill, and The Essential Commodities (Amendment) Bill – were tabled in Parliament to replace these ordinances.

While the protests were sporadic till last month, they have intensified in Haryana and Punjab after September 14. Agitators in Haryana, under the aegis of the Bharatiya Kisan Union (BKU), blocked the Delhi-Chandigarh National Highway. On September 17 the Bills were passed, following which Shiromani Akali Dal's Harsimrat Kaur Badal, who held the Food Processing portfolio in the Narendra Modi Cabinet, chose to tender her resignation in solidarity with the protesting farmers.

The misgivings of the farmers seem to be on account of the impression that has gained ground that these reforms are a precursor to the Modi government's move to do away

with the Minimum Support Price (MSP) regime, thus making farmers vulnerable to the vagaries of the fluctuating market. The farmers have largely been protesting The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, which is, in fact, a much-anticipated reform that is set to transform the marketing of agricultural produce.

The monopolistic Agricultural Produce Market Committees (APMCs), which have been setting

***That the Left parties would oppose these reforms was a foregone conclusion owing to their trade-unionist approach to issues, but the fact that the Congress too would raise objections is rank opportunism, as the APMC reforms have had bipartisan support for nearly two decades.***

and controlling the prices of farmers' produce through cartelisation, will cease to exert control over farmers with this far-reaching reform. The farmers will henceforth be free to sell their produce at farm gates to any trader willing to buy it at a mutually agreed price, bypassing the mandis.

The protests being witnessed in Punjab and Haryana seem to be engineered by commission agents and middle-men, feeding on the insecurities of gullible farmers. That the Left parties would oppose these reforms was a foregone conclusion owing to their trade-unionist approach to issues, but the fact that the Congress too would raise objections is rank opportunism, as the APMC reforms have had bipartisan support for nearly two decades.

The Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services Bill is an equally important reform which would make it possible for farmers to get into formal contracts with traders/businessmen before sowing and, which would assure them a guaranteed price for their produce.

The formalisation of such contracts would give a sense of security to farmers, unlike the present situation, which render them vulnerable to trading cartels and price fluctuations. For a country that is often witness to farmers hitting the streets for government hand-outs, these Bills would truly empower them to take informed decisions and be masters of their own destiny.

In fact, the long-term exploitation of farmers by various stakeholders, including state governments through the arbitrary demarcation of APMCs (often extending to an entire taluk or even a district) and taxing farmers (as high as 8 percent in Punjab) on the selling of their own produce was rank exploitative. It is actually the small

***The formalisation of such contracts would give a sense of security to farmers, unlike the present situation, which render them vulnerable to trading cartels and price fluctuations.***

and marginal farmers who are going to benefit the most out of these two reforms as farmers with large landholdings already have some form of protection by way of MSPs.

The possibility of forward contracts will also empower smaller farmers to seek more profitable crops than go for the safest choices. This will increase productivity, crop diversity and lead to better demand-supply outcomes.

The Essential Commodities (Amendment) Bill warrants a closer inspection. Although it is an extension of the other two Bills, as the amendment would result in the development of cold chains and storage facilities, the possibility of hoarding and price manipulations need to be factored into. The Bill does give the government powers to impose restrictions in case of a 100 percent increase in the prices of non-perishables and 50 percent in perishables.

By and large, the only logical argument put forth by the Opposition against these reforms pertain to the powers of the Centre to enact such laws as agriculture and markets are State subjects – entry 14 and 28 respectively in List II. The Centre's contention that trade and commerce are part of the concurrent list would

***The possibility of forward contracts will also empower smaller farmers to seek more profitable crops than go for the safest choices. This will increase productivity, crop diversity and lead to better demand-supply outcomes.***

probably hold them in good stead if these were to be judicially challenged.

The government will also have to explain the under-allocation of funds to the Food Corporation of India (FCI), which is being extrapolated as a sign of the government's lack of commitment to procure grains at MSP.

Conspiracy theorists suggest that the timing of the introduction of the ordinances, followed by the Bills, is suspect, but then there is never a wrong time to do the right thing. It was high time that the government concentrated on agricultural reforms in any case.



# INFORMATIVE ARTICLES

## Farm Laws 2020: Correcting a Historical Wrong

---

Akhilesh Mishra  
7th December, 2020  
Organiser

Prime Minister Narendra Modi in a speech in August earlier this year succinctly summed up the crux of the issue bedwelling with the farming sector. He said, "Just as industries have the freedom to fix the price of their produce and sell it anywhere in the country, why can't farmers get such a facility too?"

To understand what this means in practice, think of a world where a producer of a good or service is told that you put in your own money, utilise your specialised know-how, put in your hard labour, create your own storage capacity and manage your own transport for producing and transporting the good that you want to market. One would think that is standard practice, right? That every producer does precisely the same thing.

However, what would be your reaction when you are then told that the producer of such finished good has been told that where you sell, how much you sell and at what price you sell will be decided not by you but by us, a group of people who are neither producers nor consumers but just a group of strong-arm middlemen who are insisting on this way, because we can.

Would not the first reaction of

anyone when told of such a system would be that of incredulous disbelief? Sure, some may argue, that such systems existed in the medieval ages but do they still exist now? For now, the argument would be, in the modern times the entire systems have evolved everywhere in the world and producers of goods, and indeed services, are free to sell their produce wherever they want and to whoever they want and at whatever price they can command. Sounds logical right? Except that it was not so for Indian farmers, who constitute more than India's 50% workforce.

### Roots of the Historical Wrong

It is quite ironic that even 70 years after Independence, India was continuing with a system in agriculture which was not just medieval in method and practice but was actually first introduced in the medieval period itself. Alauddin Khilji, the Turkic invader who ruled India in the 14th century, first introduced the trade and price control policies to support his large and marauding army and enrich the Turkic nobility. Later, East India Company during the late 18th and early 19th century further chained the freedom of the farmers by forcing them to grow Indigo and Opium and then sell it dirt cheap rates. A few decades later, The

British, now ruling directly, followed the same policy to procure cheap cotton for their mills in Manchester. In 1887, they even promulgated an act that has survived in one form or the other till recently.

The end result, the Indian farmers – who had created a prosperous nation that lasted more than multiple millennia – were impoverished within a few centuries and the rural economy completely decimated. A country with no significant record of famine or deprivation during the dark centuries of Europe was suddenly facing a devastating famine every few decades!

One would have thought that with India gaining Independence in 1947, the first order of business would have been to dismantle these destructive policies. The reverse happened. The 1887 British predatory law took rebirth as the Essential Commodities Act (ECA), and the state-level Agricultural Produce Marketing Committee (APMC) Act in 1955.

The ECA act was used to control production, supply, trade, and storage of commodities arbitrarily deemed essential. The APMC act forced the farmers to sell their produce only through designed channels and mandis (markets) and prevented trading outside their local area. So, soon after Independence, while the nation had been politically integrated after great efforts by Sardar Patel, the agriculture market was by design fragmented into a thousand pieces!

The net result of these policies, promulgated in a free India, were ironically the same that the policies of Khilji had seven centuries ago. A small, connected group of middlemen emerged, who monopolised the entire farm trade. The farmer got a pittance for his produce, since it was a monopoly buyer situation, while the consumer often faced high prices

for essential items. The intervening layers of middlemen, controlled by politicians, were the big fat earners.

It is in this context that we need to understand the three reform bills passed by India Parliament that completely dismantled this unholy nexus. Let us understand the background to these reforms, the need for these reforms and the almost two-decade-long consultation process for these reforms.

### **Background of These Reforms – The Income Disparity**

While the farmers have made India extremely productive with their sweat and toil, the issue of profitability in the agriculture sector was always being side-lined. The reforms in agriculture and agricultural markets would upset cartels of middlemen and therefore were never attempted with any serious attempt.

Despite economic liberalisation starting during the nineties, agriculture as a sector was left out. What was the outcome of this? Consider this data point. The difference in the annual income of Farmer and Non-Farm worker, which stood at Rs 25,398 in 1993-94 further widened to Rs 54,377 in 1999-2000 and, in the next decade, it further increased to more than Rs 1.42 lakh. Or consider that the dairy and fisheries sector where government intervention is minimal is growing at an annual rate of 4% to 10%, while the growth in the food grain sector, where regulations have been excessive, has been at an average of 1.1% annually after 2011-12. Hence, it was always known that the agriculture sector too needed pro-farmer reforms, just like the reforms in other sectors, to increase the income of farmers.

### **The Challenges for Farming Sector**

Due to the previous non-attempts

to fundamentally reform the agriculture sector, several challenges arose that held the sector back. Some of these challenges are:

1. **Fragmented Markets:** Each market functioned as a separate entity, hampering intra as well as interstate trade.

2. **Insufficient Markets:** At the same time, there were not enough markets to deal with growing produce.

3. **Market Fees & Charges:** Taxes, various commissions raised the cost of the final product, while reducing returns to farmers

4. **Inadequate Infrastructure:** Despite market taxes, infrastructure in markets remained underdeveloped and not in tune with modern supply chains

5. **Post-Harvest Losses:** This inadequate infrastructure led to high post-harvest losses, estimated at as

much as Rs 90,000+ crore in 2014

6. **Restriction in Licensing:** Entry as a licensed agent was restricted, discouraging competition and encouraging cartelisation

7. **High Intermediation Costs:** The fragmented system led to high intermediation costs, raising costs for consumers, while depressing prices received by farmers

8. **Information Asymmetry:** Farmers often lacked market information, which traders & commission agents withheld from farmers

9. **Inadequate Credit Facilities:** Informal credit channels still dominated formal channels.

#### **A Two Decade process of Consultation**

Many ill-informed voices are arguing that these bills were brought in haste without any consultation. The reality is, extensive consultation has taken place since the last two decades and more in the run-up to the enactment of these three farm bills. The current bills are perhaps the only reforms in India for which more than two decades of consultations have taken place in various forms, and under multiple governments, and all have been moving progressively in the same direction.

The process of consultation started when the then Ministry of Agriculture, under the NDA government led by Prime Minister Vajpayee, appointed an Expert Committee in December 2000 under the Chairmanship of Shankarlal Guru, to review and recommend measures to make the agriculture marketing system more efficient and competitive. The Report of the Expert Committee on Strengthening and Developing of Agriculture Marketing, 2001 said, "the

*While the farmers have made India extremely productive with their sweat and toil, the issue of profitability in the agriculture sector was always being side-lined. The reforms in agriculture and agricultural markets would upset cartels of middlemen and therefore were never attempted with any serious attempt.*



***Many ill-informed voices are arguing that these bills were brought in haste without any consultation. The reality is, extensive consultation has taken place since the last two decades and more in the run-up to the enactment of these three farm bills. The current bills are perhaps the only reforms in India for which more than two decades of consultations have taken place in various forms, and under multiple governments, and all have been moving progressively in the same direction.***

institution of regulated market, has, however, achieved limited success. Over a period of time, these markets have, however, acquired the status of restrictive and regulated markets, providing no help in direct and free marketing...".

This process continued under the UPA government when they followed up with states to adopt the model 2004 APMC law and even framed new rules and regulations in 2007. Other forms of expert group consultations were taking place simultaneously. National Commission on Agriculture chaired by noted and respected scientist M.S. Swaminathan submitted its report in 2006, which recommended promotion of Unified National Market.

In March 2010, then Minister for Agriculture in the UPA government, Sharad Pawar, constituted an Empowered Committee under the Chairmanship of Agriculture Minister of the Government of Maharashtra and 10 State Ministers. This Committee, in its report in 2013, suggested simplification of procedure of contract farming, barrier-free national markets, waiving off of market fee on fruits and vegetables, among other things. The Committee

also made the recommendation to "develop a National Single Market for agricultural produce, by removing all the existing physical, legal, and statutory barriers". It also recommended a Central Legislation to deal with "Inter-State Agricultural Marketing, promotion of agribusiness, trade and commerce at the national level".

The NDA government, led by Prime Minister Modi assumed office in 2014. On states' persistent request for some model template, the Ministry constituted Dalwai Committee to formulate such a Model Act, with members from the States of Odisha, Bihar, Rajasthan, Telangana Uttar Pradesh. The Committee after extensive consultation recommended adoption of The Model APLM Act, 2017 in April 2017. This Committee also recommended, among other things, the promotion of the national market for agriculture produce. The Adoption of this Model APLM Act, 2017 happened in West Bengal (TMC), Punjab (Congress), Uttar Pradesh, Arunachal Pradesh and Haryana, pointing out the across the political spectrum nature of the consensus.

In order to protect the interests of farmers in Contract Farming, again

the Dalwai Committee was set up which had representation from states of Punjab, Maharashtra, Odisha, Karnataka, Madhya Pradesh.

It is the process of this long and bipartisan consultation and consensus, spread over two decades, and under various governments, that finally led to the three new farm laws passed earlier this year. Therefore, it is clear that the charge that these laws were passed in a hurry, or without consultation is patently untrue.

At the outset, it is essential to note that these reforms do not dismantle the existing structure of State APMC Mandis. The Mandis will remain, and the farmers will be free to sell in the existing Mandis as they currently do. The MSP structure is also not being dismantled. The MSP system will continue and indeed, even after these three reforms were announced, the Modi government has increased MSP and then made record procurements at the newly increased rates.

### **Revolutionary Empowerment of Farmers**

Features of Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020 - The Creation of the National Market Bill- Intra and Inter-State Trade of farmers produce beyond the physical premises of the existing markets.

Trade can be conducted at any place of convenience of the farmer, like:

- ✓ APMC Mandi
- ✓ Farm gate
- ✓ Factory premises
- ✓ Warehouses
- ✓ Silos
- ✓ Cold storages

Permits online trading of farmers produce, allowing farmer organisations and private sector companies to set up their own electronic trading platforms.

Features of Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services Act, 2020 - The Contract Farming Bill

Farming agreements between farmers and buyers are made possible, for production or rearing of any farm produce.

The price of the produce will be clearly mentioned in the contract.

A specified dispute resolution mechanism, protecting the rights of both farmers and buyers.

Features of The Essential Commodities (Amendment) Act, 2020

The Central Government may only invoke the provisions of the Essential Commodities Act, 1955 in an extraordinary situation (war, famine, extraordinary price rises and natural calamities)

Imposition of stock limits must only be based on price rises, and can only be imposed if there is a 100% increase in the retail price of horticultural produce and a 50% increase in the retail price of non-perishable produce

### **Impact of Reforms**

Modi government has set itself the goal of doubling farmers' income which necessitated initiatives and reforms must focus on creating more income opportunities and better market access for farmers. The reforms were undertaken in September 2020 ensure precisely that.

For every product and for every producer, all of India is a single unified

***However, if farmers want to sell within the APMC markets or at MSP, even that is allowed. So, the MSP acts as a safety net for farmers.***

market. Only farmers were denied this benefit of a massive market.

With these reforms, Indian farmers will now finally have the freedom to sell their produce to who they want and where they want, an option denied to them up until now.

APMC Market yards will now face competition from other markets. This competition to buy from farmers means farmers have the greater bargaining power to decide their price.

However, if farmers want to sell within the APMC markets or at MSP, even that is allowed. So, the MSP acts as a safety net for farmers.

If farmers find buyers willing to buy from them at their doorstep, they can sell to them. They also have a legal framework protecting their rights when they do so. This provision saves farmers the time, money and effort of reaching markets.

Farmers will no longer be bound to pay a long list of market fees, taxes, and cesses on their produce, thus, improving their returns.

Development of infrastructure close to the farm-gate will reduce post-harvest losses, improve income through grading & sorting and boost linkages to terminal markets in food processing, retail, and exports.

This will also lead to the

development of better price discovery mechanisms for farmers, leading to a better price for their produce.

eNAM can finally fulfil its potential of serving as the national platform for electronic trading in agriculture produce.

Contract farming can act as a form of price assurance and will boost linkages with the food processing sector.

These reforms will also boost investment in the agriculture sector, through better backward linkages, assured prices, and contracts for farm services.

Bringing farmers together through Farmer Producer Organisations will enable bargaining capacity and economies of scale for even small farmers.

The impact of these reforms will see India's agriculture and food processing industries transformed. With India only processing 10% of its produce and commanding a share of 2.3% in global food exports, both these sectors will receive a much-needed fillip with a liberal procurement regime.

Private sector investments will pour in across the entire cold chain, reducing post-harvest losses and ensuring better prices received by

***For every product and for every producer, all of India is a single unified market. Only farmers were denied this benefit of a massive market.***

farmers.

Better backward linkages will ensure a better quality of produce, leading India to capture a more significant share of global export markets. So, even the global markets will open up for Indian farmers.

Employment in the food processing sector will rise, especially for the rural youth, and this will put India on the path towards becoming the leading food exporter in the world while maintaining our food security.

Most importantly, due to all of these effects, farming can become profitable even for small and marginal farmers.

For decades, it was clear that reforms were required to ensure better market access and price

assurance for farmers. States had to take the lead in instituting these reforms. Yet, very little was done in this direction in terms of meaningful action.

These reforms were required to fulfil these long-standing demands of farmers for which there was a clear bipartisan political consensus.

For too long, farmers had been held back by a restrictive regime. These reforms finally provide freedom to our farmers.

### Myths vs Realities

A lot of misinformation has been spread by vested interests around these bills. Not only are they unjustified and in most cases are diametrically opposite to what the bills intend to do.

## The Farmers' Produce Trade and Commerce (Promotion and Facilitation), Bill, 2020 – Freedom to Sell Farm Produce Across India Act

Sl. No.	Myth	Reality
1	(a) "Farmers will not get the MSP" (b) "It may eventually end MSP based procurement system" (c) "MSP operations will discontinue"	MSP system stays. In fact, the Modi government has increased MSPs multiple times and also procured more from farmers at MSP than any past government!  The new law will not affect MSPs adversely. MSP purchase on agricultural produce is done through State Agencies and there is no change in this due to this law.  MSP procurement from farmers is the top priority of the present Government and it will continue to be so.

*For decades, it was clear that reforms were required to ensure better market access and price assurance for farmers. States had to take the lead in instituting these reforms. Yet, very little was done in this direction in terms of meaningful action.*

Sl. No.	Myth	Reality
2	<p>“Trade &amp; Commerce Act will replace the State APMC Act and affect the functioning of the APMCs”</p>	<p>This Bill is not intended to replace the State APMC Act and do not affect the functioning of the APMC Mandis.</p> <p>APMCs will continue to regulate the marketing of agricultural produce within the physical boundaries of market yards. They can levy market fee within physical mandis as per their regulations.</p> <p>The Act only provides farmers with additional marketing opportunities outside existing APMCs.</p> <p>Both the laws will co-exist for the common interest of farmers.</p>
3	<p>a)“Infringement into the States powers of making Legislation”</p> <p>(b)“Encroachment in State Powers”</p>	<p>Inter-State trade falls within Entry 42 of Union List of the Constitution of India.</p> <p>Though intra-State trade falls within Entry 26 of State List, the same is subject to Entry 33 of Concurrent List of Constitution of India.</p> <p>Central government is fully competent and empowered to legislate here</p> <p>Hence, no encroachment in State powers.</p>

Sl. No.	Myth	Reality
4	<p>(a) safeguard is not provided to protect the interest of farmers”</p> <p>(b)“Exploitation of farmers by Corporates”</p>	<p>Act provides sufficient elaborate mechanism to protect the interest of farmers.</p> <p>Simple, accessible, quick and cost-effective dispute resolution mechanism is prescribed for the farmers against traders to prevent and curb any unscrupulous acts.</p> <p>Payment has to be made to the farmers on the same day or within three working days.</p>
5	<p>“The Act doesn’t safeguard farmer payments.</p> <p>The commission agents under APMC are verified and payment is secured.”</p>	<p>Payment has to be made to the farmers on the same day or within three working days.</p> <p>Deterring penal provisions have been put in place for traders to curb any malpractices.</p> <p>The penalty provision against trader will act as deterrent against any fraudulent motives.</p>
6	<p>“The Act doesn’t safeguard farmer payments.</p> <p>The commission agents under APMC are verified and payment is secured.”</p> <p>“Revenue loss of APMC mandis”</p> <p>“The Act will block the ways for the state to generate revenue from agriculture trade and will lead to the closure of APMCs eventually giving corporates monopoly on agriculture trade”</p>	<p>The State/ APMC will continue to have regulatory powers to impose mandi fees and other charges within market yards/sub yards as per State Legislation.</p> <p>State APMC Act and institutions established under such statutes will continue to operate and are not affected in any way by this reform ordinance.</p> <p>But it allows for the development of private mandi infrastructure in the state and hence, improved market access for farmers.</p>

Sl. No.	Myth	Reality
		<p>The states with efficient services at APMC market premises will continue to attract farmers and generate revenue.</p> <p>It is a win-win situation for farmers with both government and private buyers lining up to buy from them.</p>

**The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act 2020 – National Contract Farming Act**

Sl. No.	Myth	Reality
1	Corporates will take over farmers' land and farmers will end up becoming laborers	<p>Agreement will be for crops and not for land. The land of the farmer will not be affected at all.</p> <p>The law clearly disallows any transfer, including sale, lease and mortgage of the land or premises of the farmer.</p> <p>The law ensures that buyers/sponsors/corporates are prohibited from acquiring ownership rights or making permanent modifications on farmer's land.</p>
2	The Act does not provide a legal safety net for farmers against corporates	<p>Clear dispute resolution mechanism outlined. Some farmers have already got due compensation by taking legal recourse against traders.</p> <p>No recovery of dues against farmers' land. Farmer's land is safe, no matter what the situation.</p>



Sl. No.	Myth	Reality
3	The Act does not provide any price guarantee for farmers	<p>The law clearly says that the price of farming produce may be mentioned in the farming agreement itself, which assures the price.</p> <p>It also says that, in case, such price is subject to variation, then, the agreement shall explicitly provide for a guaranteed price to be paid for such produce.</p> <p>If the buyer fails to honour the agreement and does not make payment to the farmer, penalty may extend to one and half times the amount due!</p> <p>Some farmers have already benefited from this</p>
4	Big companies will exploit farmers in the name of contract	<p>The contract agreement will guarantee the farmers to get the fixed price.</p> <p>Farmer can withdraw from the contract at any point without any penalty</p>
5	Such agreement-based farming has never been tried in India	<p>Punjab already has a contract farming law.</p> <p>PepsiCo already works with farmers of various states including Punjab through contracts, helping farmers realize better prices.</p>

## **Modi's Commitment to Indian Farmer**

It is clear, therefore, that the three farm bills passed by India Parliament, earlier this year have been passed after extensive consultations in, which all stakeholders were on board; the laws will finally free the farmers from the unfair restrictions imposed on them; and will create a unified national market which will increase competition and thereby income opportunities for the farmers.

Prime Minister Modi has been one of the most consistent advocates of farm reforms and his life journey, and experience first as Chief Minister of Gujarat and then as Prime Minister of India are a testimony to this fact. As Chief Minister of Gujarat, he led the state in achieving double-digit growth in agriculture sector for successive years which created the base of growth of the state. It was his record of understanding the pulse of the farming sector that led to him innovating many new policies that propelled the farming sector. He brings the same experience in

his Prime Ministerial stint and the record in the last six years are proof of that same commitment. Some of the measures taken since 2014 bear out that the farming sector has always been the top focus for Modi government and his push to double farm incomes are not just statements but actual policy. Take budgetary allocations, for instance. How much you spend on a sector are the firmest proof of your intention. In the year 2013-14, the Budget allocation for the Department of Agriculture was only Rs. 21,933.50 crore. In the year 2020-21, the Budget allocation has been increased by more than six times to Rs. 1,34,399.77 crore.

Or take the consistent focus of Modi government on not just increasing MSP but also procurement under MSP. MSP payment to farmers for paddy has risen by 2.4 times during the last five years in comparison to the period from 2009-10 to 2013-14. MSP payment of Rs 4.95 lakh crore has been made as against Rs 2.06 lakh crore of the previous five years.

MSP payment to farmers for wheat

***Prime Minister Modi has been one of the most consistent advocates of farm reforms and his life journey, and experience first as Chief Minister of Gujarat and then as Prime Minister of India are a testimony to this fact. As Chief Minister of Gujarat, he led the state in achieving double-digit growth in agriculture sector for successive years which created the base of growth of the state. It was his record of understanding the pulse of the farming sector that led to him innovating many new policies that propelled the farming sector. He brings the same experience in his Prime Ministerial stint and the record in the last six years are proof of that same commitment.***

has increased by 1.77 times during the last five years in comparison to the period from 2009-10 to 2013-14. MSP payment of Rs 2.97 lakh crore has been made as against Rs 1.68 lakh crore of the previous five years. MSP payment to farmers for pulses has increased by 75 times during the last five years in comparison to the period from 2009-10 to 2013-14. MSP Payment of Rs 49,000 crore has been made as against Rs 645 crore of the previous five years. MSP payment to farmers for oilseeds and copra has increased by ten times during the last five years in comparison to the period from 2009-10 to 2013-14. MSP Payment of Rs 2,5000 crore has been made as against Rs 2460 crore of the previous five years.

The provision of PM Kisan, which provides the direct benefit of Rs, 6,000 per year to every farmer in India is another indicator of the deep understanding and sensitivity that the Prime Minister has towards our farmers. The amount is beneficial for the marginal and small farmer and contributes as an extra income for meeting many of his needs.

### **Future of Farming Sector**

The latest reforms pushed by Prime Minister Narendra Modi, unmindful of any short-term political blowback by vested lobbies, are thus genuinely historic. They reverse not just a seven-decade-old stifling policy framework

but in fact a seven-century old cycle of impoverishing India's farmers and by consequence the rural economy.

The agriculture reforms are significant not just for India but for the larger world too. As free trade becomes a norm, income levels will rise in rural India, a population zone of over 600 million, there will demand of all kinds of goods and services. While this will undoubtedly contribute to India's GDP growth, it will also be a significant opportunity for the producers of these goods and services, across the world, to cater to an entirely new market hitherto untouched.

***MSP payment to farmers for paddy has risen by 2.4 times during the last five years in comparison to the period from 2009-10 to 2013-14. MSP payment of Rs 4.95 lakh crore has been made as against Rs 2.06 lakh crore of the previous five years.***

# Who Is Anti-farmer? Those Who Brought Farm Bills or Those Who Are Opposing the Bills?

The True Picture  
18th September, 2020

In the ongoing parliament session, the opposition has gone into protest mode over the two bills passed in the Lok Sabha. In the din created by the opposition one can hear the over-use of a phrase, "anti-farmer law". How are the two bills passed in the Lok Sabha anti-farmer? Again,

scaremongering with myths like, it will push farmers towards the exploitation of big corporates and the existing market system along with the end of Minimum Support Price, can be heard. None of these have any factual basis. Here is a quick look of myths and reality in this regard.

**PROTESTS AGAINST AGRICULTURE LAWS**

**MYTH VS REALITY**

MYTH	REALITY
<ul style="list-style-type: none"> <li>● The two new bills regarding agriculture market reforms are aimed at ending Minimum Support Price for farmers.</li> <li>● The proposed laws are anti-farmers since the market force will decide their fate.</li> <li>● This is an act of taking away the powers of states by nullifying APMC yards.</li> <li>● Modi government pushing farmers to the sphere of exploitation by allowing contracts with big corporates.</li> </ul>	<ul style="list-style-type: none"> <li>● Farm bills are not going to affect MSP at all. The bill deals with additional trading opportunities for farmers outside the APMC market</li> <li>● On the contrary, farmers can make more benefit by selling their produce to anyone by entering into an agreement. Middlemen stand removed from the process.</li> <li>● States can still have APMCs under their law, but can't force farmers to sell only to them. This is about giving more choices to farmers.</li> <li>● Contract farming is already in practice under APMC laws. Some examples of contract farming are seen in Punjab (PepsiCo), West Bengal (PepsiCo) and Haryana (SAB Miller). Moreover, the UPA had also formulated laws to encourage states for contract farming.</li> </ul>

TruePictureIndia
[www.thetruepicture.org](http://www.thetruepicture.org)
 the\_truepicture
 **THE TRUE**

***Here comes the vague argument that farmers can be cheated by the rich corporates. But the law provides safeguards. Sale, lease or mortgage of farmers' land is totally prohibited and farmers' land is also protected against any recovery.***

### **Two Bills in a Gist**

The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020 simply ensures freedom of selling for farmers. It opens up competitive alternative trading channels to promote efficient, transparent and barrier-free inter-State and intra-State trade and commerce of farmers' produce outside physical premises of markets or deemed markets notified under various State agricultural produce market legislations.

Now what is "anti-farmer" here? Farmers can sell their produce to anyone or they can still sell their produce to APMC or any local mandi. This is a pro-farmer step which provides the community with choices.

The Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services Bill, 2020 brings a national framework on farming agreements that protects and empowers farmers to engage with agri-business firms, processors, wholesalers, exporters or large

retailers for farm services and sale of future farming produce at a mutually agreed remunerative price framework in a fair and transparent manner.

Farmers with entrepreneurial spirit can explore such avenues. Staying away from such agreements is anyway the choice that the farmers always have. Here comes the vague argument that farmers can be cheated by the rich corporates. But the law provides safeguards. Sale, lease or mortgage of farmers' land is totally prohibited and farmers' land is also protected against any recovery. Effective dispute resolution mechanism has been provided for with clear time lines for redressal.

### **Expert Opinion**

All the experts in the domain of agriculture and economy do agree that these reforms will strengthen farmers. They are unanimous in claiming that the measures will weed away the middlemen from the agricultural market and the benefits will ease both farmers and consumers.

A long-time watcher of the agriculture policy space and an expert in that domain, Ashok Gulati has hailed the move when the measures were announced back in May. He wrote, "the proposed Central law to allow farmers to sell to anyone outside the APMC yard will bring greater competition amongst buyers, lower the mandi fee and the commission for arhatiyas (commission agents) and reduce other cesses that many state governments have been imposing on APMC markets. Our farmers suffer more in marketing their produce than during the production process. APMC markets have become monopsonistic with high intermediation costs. The proposed law will open more choices for the farmers and help them in getting better prices."

## From Plate to Plough: A 1991 moment for agriculture

Proposed reforms in agri-marketing laws address longstanding needs of farmers. They could build efficient supply chains, ensure better products for consumers.

Written by [Ashok Gulati](#) | Updated: May 18, 2020 9:58:30 am

Back in 2018, economists Anirudh Burman, Ila Patnaik, Shubho Roy, Ajay Shah together wrote an article in which they highlighted, “Unlike other commodities, agricultural products cannot be transferred freely throughout the country without being subject to state-specific restrictions. Markets in agricultural food products are governed by legal requirements or restrictions which were put in place with the intention of creating markets (such as APMCs) but have had the effect of keeping markets non-competitive, segregated and localised.”

Economist Sanjeev Sanyal highlighted the problem in his article, “The APMC system, meanwhile, forced farmers to sell their produce only through designated channels and mandis. The combination led to an inefficient regime of licenses, permits and inspectors. The drawbacks of the system were well documented over decades and many economists had argued for change. Some attempts were made to reform it piecemeal but the system had largely remained intact till now”

### Then, Why Do the Political Parties Oppose?

So, if all the experts have for a long-time batted for a unified national market in agriculture, why do many politicians oppose this move?

While the opposition for the sake of opposition is also playing its role, it is also no secret that APMC administration has been a political playfield for a long time. More often than not, it is the card-holders of political parties who occupy and control the middlemen and traders in the agricultural market. Sample these headlines from media by themselves tell you the story of a political economy in the name of farmers welfare. A headline from Hindustan Times from this year’s January reads, Cong-NCP alter APMC election rules to regain control of cooperative sector, Another headline from Karnataka back in 2017 reads, JD(S) backed candidates win APMC election in Kolar.

Natural that those who treat agricultural markets like their political

***While the opposition for the sake of opposition is also playing its role, it is also no secret that APMC administration has been a political playfield for a long time. More often than not, it is the card-holders of political parties who occupy and control the middlemen and traders in the agricultural market.***

# Daam— An Economy That Works For All

To ensure that no Indian is left behind, Congress will provide a Minimum Income Support Programme (MISP) or Nyuntam Aay Yojana (NIAY) under which Rs. 72,000 a year will be transferred to the poorest 20 per cent families in India. We will provide special respite to farmers and farm workers, not just through "Karz Maaf" or a loan waiver but by setting farmers on the path to "Karz Mukti," or Freedom from indebtedness.

## 07 Agriculture, Farmers and Farm Labour

Many years ago, Jawahar Nehru said, "Everything can wait but not agriculture."

In the last 5 years, under the BJP Government, the agriculture sector has been driven into deep crisis. Minimum MSP was denied for 4 years, the procurement machinery was non-existent or weak; debt of farmers mounted; prices of inputs increased steadily; credit was inadequate; demonetisation devastated the cash-based agricultural economy; co-operative credit societies and apex co-operative banks were denied the right to convert their deposits, thereby chalking co-operative credit to the farmer; the terms of trade moved decisively against agriculture; the crop insurance scheme robbed the farmer and enriched the insurance companies, and with little or no support from the government farmers and farm labourers were left to fend for themselves.

Congress has heard the cry of anguish of farmers and feels the pain of their acute distress.

01. Immediately after forming the governments in Odisha, Madhya Pradesh and Rajasthan, as proposed, the 3 Congress Governments waived the loans of farmers. Congress promises to waive the outstanding farm loans in other States as well.
02. We will not stop with just providing "Karz Maaf" or a loan waiver. Through a combination of remunerative prices, lower input costs, and assured access to institutional credits, we will set our focus on the path to "Karz Mukti" or Freedom from indebtedness.
03. Debt to a civil liability and we will not allow criminal proceedings to be instituted against a farmer who is unable to pay his/her debt.
04. In order to ensure priority to the issues affecting the agriculture sector, we will present a separate "Agriculture Budget".
05. Congress promises to establish a permanent National Commission on Agricultural Credit, Agrarian and Planning, consisting of farmers, agricultural scientists and agricultural economists to examine and advise the government on how to make agriculture viable, competitive and remunerative. The recommendations of the Commission shall be ordinarily binding on the government. The Commission will subsume the existing Commission for Agricultural Costs and Prices and recommend appropriate minimum support prices.
06. Congress also promises to establish a Commission on Marginal Farmers and Agricultural Labour to advise on policies and programmes that will help them raise income from higher wages and farm non-crop based agriculture such as horticulture and floriculture, dairying and poultry.
07. We will completely re-design the BJP government's failed *Kisan Bima Yojana Crop Insurance Scheme* that has only enriched the insurance companies at the cost of the farmers. We will direct insurance companies to offer crop insurance and charge premiums on the principle of 'no profit, no loss.'
08. Congress promises to work with State Governments to digitise land ownership and land tenancy records and, in particular, recognise ownership and tenancy rights of women farmers and ensure women get the benefits of agricultural-related schemes.
09. Congress will promote Farmer Producer Companies/Organisations to enable farmers to access inputs, technology and markets.
10. We will review the prices of agricultural inputs, control subsidies where necessary, and establish facilities to hire farm machinery.
11. Congress will repeal the Agricultural Produce Market Commission Act and make trade in agricultural produce—including exports and inter-state trade—free from all restrictions.
12. We will establish farmers' markets with adequate infrastructure and support in large villages and small towns to enable the farmer to bring higher produce and freely market the same.
13. Congress will formulate a policy on export and import of agricultural products that will support farmers and Farmer Producer Companies/Organisations and enhance their income.
14. Congress promises to formulate a policy to enable the construction of modern warehouses, cold storage and food processing facilities in every block of the country.
15. We will review, strengthen and improve the old system of 'Agricultural Extension Services' and bring the best knowledge and best practices to every agricultural holding in the country.
16. Congress will encourage farmers to diversify into the production of local varieties of millets and pulses that can be procured for the PDS, Mid-Day Meal Scheme and the KDS programme.
17. Congress promises a major programme to promote horticulture, pisciculture and sericulture for diversification and greater income for farmers. We will launch a national project to double the value of production in 3 years in dairying and poultry.

Daam—An Economy That Works For All | 17

18. Congress will promote organic farming, encourage farmers to use mixed fertilizers and pesticides, support verification of organic products, and help them secure better prices for organic products.
19. Congress promises to double the funding in 5 years for teaching, R&D, agriculture-related pure sciences and applied science and technology in the agricultural sector. We will establish a College of Agriculture and a College of Veterinary Sciences in every district of the country.
20. Congress promises that the distortions that have crept into the text and the implementation of the Land Acquisition, Rehabilitation and Resettlement Act, 2013 and the Forest Rights Act, 2006 will be removed and the original purposes of the Acts restored and enforced.

21. The Essential Commodities Act, 1955 belongs to the age of controls. Congress promises to replace the Act by an enabling law that can be invoked only in the case of emergencies.

22. Building on past experience, Congress will re-design MGNREGA and provide for:
  - a. Increasing the guaranteed days of employment up to 150 days in cases where 100 days have been achieved in a block/district;
  - b. Use of labour in the Waterbodies Restoration and the Wasteland Regeneration Missions;
  - c. Building village-level assets such as primary health centres, classrooms, libraries etc.

fiefdom don't want to lose control over the system and that explains the protest over this issue.

### Glaring Hypocrisy of Congress

Congress in its 2019 general election manifesto has promised to repeal both APMC law and the Essential Commodity Act. The same Congress is now crying wolf when

someone else did the much-needed reform.

This leaves us with the question—who is anti-farmer after all? Is it a government that is actually freeing farmers from the restrictions? Or is it those who are opposing this move and thereby not wanting freedom for farmers?



## Farmers' protest is 'about politics, not economics', India's IMF executive director Surjit Bhalla tells CNN-News18

Firstpost

12th December 2020

As the protests against the new farm laws entered 17th day, economist and India's executive director at the International Monetary Fund (IMF) Surjit Bhalla said on Saturday that only a small percentage of Indian farmers are against the new legislations.

He also caimed that the farmers' agitation that entered 17th day on Saturday is "not about economics, but politics".

A noted economist, Bhalla was appointed to the IMF by the Appointments Committee of the Cabinet (ACC), headed by Prime Minister Narendra Modi, in October 2019. Besides India, Bhalla also represents Bangladesh, Bhutan and Sri Lanka at the IMF.

Building on his column in The Indian Express on Saturday, Bhalla spoke to CNN-News18 in the evening and said that the farmers that are protesting against the laws are "a few politically connected, rich, and pampered" farmers from "primarily two regions" of Punjab and Haryana.

Thousands of farmers have remained firm on their demand for the withdrawal of the contentious

farm laws, and have staged a sustained protest at various border points of Delhi, amid the COVID-19 pandemic and a cold wave. Farmers have raised concerns that the new laws will weaken the provision of minimum support system (MSP) and the mandi system.

However, in his interview with CNN-News18's Zakka Jacob, Bhalla said that while it may seem like the protest has garnered widespread support from other groups of people, it could be possible that the people protesting on-ground could have political connections.

"It is clear that the political Opposition is out in force. To infer from the demonstration that all the attendees are farmers, that is a stretch. The numbers are clear – we know that there are around a hundred million farmers in India. How many of them benefit from MSP, APMC, etc? Wheat prices in India are 40-50 percent higher than world prices.

"So who's benefiting? It's not the 90 or 95 million farmers who don't produce for the market, they are not getting the price that the MSP guys are getting. Our stocks are

overflowing. This is a problem playing out since the 1980s, when the PDS system was introduced," he said.

"The reason for the protest which is primarily being run by the rich farmers in Punjab and Haryana, is that they think their unfair rich days are over," said Bhalla, who has previously served as a part-time member of the Economic Advisory Council to the Prime Minister (EAC-PM). The EAC-PM is an independent body constituted to advise the government of India, specifically the prime minister, on economic and other related issues.

Bhalla also criticised the reported demand of the farmers to set a "legal" MSP like there is a minimum wage rate in countries around the world. He said that the minimum wage rate and MSP are "not comparable".

"Where would you draw the line? What about tomatoes, pulses, onions, jowar – on all of them we're going to have a price to placate that small unit of farmers? Why are we listening to a very small minority of farmers in two regions of India? The total number of farmers in Punjab is one million," Bhalla asked.

Bhalla also stated that the farmer protest is "political and has nothing to do with the economics".

"This is political or it's like the farmers are saying that 'we are the richest farmers in India, we are the least productive in India, please subsidise us'."

About the mandi system, he said that the government should be able to acquire food for the PDS system from the marketplace instead of the mandis.

"Who will lose if we went away from the mandi system?" he asked.

Speaking about the concern that the new laws will give rise to the hoarding of food, Bhalla said, "The NFSA says that income transfers can substitute for the food. If we're concerned for the poor, give them money; which is what the government is doing. So, you want to raise the incomes of the poor, you have to go through an elaborate system – first the government has to procure the produce from the mandis at a price to give to the poor. So, why not give the money directly to the poor? The best way to give income to the poor, can be with income transfers. Who said poverty relief has to be through food?"

Bhalla also claimed that there is crisis in Punjab and Haryana. "The people are being served less because of a few pampered, rich, politically connected farmers. That's all there is to it," he said.

On being asked about why economists like Montek Singh Ahluwalia, Raghuram Rajan, and Kaushik Basu haven't supported the new laws, Bhalla said, "They probably have political goals, however, several economists have come out in support of the laws."

# Maharashtra: FPCs in 4 districts make over Rs 10 crore in out-of-mandi trade since new farm laws

Parthasarathi Biswas  
Indian Express  
1st December, 2020

Even as farmers, mostly from Punjab and Haryana, proceed to the national capital to protest the new agriculture laws, soybean farmers in Maharashtra have benefited from them to get more out of APMC deals. In the last three months, MahaFPC, the umbrella body of farmer producing companies (FPC) in Maharashtra, estimates that since

the laws were enacted in September, FPCs in four districts have made worth Rs 10 crore from trade outside mandis.

The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020, curtails the power of APMCs to regulate agricultural marketing within the four walls of the markets. Earlier, any trade within the catchment area of APMCs was regulated by these cooperative bodies that had the power to levy market cess and other taxes on such transactions.

Since September, FPCs have recorded an increased trade interest from edible oil solvent and extractors and animal feed manufacturers for directly procuring from their farmers. For farmers, this meant savings in terms of transportation cost while companies benefited by not having to pay for mandi cess.

In the last three months, 19 FPCs, mainly in Marathwada, have recorded 2,693.588 tonne out-of-mandi trade with companies. Out of these, 13 FPCs in Latur have alone supplied

***In the last three months, MahaFPC, the umbrella body of farmer producing companies (FPC) in Maharashtra, estimates that since the laws were enacted in September, FPCs in four districts have made worth Rs 10 crore from trade outside mandis.***

***Since September, FPCs have recorded an increased trade interest from edible oil solvent and extractors and animal feed manufacturers for directly procuring from their farmers. For farmers, this meant savings in terms of transportation cost while companies benefited by not having to pay for mandi cess.***

2,165.863 tonne mainly to ADM Agro Industries Private Ltd. Similarly, four FPCs in Osmanabad supplied 412.327 tonne and one FPC each in Hingoli and Nanded have supplied 96.618 tonne and 18.78 tonne oilseed to companies.

Direct sale to corporates is not new to Yuvraj Patil, who, for the past five years, has been selling to the procurement centre of ADM near his village Shelgaon in Ardhrapur taluka of Nanded. Patil, who cultivates the oilseed in over 17 of his 30 acres, said not only did it save transport cost but there were no questions about weight in those centres. "However, they stop procurement when market prices fall below the government-declared minimum support price (MSP)," said Patil, who also maintains

an orchard of custard apple over 8 acres along with turmeric and banana growing over 2.5 acres of his remaining holdings. Patil is also the head of the Nanded district unit of the farmer union Swambhimani Shetkari Sanghatana, whose founder Raju Shetti has criticised the new legislation. He said while the law was not contentious to farmers, the government should ensure that non-MSP procurement did not happen outside mandis. "Also the grievance redress mechanism is weak," he added.

Yogesh Thorat, managing director of MahaFPC, said the present structure allows the farmer "choice to sell". "We have seen farmers and corporates honour commitments made to each other," he said.

# How new farm laws can benefit growers in a friendly market

India Today Bureau  
India Today  
4th December, 2020

As a showdown between the farmers and the central government continues in New Delhi, an India Today ground report found how the new laws can benefit growers in favourable market conditions.

While the protestors, mostly growing wheat and rice, fear the measures will destroy the price support mechanism -- the MSP -- and leave them vulnerable to a volatile market, soybean and coconut farmers in central and southern India respectively have incurred handsome gains from the recent reforms.

The MSP regime covers 23 crops, of which the government mainly procures wheat, rice, and some pulses and oilseeds, at minimum floor prices set seasonally.

## FREE-MARKET SUCCESS STORIES

The MSP for soybean (yellow variety), for instance, is fixed at Rs 3,880 a quintal for this year.

At Harda in Madhya Pradesh, an India Today report found farmers selling the produce as high as Rs 4,266 per quintal in the open market.

Ram Vilas Gurjar, a soybean farmer, said he and several other growers sold their crops at an ITC centre on a premium.

***Ram Vilas Gurjar, a soybean farmer, said he and several other growers sold their crops at an ITC centre on a premium.***

***“All farmers have had good margins,” he said. “The new law will give greater autonomy to farmers. They will get better returns, with no brokers in between.”***

“All farmers have had good margins,” he said. “The new law will give greater autonomy to farmers. They will get better returns, with no brokers in between.”

Farmers at Dewas in Madhya Pradesh were as much satisfied.

Their soybean produce has also earned them better remuneration in the open market, over and above the MSP.

***Down south in Tamil Nadu, a state known for coconut farming, farmers say they have been able to sell their produce to private players at a price higher than this year's MSP of Rs 2,700 a quintal of the de-husked variety.***

***After the new laws, farmers here have organized weekly auctions of coconuts, a Madurai farmer, R Nallapan, told India Today. He found the free-market sale more profitable.***

"The new amendments in the farm laws are beneficial for farmers," said Kamal Patel after selling his soybean produce to a private institutional buyer.

"In this competitive system, farmers are getting better results with the ITC setting up its chaupal (buying facility) here. The centre has sitting arrangements for the farmers, drinking water facilities, and electronic weighing machines. Farmers have got rid of middlemen and are getting better returns," he added.

Down south in Tamil Nadu, a state known for coconut farming, farmers say they have been able to sell their produce to private players at a price higher than this year's MSP of Rs 2,700 a quintal of the de-husked variety.

After the new laws, farmers here have organized weekly auctions of coconuts, a Madurai farmer, R Nallapan, told India Today. He found the free-market sale more profitable.

"We were selling coconuts at a loss by giving away 150 coconuts for free. And now, after giving in the auction, we are selling coconuts on profit. We thank the state government for arranging this," he said.

Nallapan believes the same model

of private auction can help rice farmers.

### **THE MSP/MANDI SYSTEM**

As of now, there are some 7,000 government-regulated mandis across the country. Punjab and Haryana rank among the states with the most robust mandi system

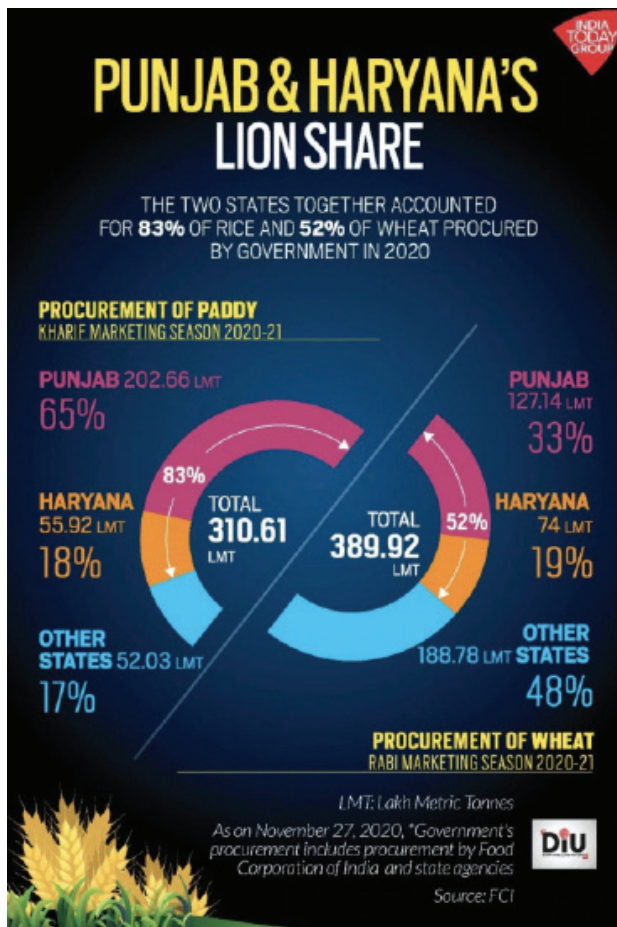
Licensed commission agents, or arhtiyas, as they are called in the two northern states, broker procurement.

The MSP-based buying by the government has its origin in the rationing system introduced by the British during World War II. A department of food came up in 1942. After Independence, it was upgraded into the ministry of food.

Those were the times when India faced acute food shortages. When the Green Revolution started in the 1960s, India was actively looking to shore up its food reserves and prevent shortages.

The MSP system finally started in 1966-67 for wheat and was expanded further to include other essential food crops. This was then sold to the poor under subsidised rates under the public distribution system.

The MSP, however, finds no mention in any law even if it has



been around for decades. While the government does declare the MSP twice a year, there is no law making MSP mandatory.

What this technically means is that the government, though it buys at MSP from farmers, is not obliged by the law to do so.

As a matter of fact, there is no law that says that the MSP can be imposed on private traders as well. Earlier, the Commission for Agricultural Costs and Prices recommended legislation to iron out a concrete MSP law for farmers, but it was not accepted by the centre.

In an interview to India Today this week, union agriculture minister Narendra Singh Tomar also said the MSP cannot be put into the new farm laws but vowed that the system, as it works, is going to stay.

"The opposition," he said, "had been in power for many years. Why didn't they include the MSP in the law? Why are they bringing this up now? There are some things which are decided by the administration. We cannot make laws for everything."

Asked about the RSS-affiliated Swadeshi Jagran Manch's demand for amending the farm laws or giving



a guarantee on the MSP, the minister said, "Every organisation has its own view but the government has to take a holistic view. The centre's priority is farmers and their benefits. That's why PM Narendra Modi has increased the MSP and is trying that in the field of agriculture."

"The farmers should get funds from the government as well as policies that help increase their production, harvest, and promote expensive crops in order to generate maximum profits. Our government's aim is that farmers' income should double by 2022. PM-Kisan Samman Nidhi Yojna is this country's first such policy where Rs 75,000 crore is transferred from the government to the farmers' accounts," he said.

## ENTREPRENEURIAL FARMING

At a modern farm in Roorkee, a farmer entrepreneur, Manmohan Bhardwaj, explained the benefits of free-market from his own experience in farming mushrooms, a non-traditional cash crop outside of the MSP system.

"You'll be able to sell your produce anywhere in the country now -- Pune, Mumbai, anywhere," he said. "This is a pro-farmer law. But the problem is that there's a lot of politics in our country. Those in the opposition get united to downgrade those in power."

*At a modern farm in Roorkee, a farmer entrepreneur, Manmohan Bhardwaj, explained the benefits of free-market from his own experience in farming mushrooms, a non-traditional cash crop outside of the MSP system.*

*"You'll be able to sell your produce anywhere in the country now -- Pune, Mumbai, anywhere," he said. "This is a pro-farmer law. But the problem is that there's a lot of politics in our country. Those in the opposition get united to downgrade those in power."*

# Farmers' unions should consider Govt proposal; we are ready for further talks, says Tomar

PTI

CNBC TV18

10th December, 2020

A day after protesting farmers rejected the government's offer for a written assurance on MSP and amend few provisions in the new farm laws, Agriculture Minister Narendra Singh Tomar on Thursday urged union leaders to consider the proposals and said he is ready for further discussions with them.

"The government is ready to consider with an open mind any provision in the new laws where farmers have any issues and we want to clarify all their apprehensions," Tomar said at a press conference here.

"We kept waiting for suggestions from farmers' leaders to address their concerns, but they are stuck on the repeal of laws," he said, while virtually ruling out conceding to the key demand with which thousands of farmers are protesting on various borders of the national capital for nearly two weeks.

Tomar said the government has always been ready for dialogue with farmers and it remains so.

"We are concerned about the farmers protesting in cold weather and during the prevailing COVID-19 pandemic. Farmers' unions should consider the government's proposal at the earliest and then we can mutually decide on the next meeting if required," the minister said.

The government had on Wednesday proposed to give a "written assurance" that the existing Minimum Support Price (MSP) regime for procurement will continue.

However, the farmers' unions rejected the proposal and said they would intensify their agitation until the government accepts their demand for a complete repeal of the three laws.

The government has also proposed to make necessary amendments on at least seven issues, including one to allay fears about the weakening of the mandi system.

Tomar, who along with his cabinet colleague Piyush Goyal had met senior party leader and Union Home

Minister Amit Shah on Wednesday night, said the government is ready to provide all necessary clarifications on their concerns about the new farm laws enacted in September, which he said were passed after detailed discussions in Parliament.

Goyal, who was also present at the media briefing, said the new laws do not affect the APMC and that would remain protected. Farmers are only being given an additional option to sell their produce at private mandis.

The farmer leaders had said on Wednesday there was nothing new in the government proposal and they will continue their protest. Shah, in a Tuesday night meeting with 13 union leaders, had said the government would send a draft proposal on key issues raised by the farmers regarding the three farm laws, even though the meeting had failed to break the ice with farm union leaders who are insisting for repealing these laws.

***On farmers' fears that mandis would weaken after the new laws, the government said an amendment can be made wherein state governments can register the traders operating outside mandis. States can also impose tax and cess as they used in APMC (Agricultural Produce Market Committee) mandis on them.***

The sixth round of talks between the government and farm union leaders, which was scheduled for Wednesday morning, was also cancelled. In the proposal, sent by Agriculture Ministry Joint Secretary Vivek Aggarwal, the government said is ready to consider with an open heart the objections which farmers have on the new farm laws.

"The government has tried to address the concerns of farmers with an open heart and with respect for the farming community of the country. The government appeals the Kisan unions to end their agitation," it said.

On farmers' fears that mandis would weaken after the new laws, the government said an amendment can be made wherein state governments can register the traders operating outside mandis. States can also impose tax and cess as they used in APMC (Agricultural Produce Market Committee) mandis on them.

On concerns that farmers may be duped as anyone having just a pan card is allowed to trade outside APMC mandis, the government said to rule out such apprehensions, the state governments can be given the power to register such traders and make rules keeping in mind the local situation of farmers.

On the issue of farmers not getting the right to appeal in civil courts for dispute resolution, the government said it is open to making an amendment to provide for an appeal in civil courts. Currently, the dispute resolution is at the SDM level.

On fears that big corporates will take over farmlands, the government said it has already been made clear in the laws, but still, for clarity's sake, it can be written that no buyer can take loans against farmland nor any such condition will be made to farmers.

***On the issue of farmers not getting the right to appeal in civil courts for dispute resolution, the government said it is open to making an amendment to provide for an appeal in civil courts. Currently, the dispute resolution is at the SDM level.***

***On fears that big corporates will take over farmlands, the government said it has already been made clear in the laws, but still, for clarity's sake, it can be written that no buyer can take loans against farmland nor any such condition will be made to farmers.***

On attaching farmland under contract farming, the government said the existing provision is clear but still it can be clarified further if required.

On fear about the scrapping of the MSP regime and shifting of trade to private players, the government said it is ready to give a written assurance that the existing MSP will continue.

On demands to scrap the proposed Electricity Amendment bill 2020, the government said there won't be any change in the existing system of electricity bill payment for farmers.

On farmers' demand to scrap the Air Quality Management of NCR Ordinance 2020, under which there is the provision of penalty for stubble burning, the government said it is

ready to find an appropriate solution.

On farmers' demand to provide registration of farming contracts, the government said till state governments make an arrangement for registration, an appropriate facility will be provided at the SDM office wherein a copy of the contract can be submitted 30 days after its signing.

On Constitutional validity of farm laws, the ministers said it has the power under Entry 33 of the Concurrent List to pass laws on contract farming and intra- and inter-state trade, and prohibit states from imposing fees/cess outside APMC areas. It had followed legal provisions while enacting the laws and earlier for bringing ordinances, the ministers said.

# Farmers' Group in Support of New Laws Meets Agri Minister Tomar, Threatens to Protest if Repealed

News18

12th December, 2020

Amid an ongoing protest against three farm laws, a delegation of 29 farmers from Haryana met Agriculture Minister Narendra Singh Tomar on Saturday to extend their support to the new legislations and threatened to stage a protest if those are repealed. The delegation, led by Bharatiya Kisan Union's (Mann) Haryana state leader Guni Prakash, submitted a "letter of support" to Tomar on the farm laws passed by Parliament in September and demanded the government to continue with these legislations.

"We will also protest if the government repeals the laws. We have given a memorandum to all districts," Prakash told reporters after the meeting. He also sought to know why the previous government did not implement the recommendations of the Swaminathan Commission till 2014.

"Everyone has a right to protest. They have, so do we. We are in support of the three laws, but this protest is being led by Leftists and those who are violent," he said. Claiming that the ongoing farmers' agitation is no longer a peasant movement, the BKU leader said, "It has taken a

political colour. Farmers will get real freedom through these three laws." This was the second group of farmers from Haryana that met Tomar and extended support to the farm laws. The first group had met the minister on December 7.

No breakthrough has been achieved during the six rounds of talks between the Centre and the agitating farmers so far, as the farmers have stuck to their demand for a repeal of the laws, despite the government sending them a draft proposal to amend specific issues

***Claiming that the ongoing farmers' agitation is no longer a peasant movement, the BKU leader said, "It has taken a political colour. Farmers will get real freedom through these three laws."***

without abolishing the legislations.

The three laws have been presented by the government as major reforms in the agriculture sector that will remove the middlemen and allow farmers to sell their produce anywhere in the country. However, the protesting farmers have expressed apprehension that the new laws

would pave the way for eliminating the safety cushion of Minimum Support Price (MSP) and scrap the mandis (wholesale markets), leaving them at the mercy of big corporates.

The Centre has maintained that the MSP and the mandi system would continue and would rather be improved and strengthened further.

# Farm Bills will give India's farmers more economic freedom

---

ABHINAV PRAKASH SINGH  
*Money Control*  
22nd September, 2020

Food policy since Independence has been trying to chase the chimera of an impossible trinity of ensuring the supply of food grains to the consumers at an affordable price, ensuring a fair return to farmers, and ensuring food security.

Using the State apparatus to artificially ensure higher prices to farmers benefits medium and large farmers – the beneficiaries of the green revolution. Whereas the small and marginal farmers, the majority, are net buyers of foodgrains need support as the consumers. Higher prices to benefit politically and socially influential farmers hurt the consumers, and this brings upon a counter political pressure on the government, especially from the urban populace.

Over the decades, the objective of food security has resulted in unpredictable and ad-hoc policies such as the essential commodities Act, banning the exports of agricultural products at the whims of the government when farmers could have benefited from the higher international prices.

That it is impossible to achieve

these objectives simultaneously did not force the rethink under successive governments, but instead caused them to double down with even more rules and regulation – and micromanagement. The result was an agriculture sector where the worst form of license-permit raj reigned supreme even as India was progressively dismantling them in other sectors.

The reason is not difficult to understand if we look at the rural politically economy spawned by decades of such policies. The control over Agriculture Produce Market Committees (APMCs), co-operative bank and other co-operatives, fixation of higher MSP for specific crops are the sources of power for the local elites. Moreover, for the political parties, these local semi-feudal elites are the route to political power.

It was, therefore, impossible to introduce any reforms that would disturb the prevailing equilibrium even though the need for it was widely recognised in all policy circles. It was impossible until a full-majority government decided to put its political capital at stake.

***Neither are the APMCs abolished nor is the MSP discontinued. Instead, the absurdity of the farmer being the only producer without the right to fix the price of their produce is over. Contrary to the apprehensions, the MSP isn't included in the legislation because it's an administrative mechanism, not legislative so that it can have flexibility as per the requirement. Also, the farmers will only sell to the private player if they get a price above the MSP under the State procurement.***

The Narendra Modi-led Bharatiya Janata Party (BJP) government has succeeded in passing three farm Bills in the Lok Sabha and two in Rajya Sabha. The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020 ends the monopoly of the APMCs and their political overseers. It allows the farmer to sell their produce directly anywhere in the country at any prices.

Neither are the APMCs abolished nor is the MSP discontinued. Instead, the absurdity of the farmer being the only producer without the right to fix the price of their produce is over. Contrary to the apprehensions, the MSP isn't included in the legislation because it's an administrative mechanism, not legislative so that it can have flexibility as per the requirement. Also, the farmers will only sell to the private player if they get a price above the MSP under the State procurement.

It also seeks to promote barrier-free inter-state and intra-state trade and commerce without any fee or levy outside the physical premises of markets notified under the State Agricultural Produce Marketing legislation.

The Farmers (Empowerment and Protection) Agreement of Price

Assurance and Farm Services Bill, 2020 allows contract farming. It enables farmers to enter into a contract with agribusiness firms, processors, wholesalers, exporters, or large retailers. It will enable them to access credit, technology, and assured prices. The small and marginal farmers can also benefit via aggregation under contract with a single buyer.

The Essential Commodities (Amendment) Bill, 2020 removes cereals, pulses, and other products from the essential commodities list. It removes the imposition of stock holding limits except in situations like war. It will enable businesses to operate freely without bureaucratic and regulatory hassles. In 2019, 76,000 raids were conducted under the Act with zero impact on price volatility which actually increased. Hardly 2-3 percent cases stand in the court, and the Act was used to harass traders and enabled rent-seeking by the officials.

The roots of the APMC goes back to colonial rule with the aim of ensuring the cheap supply of raw cotton to mills in Britain. The basic idea of these policies could never produce prosperity or stability for the farmers no matter if they were 'adapted' in the socialist era.



Dismantling of these regimes will allow more economic freedom to the farmers.

These reforms will attract private investment in rural infrastructure such as cold storage, and transportation. It will enable modern agri-business tech companies and startups to enter the market and provide innovative solutions while leveraging new economic opportunities. The results can only be beneficial both for the farmers and consumers as it reduces the 'farm to table' distance.

It will, however, require a robust legal and intuitional mechanism for fair play, protection of the farmers and reduce the time and cost of dispute resolution. The success, in the end, will depend on the co-ordination between the Centre and states, unlike the politics of protests we see today.

***These reforms will attract private investment in rural infrastructure such as cold storage, and transportation. It will enable modern agri-business tech companies and startups to enter the market and provide innovative solutions while leveraging new economic opportunities.***

# #SWARAJYA

## Note To Eminent Intellectuals: Tortured Arguments Are Not A Substitute For Economics 101

*Karan Bhasin  
Swarajya  
4th December, 2020*

Recently, a certain public figure had expressed his views on farmer agitation, stating that Dr Ashok Gulati and economists in general are wrong when it comes to this issue.

On any other issue, I would have probably ignored the piece, let alone respond to it. However, the issue has become important as many people are genuinely curious to know about the new farm bills and what they mean - and for them, they can refer to my previous articles on this issue.

This article is solely for the purpose of providing a rebuttal to the arguments presented by the public figure as he disregards scholarly expertise. The lapsed academic states that Dr Ashok Gulati is mistaken and invokes the exchange between economists Jean Dreze and Ashok Kotwal in response to the idea of cash transfers instead of subsidised food grains.

That debate can be resurfaced and this time, there is significant literature that is available to support the hypothesis that cash transfers are not only efficient but are also preferred by households.

Various studies have documented the experience of cash transfers and its transformational impact on communities and vulnerable groups. Economist Santiago Levy's work on the subject are surely worth reading for those interested.

Cash transfers are the most potent tool for poverty alleviation and yet, Dreze had opposed them on numerous grounds. Available evidence in 2020, however, points at people preferring cash transfers - and I myself have studied the experience of DBT-PDS (direct benefit transfer-public distribution system) as a part of a joint paper which documents the same.

This discussion is important as Yogendra Yadav invokes the distinction drawn originally by Dreze between an economist who advises the poor and an economist who advises the government.

He ends by stating the views of Jean Dreze which state that cash transfers would be the most efficient way to help the poor, but food grain delivery is the best real option. By now, we know that this assumption is incorrect as cash transfers are better and often preferred by the poor that the economist advises.

The eminent thinker further states

that the assumptions made by the economist about the potential impact of the laws in terms of greater economic freedom, improved price realisation and competition in agriculture marketing are flawed and that the ground realities are shaky.

Nothing can be farther from the truth as we do know that greater economic freedom has benefitted Indian economy. The problem with Yogendra Yadav's piece is that it disregards the experience of India and of different parts of the world as they unshackle the regulatory regimes that leads to low productivity.

The fundamental point here is that Yogendra Yadav fails to recognise that

- ✓ MSPs benefit only 6 per cent of farmers
- ✓ APMCs are by themselves an extractive institution in itself
- ✓ There are feudal production relations in agriculture and regulated markets further consolidate the same

Consider this, a market which is restricted will always give greater market power to some agents who can then distort the price discovery. This happens a lot in our APMCs and opening up of parallel markets would reduce the ability of large farmers to distort the markets and exploit the small and marginal farmers.

Moreover, even if there is government monopoly in terms of being the largest procurer, it cannot procure the entire production of wheat which is well beyond our consumption.

Further, Yogendra Yadav makes another analytical mistake as he states that a farmer who does not understand economics is better to

***Further, with private mandis coming up due to greater private sector investments in the agricultural sector, we will see much better access to markets for the farmers which will do away with the complaint of absence of mandis.***

analyse the impact of these laws than disciplined minds trained to understand economics. The error here is that by this logic, a cancer patient should be better equipped to cure his illness than say an oncologist?

He suggests relying on anthropologists or activists to understand the impact of the laws on competition, functioning of markets and its subsequent outcomes than economists who are trained rigorously to do the same. Perhaps, by his logic, we should rely more on dentists to help us cure cancer?

The blatant disregard for genuine scholarship in his article suggests that he is trying to find evidence to support his hypothesis even when there is no such evidence available.

The issue is fundamentally one that pertains to economics and the law is geared at ensuring better competition of the market which in itself is known to benefit the producers. Economic 101: When there are more markets and buyers while the number of sellers remain the same, there is better price realisation. This is a stylised fact.

There are four main points that the author makes with regards to assumptions versus reality. The first is that three-fourth of Indian farmers sell outside the APMCs and that they need better operated mandis but not more mandis.

He further adds that farmers complain about the absence of mandis and they do not complain about not being allowed to sell outside the mandis. Here is the point, if you want to ensure better functioning of mandis, you have to subject them to competition which forces them to reform and improve price realisation.

This is precisely what the law attempts to achieve as it allows for private markets to be set up – these private markets would force existing APMCs to become efficient and compete in order to attract farmers to sell their produce there.

Further, with private mandis coming up due to greater private sector investments in the agricultural sector, we will see much better access to markets for the farmers which will do away with the complaint of absence of mandis. Thus, the reason why he objects to the law is precisely the reason why the law is needed.

The second point he makes is that while the arhtiyas do cheat farmers, big businesses will not get rid of middlemen but will have the same arhtiyas. He further says that the new private mandi will have two middlemen, the arhtiyas and the business.

The point made by the author is yet another conjecture without any evidence available. Most existing e-commerce companies have started procuring directly through farmers and selling it to the end consumers.

This procurement does not require

any local middlemen. Indeed, someone will have to aggregate, but this process of aggregation, as it is already happening, would soon be outsourced to tech.

Further, the agri-business in the middle would replace a series of other middlemen in the overall supply chain as they would directly sell to the consumer. Thus, in process we will see that on one side farmers will get better price realisation, consumers will get a lower price and all of this as transaction costs, dead-weight loss etc are reduced.

The third point he makes about markets not operating in a fair manner. This point again reflects his lack of understanding how competition drives markets towards becoming fairer than compared to markets that allow for concentration of market power.

The new bills as they are providing the farmer with a choice of whether to go through the APMC or the private mandis. Thus, the mandis and private markets now have to compete to get the farmer to sell their produce there. If private markets give better price realisation, the farmer sells there or else he sticks with the APMCs.

***In many ways, having greater number of buyers is a sure-shot way to ensure that the bargaining power of the farmer increases and this is precisely what the government is attempting to undertake.***

Overall systemic efficiency enables both APMCs and private markets to offer better prices to the farmers and that leads to an improvement in their incomes. Any collusion by private traders is possible only when there are few traders in the market that can come together to collectively attempt to fix prices – this is more possible under the APMC regime than one where there are private markets with many buyers making collusion nearly impossible.

In many ways, having greater number of buyers is a sure-shot way to ensure that the bargaining power of the farmer increases and this is precisely what the government is attempting to undertake.

Further, on the dispute resolution mechanism which has been termed by Yogendra Yada as a joke ignores the fact that we are dealing with a perishable item produced by a farmer who lacks the resources to hold on to the produce for long.

Thus, a speedy resolution is critical to ensure that the farmer is not forced to part with his commodity at an unfair rate. This is precisely the motivation behind the speedy resolution mechanism proposed in the law.

However, we should also recognise that these laws are not static and should there be a need for further tweaking to make the process far more efficient, government could bring in the necessary changes.

The other point he makes is about government pulling back on its investment in agricultural infrastructure and here too, he makes a point that the move into an unregulated trade in agricultural would result in government pulling back on such support.

Nothing can be farther from the truth as government has clarified that it will continue with the existing framework of APMCs which means it will have to continue to invest in developing warehousing etc, given that it is the largest procurer of wheat and paddy.

The point on unregulated trade is important as nearly most trade is unregulated across the country but subject to legal provisions that allow for such exchanges to happen. Be it a sale of the airplane, or of a pen, or a service being supplied. The lack of a regulated markets for these has benefited the economy and has allowed several sectors to grow over the years.

***The laws will benefit the Indian farmers and many protesting against them today were those who had asked for the same bills to be made into laws till fairly recently. That they oppose it now is purely political opportunism as there are economic reasons to undertake these reforms – and they would translate into rich political dividends once farmers reap the benefits of the same.***

The only conclusion after reading his article was that it was a series of errors in judgment made due to the lack of understanding of economics, markets and competition. This is precisely why I had remarked earlier that people like him should be kept away from the discussions with farmers as much as possible.

The laws will benefit the Indian

farmers and many protesting against them today were those who had asked for the same bills to be made into laws till fairly recently. That they oppose it now is purely political opportunism as there are economic reasons to undertake these reforms – and they would translate into rich political dividends once farmers reap the benefits of the same.

## Opposition's support to farmers' protest flies in the face of having previously backed similar reforms

Gunja Kapoor  
Firstpost  
15 December, 2020

There is little point in taking pride about agriculture being India's largest employer when the sector accounts for 17 percent of the country's GDP while engaging 57 percent of the population. The glaring inefficiency in the sector has been acknowledged by politicians, policymakers and stakeholders alike. However, the reluctance to remove the hurdles that drag the sector has been consistent too.

In 1991, when India decided to open its economy, it was hailed as a watershed moment. Over a period of 3 decades, the process of investment in various sectors has been eased in order to facilitate market development. However, agriculture continued to operate in a restrictive regulatory regime. Ironically, no free market economist at the helm of policymaking in ten years of the UPA regime showed the commitment to free agricultural markets from superfluous regulations and inexplicable constraints. Politicians who admitted to the urgency of agricultural reforms in public scuttled every such step in private.

Be it elections, be it the Budget, be

it loan waivers – farmers were central to politics, but not their welfare.

There are several examples where those who promised "freedom" to

*The Bhartiya Kisan Union, in its 'Kisan Manifesto' in 2019 had asked for the abolition of the APMC Act and the Essential Commodities Act, and for doing away with arhatiyas. The same organisation now supports Punjab chief minister Amarinder Singh's call for rejecting laws that intend to free farmers from the clutches of middlemen.*

***In 2010, when reports suggested that one farmer commits suicide every 12 hours in India, Pawar advocated reforms to make agriculture financially viable and sustainable. He wrote a letter to the then Delhi chief minister Sheila Dikshit, stating the need for private sector participation in the agriculture sector.***

farmers are today protesting against the very laws that will usher in a new era for the agrarian economy. Instead of endorsing better price discovery through open markets, self-proclaimed messiahs of farmers want to contain them at 'minimum support prices'. Let us look at some of these examples of hypocrisy:

The Bhartiya Kisan Union, in its 'Kisan Manifesto' in 2019 had asked for the abolition of the APMC Act and the Essential Commodities Act, and for doing away with arhatiyas. The same organisation now supports Punjab chief minister Amarinder Singh's call for rejecting laws that intend to free farmers from the clutches of middlemen.

What could have changed in a year? The commitment of BKU towards farmers, or the fear of becoming redundant post the successful implementation of farm laws? This is the same union that staged protests in 2008 asking corporate players to be permitted to buy farm produce directly from farmers.

In 1993, Rakesh Tikait had approached the then prime minister PV Narsimha Rao seeking 'One Nation One Market' in agriculture. However, he is now demanding that these laws be repealed.

Similar is the case with former agriculture minister Sharad Pawar. In 2010, when reports suggested that one farmer commits suicide every

12 hours in India, Pawar advocated reforms to make agriculture financially viable and sustainable. He wrote a letter to the then Delhi chief minister Sheila Dikshit, stating the need for private sector participation in the agriculture sector. Not only this, Pawar was advocating changes in the APMC Act, which is a recurring theme in the current protests.

In November 2011, he wrote to Madhya Pradesh chief minister Shivraj Singh Chouhan, highlighting the significance of private sector participation in the realm of Indian agriculture.

Unfortunately, Pawar has decided to forego his commitment to the constituency that pledged loyalty to him throughout his political career. Warning the Centre that the farmer protest will extend to other parts of the country, he has publicly abandoned the cause that he had advocated in the past.

Similarly, earlier this year, Samajwadi Party patriarch Mulayam Singh Yadav had advocated for 'free market in agriculture' as a member of the parliamentary standing committee on agriculture.

His son Akhilesh Yadav is now vociferously opposing the Bills.

The Congress has also lived up to its politics of flip-flops opposing the very reform that it mentioned in its 2019 election manifesto.



Rahul Gandhi has even called the new laws a “death sentence”. One is unsure if his manifesto promised “death” or whether he irked by the fact that these reforms are being ushered by the Narendra Modi government.

P Chidambaram, in his budget speech in 2004, had called for a revamp of the APMC system. More than a decade and half later, he finds himself on the other side of the aisle, defending shallow politics of opportunism.

Delhi chief minister Arvind Kejriwal's government had notified the Central farm laws on 23 November, 2020, soon after Parliament had passed them. Kejriwal has since taken to attacking the Centre for the passage of the laws and is now seen supervising arrangements at the protest sites on Delhi's borders.

The Shiv Sena had backed The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020 and The Farmers (Empowerment and Protection) Agreement of Price

***P Chidambaram, in his budget speech in 2004, had called for a revamp of the APMC system. More than a decade and half later, he finds himself on the other side of the aisle, defending shallow politics of opportunism.***

Assurance and Farm Services Bill, 2020 in the Lok Sabha with some suggestions. However, party MP Sanjay Raut opposed these Bills in the Upper House.

Are farmers political ammunition for a fraying Opposition? Perhaps so. After all, this is the same Opposition that did not shy from using students and women to create false propaganda around the Citizenship Amendment Act.



# विशेषज्ञ की राय



# जागरण

## विपक्षी दलों के भ्रमजाल में फंसने के बजाय किसान खेती को लाभदायक बनाने की मुहिम में पीएम मोदी का दें साथ

Shivraj Singh Chouhan  
Jagran  
15th December, 2020

किसानों का दुख-दर्द देखकर मेरा दिल बहुत द्रवित हो उठता है। यह दुख तब और बढ़ जाता है जब कुछ राजनीतिक दल अपने राजनीतिक स्वार्थों की पूर्ति के लिए मासूम किसानों को अपना मोहरा बनाते हैं। ये दल मोदी सरकार के जिन नए कृषि कानूनों के विरोध पर आमादा हैं, कुछ वैसे ही कानून बनाने का उन्होंने चुनावी वादा भी किया था। हमारे किसान हितैषी प्रधानमंत्री नरेंद्र मोदी ने जब किसानों के हित में ऐसे कानून बना दिए तो उन्हें क्या समस्या है? अब अचानक से क्या बदल गया है? दरअसल कांग्रेस और उसके जैसे अन्य दलों के पास जब कोई मुद्दा नहीं रहा तो वे किसानों को भ्रमित कर देश का माहौल बिगाड़ने पर तुले हैं।

**हम प्रदर्शनकारी किसानों के सभी संदेह दूर करने के लिए प्रतिबद्ध हैं**

प्रदर्शनकारी किसान भी हमारे अपने हैं। उनके लिए हमारे द्वार हमेशा खुले हैं। केंद्र सरकार ने उनसे कई दौर की वार्ता भी की है। हम उनके सभी संदेह दूर करने के लिए प्रतिबद्ध हैं। किसान भाई याद रखें कि प्रधानमंत्री मोदी कभी भी उनका अहित नहीं होने देंगे। मैं भी एक किसान हूँ, इसलिए दावे के साथ कहता हूँ कि ये तीनों कृषि कानून किसानों के हित में हैं। इसके लिए हमें प्रधानमंत्री नरेंद्र मोदी का अभिनंदन करना चाहिए, जिनमें देश

को आगे बढ़ाने की एक जिद और जुनून है और यह किसानों की तरक्की के बिना संभव नहीं। इसीलिए उन्होंने किसानों के हित में बहुप्रतीक्षित सुधारों को मूर्त रूप दिया। उनका यह कहना भी यथोचित है कि पुराने कानूनों के जरिये देश का पुनर्निर्माण नहीं किया जा सकता। ऐसे में इन कृषि कानूनों का विरोध कर रहे राजनीतिक दलों से मेरा प्रश्न है कि इनके जरिये अगर मंडी के अलावा किसानों को अपनी उपज बेचने की आजादी मिले तो उसमें क्या हर्ज है?

**एमएसपी कायम रहेगी, एमपी में मंडी शुल्क दो रुपये से घटाकर 50 पैसे कर दिया गया**

न्यूनतम समर्थन मूल्य यानी एमएसपी पर वे दुष्प्रचार में जुटे हैं, जबकि एमएसपी कायम रहेगी। इसी तरह मंडियों के विषय में भी वे झूठ फैला रहे हैं कि मंडियों को खत्म किया जा रहा है। ऐसा बिल्कुल भी नहीं हो रहा। हम तो मंडियों की व्यवस्था में और सुधार ही कर रहे हैं। मध्य प्रदेश में हमने मंडी शुल्क दो रुपये से घटाकर 50 पैसे कर दिया है। हम दूसरे विकल्प भी किसानों को दे रहे हैं।

**मंडियां कायम रहेंगी, निजी मंडियां और निजी व्यापारियों के आने से किसानों के लिए विकल्प बढ़ेंगे**

**मंडियां तो कायम रहेंगी, वहीं निजी मंडियां और निजी व्यापारियों के आने से किसानों के लिए विकल्प**

बढ़ेंगे। वैसे भी यदि कोई किसान मंडी के अलावा किसी उद्यमी या निर्यातक को सीधे फसल बेचना चाहता है तो उसमें आखिर क्या दिक्कत है? इसमें बिचौलिये क्यों बीच में आएँ? उद्यमी और किसान के बीच सौदा भी आपसी सहमति से ही होगा। कोई व्यापारी किसी भी प्रकार से किसान पर दबाव नहीं बना सकता है। वास्तव में नए कानूनों से पूरी व्यवस्था और प्रतिस्पर्धा बनेगी। इससे मंडियां भी बेहतरी के लिए प्रयास करेंगी।

**काट्रेक्ट फार्मिंग में किसानों को ज्यादा दाम मिलने पर अनुबंध से बाहर आने की छूट**

वहीं काट्रेक्ट फार्मिंग में किसानों को ज्यादा दाम मिलने पर अनुबंध से बाहर आने की छूट है, जबकि व्यापारी के लिए अनुबंध तोड़ने पर कार्टवाई का प्रावधान है। नए कानूनों से कृषि में निवेश बढ़ेगा। किसान नई तकनीकों से जुड़ेंगे। भंडारण व्यवस्था सुदृढ़ होगी, उपज की बर्बादी रुकेगी, खेती-किसानी में नई जान आएगी, वेयर हाउस बनेंगे, कोल्ड स्टोरेज की चेन तैयार होगी। वास्तव में ये कानून देश के कृषि इतिहास में क्रांतिकारी बदलाव लाएंगे। हम किसानों के हर एक वर्ग के हितों का ध्यान रख रहे हैं। उन किसानों का भी जो अपनी आवाज उठाने में सक्षम नहीं हैं। हमने कई ऐसी योजनाएं बनाई हैं, जिनमें सभी के हितों का ध्यान रखा गया है।

**खेती को लाभप्रद बनाने के लिए पीएम मोदी ने चौतरफा प्रयास शुरू कर दिए**

खेती को लाभप्रद बनाने और किसानों की आय दोगुनी करने के लिए प्रधानमंत्री मोदी ने चौतरफा प्रयास शुरू कर दिए हैं। इस दिशा में चार उपाय महत्वपूर्ण होंगे। एक तो हमें उत्पादन बढ़ाना पड़ेगा, जिसके लिए केंद्र और राज्य सरकार तमाम उपाय कर रही हैं। दूसरा उत्पादन की लागत कम करनी पड़ेगी। इसके लिए भी मोदी जी मृदा परीक्षण और अनुकूल खाद जैसी कई सुविधाएं लाए हैं। इनसे लागत घटाने में मदद मिली है।

**नए कृषि कानूनों का लक्ष्य कृषि उपज के उचित दाम दिलाना**

तीसरा उपाय कृषि उपज के उचित दाम दिलाने से जुड़ा है। नए कृषि कानूनों का यही लक्ष्य भी है। इस कड़ी में चौथा उपाय प्राकृतिक आपदा या किसी अन्य स्थिति में उपज को हुए नुकसान में किसान को पर्याप्त क्षतिपूर्ति देना है। प्रधानमंत्री फसल बीमा योजना में यही सुनिश्चित करने का प्रयास हो रहा है। इसके बाद पांचवां और सबसे क्रांतिकारी प्रयास है किसानों को प्रतिस्पर्धा में दूर रखने का प्रयास है। इसीलिए एपीएमसी का मॉडल एक्ट लागू करने का निर्णय लिया गया। कुल मिलाकर सरकारी प्रयासों का लक्ष्य है किसान प्रतिस्पर्धा में टिककर सक्षम बन सकें। इसी दिशा में मोदी सरकार प्रधानमंत्री किसान सम्मान निधि जैसी योजना लेकर आईं। हमने मध्य प्रदेश में इसके तहत 4,000 रुपये की राशि और जोड़ी है। यानी राज्य में इसके अंतर्गत किसानों को सालाना 10,000 रुपये मिलेंगे। हमने ऐसे तमाम कदम उठाए गए हैं, जिनसे किसानों की जिंदगी बदल जाएगी।

**किसानों का फसल बीमा प्रीमियम न भरने वाली कांग्रेस किसान हित नीति का कर रही विरोध**

इन कदमों का विरोध कर रही कांग्रेस वही पार्टी है, जिसकी सरकार ने मध्य प्रदेश में किसानों का फसल बीमा प्रीमियम तक नहीं भरा था। सत्ता में आते ही हमने तुरंत प्रीमियम जमा कराकर कांग्रेस की भूल को सुधारा।

इतना ही नहीं लॉकडाउन की विकट स्थिति में भी हमने 16 लाख किसानों से 1 करोड़ 29 लाख टन गेहूं खरीद कर उनके खातों में 27 हजार करोड़ रुपये से अधिक की राशि हस्तांतरित की। हम शून्य ब्याज दर पर ऋण योजना कायम रखे हुए हैं।

**सहकारी बैंकों की स्थिति सुधारने के लिए 800 करोड़ रुपये दिए**

सहकारी बैंकों की स्थिति सुधारने के लिए 800 करोड़ रुपये दिए हैं। मनरेगा के तहत कृषि संबंधी कार्यों को बढ़े पैमाने पर शामिल किया है। कृषि अधोसंरचना विकास फंड में भी

मप्र अग्रणी है। हाल में 8,000 करोड़ रुपये की सात सिंचाई परियोजनाओं को मंजूरी दी है। हमने आत्मनिर्भर मध्य प्रदेश रोडमैप में कृषि को भी शामिल किया है। कृषि जोखिम में कमी लाने और उत्पादकता एवं फसल विविधीकरण को बेहतर बनाने की दिशा में भी हम प्रयासरत हैं।

स्वतंत्रता के बाद भाजपा ने ही किसानों के हित में कार्य किया

स्वतंत्रता के बाद यदि किसी पार्टी ने किसानों के हित में कार्य किया है तो वह भाजपा ही है। मोदी जी के नेतृत्व में केंद्र

सरकार ने पिछले छह वर्षों में और मध्य प्रदेश में विगत 15 वर्षों में किसानों को मुख्यधारा में लाने का प्रयास हमने किया है। हम किसान को सशक्त और समृद्ध बनाना चाहते हैं। मोदी जी के आत्मनिर्भर भारत में किसान भी आत्मनिर्भर बनेगा। उन्नति के नए द्वार खुलेंगे। इसीलिए किसानों से मेरा विनम्र निवेदन है कि वे किसी भ्रमजाल में न फँसें। वे किसानों की आमदनी दोगुनी करने और खेती को फिर से फायदेमंद बनाने की मोदी जी की मुहिम में उनका साथ दें।

# कृषि सुधारों को लेकर मोदी सरकार हमेशा किसानों के संपर्क में रही

Amitabh Sinha  
News 18  
12th December, 2020

कृषि बिलों की वापसी की मांग को लेकर दिल्ली की सीमाओं पर बैठे किसान वापस लौटने को तैयार नहीं हैं. कई दौर की बातचीत के बाद भी रास्ता निकलने का नाम नहीं ले रहा है. आखिर कारण क्या है? क्या सरकार से कोई चूक हुई है? क्या संदेश ये जाता है कि मोदी सरकार ने इस बिल को लेकर किसानों तक पहुंचने की मशकत नहीं की. ऐसी राय बनाने की कोशिश इस किसान आंदोलन के माध्यम से की गयी है. लेकिन तथ्य का आंकलन करें तो स्थितियां बिलकुल ही विपरीत हैं. जिस तरह से पीएम मोदी समेत सरकार के तमाम मंत्री कृषि बिलों के फायदे गिनाने के लिए जनता के बीच बार-बार जा रहे हैं उससे ये बात तो साफ हो जाती है कि दो दशकों से जिन कृषि सुधारों का राग तमाम सरकारें अलापती रहीं, उसे अमली जामा पहनाने के पहले और बाद भी किसानों तक अपनी बात रखने में सरकार पीछे नहीं रही है. मोदी सरकार जानती है कि इस बिल के फायदे क्या हैं और किसानों को ताकत देने में ये कानून जरा भी कम नहीं साबित होगा।

सरकारी सूत्रों के मुताबिक सरकार ने कानून लाने से पहले और लाने के बाद भी कई स्तरों पर किसान संगठनों और उनके प्रतिनिधियों से लगातार बातचीत की है ताकि कानून में जरूरत पड़ने पर सुधार किए जा सकें.

खुद प्रधानमंत्री नरेंद्र मोदी ने इन कानूनों के बारे में जागरूकता फैलाने का काम अपने हाथों में लिया. इसके बाद ही कृषि मंत्री और तमाम अधिकारी ने किसानों के विभिन्न

संगठनों से मुलाकात भी की और उनकी शंकाओं को दूर करने का प्रयास भी किया है. इसके अलावे गांव के स्तर पर हजारों छोटी बड़ी बैठकें आयोजित की गयीं ताकि किसानों को अपने गांवों में बैठे बैठे ही नए कानूनों के बारे में जानकारी मिल सके.

**PM मोदी लगातार करते रहे कृषि कानूनों का जिफ्र**

शुरुआत अगर पीएम मोदी की पहल से करें तो सरकारी सूत्र बताते हैं कि वे अब तक किसान कानून पर और उसके प्रावधानों पर और इन सुधारों के बारे में लगभग 30 बार बोल चुके हैं. यानी इस मुद्दे पर हर सप्ताह में उन्होंने कम से कम एक बार देश के किसानों को संबोधित किया है. इन सुधारों के बारे में उन्होंने स्वतंत्रता दिवस पर लाल किले से संबोधन में भी कहा और बिहार की चुनाव रैलियों में भी इसका खूब जिफ्र किया और बिहार की जनता ने एनडीए को आशीर्वाद दिया. देश के किसानों को नहीं पता कि बिहार में किसानों का हाल बाकी हिस्सों से बेहाल ही है और नीतीश सरकार ने 2006 में ही एपीएमसी कानूनों को निरस्त कर दिया था. इसलिए बिहार के किसानों का आशीर्वाद ये साबित कर देता है कि किसान बिल पर मोदी सरकार की पहल गरीब किसानों को खासा भा गयी है. पीएम मोदी ने अपने सभी संदेशों में इस बिल से जुड़ी तमाम आशंकाओं और फायदों पर लगातार बोलते रहे हैं और किसानों को समझाते भी रहे कि ये सुधार किसानों के हित में होगा. उन्होंने खेती से जुड़े हर वर्ग और क्षेत्रों में काम कर रहे लोगों से संवाद किया जिनमें गांवों में रह रहा किसान तो था ही लेकिन साथ में अंतर्राष्ट्रीय निवेशकों के सामने भी यही बातें दोहराईं. अपने मन की बात कार्यक्रम में भी पीएम मोदी ऐसे कई किसानों के उदाहरण लेकर सामने आए

जिन्होंने प्रयोग किया और देश के सामने एक उदाहरण बन कर सामने आए.

सुधारों के ऐलान से पहले कृषि मंत्रालय विभिन्न विशेषज्ञों और पूर्व अधिकारियों से लगातार चर्चा करता रहा. जब तक बिल को अंतिम रूप नहीं दिया गया केन्द्रीय कृषि मंत्रालय विभिन्न राज्यों के कृषि विभागों के संपर्क में रहा. मंत्रालय ने महत्वपूर्ण किसान संगठनों और कृषि मंडियों में काम कर रहे अधिकारियों से चर्चा भी की

कृषि मंत्रालय के सूत्र बताते हैं कि देश के एक बड़े और जाने माने कृषि यूनिशन से चर्चा के बाद और उनके फीडबैक के आधार पर अपने अध्यादेश में बदलाव भी किया. सुधारों के ऐलान के बाद कृषि मंत्री तोमर ने राज्यों के कृषि मंत्रियों, विभिन्न किसान संगठनों, राजनीतिक दलों, आढ़तिया समूहों और उद्योग समूहों से चर्चा की तथा कृषि विज्ञान केंद्रों के वर्कशॉप में हिस्सा लिया।

पंजाब के 29 संगठनों के साथ की गई थी बैठक

केंद्र सरकार ने किसानों से भी संपर्क किया और उन्हें वेबीनार तथा ट्रेनिंग के जरिए इन सुधारों के बारे में जानकारी दी। जून और नवंबर 2020 के बीच कुल 1,37,054 वेबीनार के जरिए 92,42,376 किसानों से संपर्क साधा गया। इनके अलावा अक्टूबर महीने में 2.23 करोड़ SM संदेश भेजे गए।

बिल लाने के बाद भी किसान संगठनों से

बातचीत जारी रही. 14 अक्टूबर को केंद्रीय कृषि सचिव संजय अग्रवाल ने पंजाब के 29 किसान संगठनों के साथ बैठक की। 13 नवंबर को नरेंद्र सिंह तोमर, पीयूष गोयल और सोम प्रकाश ने किसान संगठनों से चर्चा की. यह बैठक दो दिसंबर को भी हुई. तीन दिसंबर को भी कृषि मंत्रालय के अधिकारियों के साथ चर्चा की गई. पांच दिसंबर को एक बार फिर नरेन्द्र सिंह तोमर, पीयूष गोयल और सोम प्रकाश की पंजाब और धरने पर बैठे किसान संगठनों के साथ बैठक हुई।

जाहिर है कि केन्द्र सरकार और कृषि मंत्रालय पर ये आरोप नहीं लगाया जा सकता कि उन्होंने किसानों और उनके संगठनों से बातचीत किए बिना ही ये कानून बना दिया। किसान आंदोलन की आड़ में ये राय बनाने की कोशिश सरकार के मुताबिक बेमानी है। इसलिए अब भी पूरी की पूरी सरकार लगी है किसानों को इस कानून के फायदे गिनाने में।

# नए कृषि कानूनों को लेकर भ्रम का कुहासा पैदा किया गया है

Umesh Chaturvedi  
News18

13th December, 2020

कृषि सुधारों की दिशा में संसद द्वारा मंजूर तीन कृषि कानूनों को लेकर 18 दिनों से किसान संगठनों द्वारा राजधानी दिल्ली का घेराव जारी है। किसान संगठनों की मांग के आगे केंद्र सरकार ने झुकने के संदेश भी दिए। वह कानूनों में किंचित संशोधन के लिए तैयार भी हुई, लेकिन किसान संगठनों को संशोधन मंजूर नहीं है, बल्कि वे हर हालत में तीनों कानूनों की वापसी पर अड़े हुए हैं। लेकिन सरकार की मंशा अब झुकने की नहीं लगती। कारोबारियों के संगठन फिक्की के कार्यक्रम का उद्घाटन का मौका हो या फिर संसद के नए भवन के शिलान्यास का मौका, प्रधानमंत्री नरेंद्र मोदी ने किसानों से कृषि कानूनों को समझने और उसके जरिए भविष्य में किसानों के लिए होने वाले फायदों की ही बात की है। प्रधानमंत्री के स्वर में तुर्फी तो नहीं है। लेकिन कैबिनेट के मंत्रियों ने जिस तरह किसानों को बहकाने वाले राजनीतिक दलों को निशाने पर लेना शुरू किया है, उससे स्पष्ट है कि सरकार कुछ संशोधन भले ही कर दे, कानून तो वापस नहीं लेने जा रही।

देश में खासकर 2014 के बाद जिस तरह का राजनीतिक माहौल बना है, उसमें कई तथ्यात्मक बातें भी या तो गुम कर दी

जाती हैं, या फिर भ्रम का ऐसा कुहासा पैदा किया जाता है, जहां सत्य ओझल हो जाता है। कहना न होगा कि तीनों कृषि कानूनों को लेकर कुहासा कुछ ज्यादा ही है, उनकी हकीकत की जानकारी कम ही लोगों को है। यह बात छुपी हुई नहीं है कि नरेंद्र मोदी ने अपने पहले चुनाव अभियान में साल 2022 तक किसानों की आय दोगुनी करने का वादा किया था। इसके तहत मोदी सरकार ने कई कदम उठाए, जिसमें फसल बीमा योजना, किसान क्रेडिट कार्ड, किसान सम्मान निधि आदि योजनाएं लागू कीं। यह सवाल उठ सकता है कि ये योजनाएं किस हद तक जमीनी हकीकत बन सकीं ?

हालांकि हर विश्लेषक को यह भी ध्यान रखना चाहिए कि हर योजना को जमीनी हकीकत बनाने वाली मशीनरी वही है, जो अंग्रेजों द्वारा स्थापित की गई थी, जिसकी सोच अतीत की सरकारों के दौरान एक खास तरह के ढांचे में विकसित होती रही है। जिसमें भ्रष्टाचार की गुंजाइश बनाई गई, जिसकी हिस्सेदारी नीचे से लेकर उपर तक पहुंचती रही है। इस चक्र की जड़ें इतनी गहरी हैं कि उन्हें आसानी से तोड़ पाना भी कठिन है। कभी संवैधानिक तो कभी कानूनी व्यवस्था आड़े आ जाती है तो कभी सरकारी कर्मचारी और अधिकारी के कानूनी अधिकार। जब भी कोई नई योजना लागू होती है, उसका विरोध होता है और इस दौरान कुहासा फैलाने की पुरजोर कोशिश होती है और उसके पीछे अतीत से चली आ रही व्यवस्था की खामियां नेपथ्य में चली जाती हैं। हकीकत तो वैसे ही पीछे रह जाती है।

आइए जानते हैं कि क्या संसद द्वारा पारित तीनों ही कृषि कानून कितने किसान विरोधी हैं और कितने किसान समर्थक। संसद द्वारा पारित कृषक उपज व्यापार और वाणिज्य (संवर्धन व सरलीकरण) कानून-2020 के खिलाफ जमकर तर्क दिए जा रहे हैं। जरा इस कानून के प्रावधानों को जानते हैं।



इस कानून के तहत किसानों और कृषि उपज के कारोबारियों को उन कृषि उत्पाद बाजार समितियों से बाहर भी खेती की पैदावार के कारोबार की छूट दी गई है। सरकार का कहना है कि इस व्यवस्था का मकसद उपज के व्यापार व परिवहन लागत को कम करना और इसके जरिए अन्नदाताओं को उनकी उपज और पैदावार की बेहतर कीमत हासिल करने का माहौल देने के साथ ही इंटरनेट के जरिए कारोबार का तंत्र भी बनाना है।

दिल्ली को घेरे बैठे पंजाब और हरियाणा के किसान संगठनों और उनके नेताओं का दावा है कि अगर इस कानून को पूरी तरह लागू किया गया तो किसान सरकारी मंडियों से बाहर अपनी उपज बेचने को मजबूर होंगे। जिससे राज्यों को राजस्व का नुकसान होगा। क्योंकि राज्यों को मंडियों के जरिए होने वाली खरीद-बिक्री में निर्धारित राजस्व मिलता है। मंडियों की सच्चाई यह है कि इनमें खरीद बिक्री बिचौलियों के जरिए की जाती है। जिन्हें कमीशन एजेंट कहा जाता है।

यूपीए सरकार ने खाद्य निगम को साल 2005 में कृषि उपज की खरीद-बिक्री के लिए कमीशन एजेंट बनाने का आदेश दिया था। इसके तहत साल 2007 से मंडियों में कमीशन एजेंट काम कर रहे हैं, जिनका कांटेक्ट पंद्रह साल यानी साल 2022 तक के लिए है। हकीकत तो यह है कि मंडियों के जरिए न्यूनतम समर्थन मूल्य यानी एमएसपी पर भारत में होने वाली कृषि उपज का सिर्फ छह फीसद ही खरीदा-बेचा जाता है। इसमें भी पंजाब और हरियाणा जैसे राज्य पहले नंबर पर हैं। जाहिर है कि यहीं राजस्व की कमाई ज्यादा है और यहीं कमीशन एजेंट भी है। एक आंकड़े के मुताबिक अकेले पंजाब में ही केंद्रीय एजेंसियां अनाज खरीद के लिए 52 हजार करोड़ खर्च कर चुकी हैं। यही वजह है कि माना जा रहा है कि जो किसान आंदोलन हो रहा है, उसमें ये कमीशन एजेंट ही ज्यादा हैं। पंजाब-हरियाणा में इन्हें आढ़ती कहा जाता है। मंडियों में किसानों की उपज की बिक्री से मिली कुल रकम से डेढ़ से तीन फीसद कमीशन की कटौती करते हैं। दिलचस्प यह है कि इसकी वजह बताई जाती है, उपज

की सफाई, छंटाई व ठेका आदि। मंडियों की आमदनी इन आढ़तियों से वसूली गई फीस होती है। वैसे बिहार, केरल, मणिपुर, लक्षद्वीप, अंडमान एवं निकोबार द्वीप समूह तथा दमन एवं दीव में यह मंडी व्यवस्था नहीं है।

इस कानून को लेकर आंदोलनरत किसान संगठनों का आरोप है कि अगर यह व्यवस्था लागू होगी तो एमएसपी पर खरीद-बिक्री व्यवस्था खत्म हो जाएगी, जिससे अंततः कारोबारियों का उपज के कारोबार पर कब्जा हो जाएगा। किसान संगठनों का दावा है कि इससे ई-ट्रेडिंग भी खत्म हो जाएगी। तीनों कानूनों को प्रस्तुत करते वक्त ही केंद्र सरकार साफ कर दिया था कि न तो सरकारी मंडियां बंद होंगी, न ही एमएसपी प्रणाली खत्म होने जा रही है। किसान संगठनों की मांग पर सरकार लिखित आश्वासन भी देने को तैयार है। सरकार का तर्क है कि चूंकि पुरानी व्यवस्था के साथ नई व्यवस्था भी बनायी जा रही है, लिहाजा प्रतियोगिता बढ़ेगी और किसानों को ही फायदा होगा। वे अपनी उपज को बेहतर दाम पर बेच सकेंगे।

संसद ने जो दूसरा कानून पारित किया है, वह है आवश्यक वस्तु (संशोधन) कानून -2020. यह एक तरह आवश्यक वस्तु अधिनियम 1955 में संशोधन है। इसके तहत कुछ प्रमुख अनाजों मसलन गेहूं, चावल, दाल, तिलहन, प्याज व आलू को आवश्यक वस्तु की सूची से हटा दिया गया है। पहले कारोबारियों के लिए इनके भंडारण की सीमा तय थी, लेकिन अब युद्ध जैसे अपवादों को छोड़कर इन उपजों के संग्रहण की सीमा तय नहीं रहेगी। किसान संगठनों ने अपने आंदोलन के लिए मध्य वर्ग को आधार बनाने के लिए तर्क दिया है कि इससे कारोबारी इन आवश्यक वस्तुओं की भंडारण की तय की गई कीमत की सीमा इतनी अधिक होगी, जिसका इस्तेमाल कारोबारी कालाबाजारी के लिए करेंगे। तब इन जरूरी और दैनिक आवश्यकता वाली उपजों की महंगाई बढ़ेगी। किसान संगठनों का आरोप है कि इससे बड़ी कंपनियां और कारोबारी आवश्यक वस्तुओं का भंडारण बढ़ाकर किसानों को अगली बार अपनी उपज औने-पौने दाम पर खरीदने के लिए दबाव बनाएंगी।

यह भी सच है कि भंडारण की उचित व्यवस्था न होने और कोल्ड स्टोर के साथ ही खाद्य प्रसंस्करण की

कमी के चलते देश में अनाज और सब्जियों का एक बड़ा हिस्सा हर साल बर्बाद हो जाता है। सरकार का तर्क है कि इस कानून से जहां निजी निवेशक भंडारण क्षमता बढ़ाने के साथ ही कोल्ड स्टोरेज बनाने के लिए आगे आएंगे, वहीं खाद्य प्रसंस्करण उद्योग में भी निवेश बढ़ेगा। इससे उपज बर्बाद नहीं होंगे, आलू व प्याज जैसी जल्द खराब होने वाली उपजों की भी ज्यादा खरीद हो सकेगी।

भंडारण व्यवस्था, कोल्ड स्टोरेज बढ़ने से खरीद में कम्पीटिशन होगा, जिससे अंततः किसानों को फायदा होगा। चूंकि कृषि उद्योग में निवेश बढ़ेगा, लिहाजा रोजगार भी बढ़ेगा। फिर सरकार का कहना है कि अगर अनाज की कीमतें ज्यादा बढ़ीं तो वह भंडारण की सीमा भी तय करेगी। किसान राज्य सरकार की कृषि उत्पाद बाजार समितियों (एपीएमसी) यानी मंडियों में अपने उत्पाद बेचते थे। जिस तीसरे कानून से किसान संगठनों को आपत्ति है, वह है कृषक (सशक्तीकरण व संरक्षण) मूल्य आश्वासन और कृषि सेवा करार कानून-2020। इस कानून के जरिए किसानों को कृषि कारोबार करने वाली कंपनियों, खाद्य प्रसंस्करण इकाइयों, थोक कारोबारियों, निर्यातकों व संगठित खुदरा कारोबारियों विक्रेताओं से सीधे जोड़ने की व्यवस्था की गई है। इस कानून के जरिए सरकार का प्रयास उपज का बुवाई के पहले ही कारोबारियों से तय कीमत पर करार कराने का है। इस कानून के जरिए सरकार की कोशिश छोटी जोत वाले किसानों को सामूहिक और ठेका आधारिक खेती करने का फायदा पहुंचाना है। वैसे भी देश के करीब 86 फीसद किसानों के पास दो एकड़ यानी पांच हेक्टेयर से कम जोत है। इस कानून के तहत पांच हेक्टेयर से कम खेत वाले किसानों को समूह व अनुबंधित कृषि का फायदा दिलाना है।

किसान संगठनों का आरोप है कि इस कानून के लागू होने से ठेका खेती के करार में किसानों की हालत खराब होगी और वे मोलभाव नहीं कर पाएंगे। किसान संगठनों का आरोप है कि इससे बड़ी कंपनियां, निर्यातक, थोक कारोबारी के साथ ही खाद्य प्रसंस्करण वाली इकाइयों को ही फायदा होगा। वे किसानों को दबाएंगी और अंततः किसानों की जमीनें

पूंजीपति और कारपोरेट घराने हड़प लेंगे। नए कृषि कानूनों को ज्यादातर किसान तफसील से नहीं जानते। लेकिन किसानों को सबसे ज्यादा उनकी जमीनें हड़पने और कृषि संस्कृति को खत्म करने का ही डर दिखाया जा रहा है। हालांकि इस कानून में साफ प्रावधान है कि किसान जब चाहें कंपनी या कारोबारी से करार तोड़ सकते हैं, लेकिन अधबीच में ही अगर कंपनियां करार तोड़ेंगी तो उन्हें इसका खामियाजा जुमाने के तौर पर भुगताना होगा। अगर विवाद नहीं थमा तो इनका निबटारा भी तय मियाद में ही पूरा होगा।

इस कानून में स्पष्ट किया गया है कि हर हाल में खेत और फसल दोनों का मालिक हर स्थिति में किसान ही रहेगा। सरकार का दावा है कि इससे किसानों को पहले की तरह हो रही कट्टैक्ट खेती से छुटकारा मिलेगा, जिसमें किसानों के लिए स्थितियां ठीक नहीं थीं। पहले ठेका खेती का तरीका अलिखित था। जिसके तहत देश के कई इलाकों में आलू, कुछ अन्य सब्जियां, गन्ना, कपास, चाय, कॉफी और फूलों की खेती का ही अनुबंध होता था। वैसे कुछ राज्यों ने इसके लिए नियम बनाए हैं। बहरहाल सरकार का दावा है कि इस कानून से कृषि क्षेत्र में शोध के निजी क्षेत्र के भी लोग आएंगे। चूंकि छोटी जोत वाले किसानों की आय कम है, लिहाजा वे आधुनिक खेती के लिए उपकरण आदि की खरीद नहीं कर पाते थे। अनुबंध के तहत उन्हें बेहतर उपज हासिल करने के लिए संबंधित कारोबारी या कंपनी इसकी सहायता भी उपलब्ध करा पाएगी। इसके अलावा वैश्विक मंडियों में अपनी उपज को बेचने के लिए किसान को अपनी उपज की गुणवत्ता की जांच कराने, उसकी ग्रेडिंग कराने के साथ ही परिवहन आदि की समस्या से छुटकारा मिलेगा।

# तीन दशक पहले ही पड़ गई थी कृषि कानून की नींव, मोदी सरकार बस अमल में लाई

Ravi Parashar  
13th December 2020  
News18

साल 2014 में केंद्र में प्रधानमंत्री नरेंद्र मोदी के नेतृत्व में बनी सरकार ने बहुत से ऐसे मुद्दों पर दो टूक फैसले किए हैं, जिन्हें छूना तक दूसरी सरकारें बेहद जोखिम का काम मानती रही हैं। चाहे नोटबंदी का फैसला हो या फिर पीओके में सर्जिकल स्ट्राइक का निर्णय या पाकिस्तान में आतंकी ठिकानों पर सीधे हमले का मामला हो। भारत ने मोदी काल में फैसले लेने में देर नहीं लगाई। अब कृषि सुधार कानून बनाना भी मोदी सरकार का ऐसा ही साहस भरा कदम कहा जा सकता है। पंजाब समेत कई राज्यों के किसान दिल्ली को घेर कर आंदोलन कर रहे हैं और केंद्र सरकार ने भी कानूनों में किसानों की मांगों के हिसाब से उचित संशोधन का वादा कर लचीला रुख अख्तियार कर लिया है, फिर भी किसान कृषि सुधार कानूनों को रद्द करने पर ही अड़े हैं। इससे ये समझ में आ रहा है कि विपक्षी पार्टियां सिर्फ और सिर्फ मोदी विरोध में किसानों के इस आंदोलन को हवा देने में जुटी हैं।

भारत कृषि प्रधान देश है। ऐसे में पिछले सात दशक में अगर हमारे देश में किसानों की हालत नहीं सुधरी है, तो इसके लिए राजनैतिक इच्छाशक्ति की कमी को ही जिम्मेदार ठहराया जाना चाहिए। सही है कि औद्योगीकरण और आधुनिकीकरण समय की मांग होती है, लेकिन खेती पर उचित ध्यान नहीं दिए

जाने की वजह से ही आज किसानों की यह हालत हुई है। जब सभी पेशों में आमदनी में बेहताशा इजाफा हो चुका है, तब किसानों की आय उसी अनुपात में क्यों नहीं बढ़ी। यह अहम सवाल है और इसका जवाब सभी राजनैतिक पार्टियों को देना चाहिए। जो कांग्रेस किसानों से जुड़े कानूनों को वापस लेने की मांग कर रही है, क्या करीब 55 साल तक उसकी केंद्र सरकारों ने देश पर शासन नहीं किया है? एमएसपी की प्रशासनिक व्यवस्था को संवैधानिक जामा पहनाने का काम कांग्रेस और दूसरी गैर-बीजेपी पार्टियों ने क्यों नहीं किया?

असल में जो कृषि कानून अभी बनाए गए हैं, उनकी सिफारिश तीन दशक पहले की गई थी। तथ्य यह है कि 26 जुलाई, 1990 को एक उच्चाधिकार संपन्न समिति ने यही सिफारिशें की थीं। तब विश्वनाथ प्रताप सिंह प्रधानमंत्री थे और चौधरी देवीलाल उप-प्रधानमंत्री थे। उनके पास केंद्रीय कृषि मंत्री का भी कार्यभार था। चौधरी साहब तो किसान ही थे, लेकिन तत्कालीन सरकार की हिम्मत उन सिफारिशों को लागू करने के लिए कानून बनाने की नहीं हुई, तो इसके मूल में यही डर था कि अगर ये कानून बना दिए गए, तो कुछ राज्यों के साधन संपन्न किसान नाराज हो सकते हैं।

अगर 1990 में या उसके कुछ वर्ष बाद कृषि सुधार कानून लागू कर दिए गए होते, तो आज हालात कुछ और ही होते। पूर्व केंद्रीय कृषि मंत्री सोमपाल शास्त्री भी मानते हैं कि मोदी सरकार जो कानून लेकर आई है, उसकी अवधारणा बहुत पुरानी है।

शास्त्री के मुताबिक 1990 से लेकर करीब दो दर्जन बार उस समय की गई सिफारिशों पर संसदीय समितियों और दूसरी समितियों ने विचार किया, लेकिन कोई सरकार कानून बनाने का साहस नहीं जुटा सकी. देश में आदती प्रणाली यानी बिचौलियों वाली व्यवस्था की जईं राजनीति में इतनी गहरी हैं, खासकर पंजाब में किसी सरकार ने कृषि सुधार के जरिये किसानों की आमदनी बढ़ाने के लिए सार्थक कदम नहीं उठाए।

अब मोदी सरकार ने साहस भरा फैसला किया है, तो अपना वजूद तलाश रहे विपक्ष को उसे घेरने का एक और बहाना मिल गया है. लेकिन देश भर में हड़ताल कराने से या फिर दिल्ली-एनसीआर के लोगों की दैनिक दिनचर्या पर ग्रहण लगा देने से सही बात को सही नहीं कहा जाना चाहिए? सरकार किसानों से बातचीत करने का इरादा रखती है, कर भी रही है, लेकिन उनका एक सुर नहीं होने की वजह से कोई नतीजा अभी तक नहीं निकला है. ऐसे में क्या होगा ?

देश में किसानों के करीब 500 संगठन हैं. क्या कोई राजनैतिक पार्टी इस सवाल का उचित जवाब दे सकती है कि इतने संगठन क्यों खड़े हो गए? जाहिर है कि किसानों को वोट बैंक या उनकी मेहनत के बूते अपनी जेबें भरने वाले तबकों ने अपना उल्लू सीधा करने के लिए किसान संगठनों का जाल बुन रखा है. ज्यादातर किसान संगठनों ने किसानों की बुनियादी समस्याओं को लेकर कभी बड़े आंदोलन नहीं किए. ये संगठन सही दिशा में कदम बढ़ाते, तो आज किसानों की ऐसा हालत नहीं होती।

आज नहीं तो कल मौजूदा किसान आंदोलन भी खत्म हो जाएगा। मोदी सरकार किसानों की मौजूदा मांगों जस की तस मान भी सकती है या फिर किसान कानूनों में संशोधन के केंद्र सरकार के रवैये पर सहमत भी हो सकते हैं, लेकिन क्या सिर्फ एमएसपी को कानूनी दर्जा देने से पूरे देश के किसानों की समस्याओं का अंत हो जाएगा? क्या कृषि सुधार को लेकर देश में सार्थक बहस नए सिरे से नहीं शुरू होनी चाहिए? क्या कैश क्रॉप्स के कॉन्सेप्ट पर

फिर से विचार नहीं किया जाना चाहिए? क्या मिश्रित खेती की पुरानी प्रणाली को दोबारा लागू करने के लिए किसान संगठन किसानों को मना पाएंगे? जमीन के नीचे पानी का स्तर घटता जा रहा है, मानसून की बारिश अनिश्चय की जमीन पर बरसने लगी है और प्लास्टिक की वजह से नालियां-नाले जाम होने की वजह से बारिश का बेशकीमती पानी जमीन में न जाकर बर्बाद हो रहा है, क्या ऐसे विषयों पर व्यापक जागरूक विमर्श खड़ा नहीं किया जाना चाहिए? किसान संगठनों को चाहिए कि अगर देश के अन्नदाता को खुशहाल बनाना है, तो बुनियादी स्तर पर काम कम से कम अब तो शुरू करें.

सरकारें तो कानून बना सकती हैं, लेकिन उनका पालन तो देश के नागरिकों को ही करना है. जब कोई क्रांतिकारी कदम उठाया जाता है, तब उसका विरोध मानवीय स्वभाव है।

देश में जब कंप्यूटर क्रांति का सूत्रपात हुआ, तब किसी श्रमिक संगठन ने खुशी जाहिर नहीं की. सभी श्रमिक संगठनों को आशंका थी कि कंप्यूटर आने के बाद बेरोजगारी बढ़ जाएगी. लेकिन क्या ऐसा हुआ? हरगिज नहीं हुआ, बल्कि अब तो कंप्यूटर का ज्ञान न होना रोजगार में बाधक है।

अब अगर मोदी सरकार ने वर्ष 2022 तक किसानों की आय दोगुनी करने के अपने वादे को निभाने के लिए कुछ कड़े फैसले उनके हित में हए हैं, तो उन्हें लागू होने दीजिए. सरकार तो आज भी किसानों की मांगों के अनुसार कानूनों को नया स्वरूप देने को तैयार है. भविष्य में भी संविधान संशोधन की सुपरिभाषित प्रक्रिया है ही. लिहाजा डरने जैसी कोई बात ही नहीं है. कृपया अराजक मत बर्निए. मोदी सरकार के साहसी फैसले को संशोधित रूप में लागू तो होने दीजिए।



# जागरण

## कृषि कानूनों के खिलाफ किसान आंदोलन के जरिये राजनीतिक दल संकीर्ण हितों को पूरा करने की फिराक में

Editorial  
Jagran

13th December, 2020

तीन नए कृषि कानूनों के खिलाफ दिल्ली की सीमाओं पर चल रहा किसानों का आंदोलन अब जो रूप ले चुका है उससे यह नहीं लगता कि किसान संगठन अपनी मांगों को लेकर गंभीर हैं। अब तो उनकी अगंभीरता का परिचय इससे भी मिल रहा है कि कुछ संगठन भीमा-कोरेगांव में हिंसा के साथ-साथ दिल्ली दंगों के आरोपितों के बचाव में उतर आए हैं और वह भी यह जानते हुए कि इन सब पर इतने गंभीर आरोप हैं कि अदालतों ने उन्हें जमानत देने से भी परहेज किया है। आखिर इस तरह के लोगों का समर्थन कर या समर्थन लेकर किसान संगठन क्या हासिल करना चाहते हैं और देश को क्या संदेश देना चाहते हैं? खेती-किसानी का दंगों और हिंसा के आरोपितों से क्या संबंध है? क्या लोकतंत्र और विरोध के अधिकार का यही अर्थ है?

कृषि मंत्री ने किसानों से कहा- असामाजिक तत्वों को अपने आंदोलन का हिस्सा बनने का अवसर न दें

यह उचित है कि केंद्रीय कृषि मंत्री नरेंद्र सिंह तोमर ने जिद पर अड़े किसान संगठनों को यह नसीहत दी कि वे असामाजिक तत्वों को अपने

आंदोलन का हिस्सा बनने का अवसर न दें, लेकिन यह मानने के अच्छे-भले कारण हैं कि अब यह किसानों का आंदोलन मात्र नहीं रह गया है। चूंकि इसमें वे लोग हावी हो गए हैं जिनका लोकतंत्र और संवाद में विश्वास संदिग्ध है इसलिए आंदोलन की आड़ में एक अलग एजेंडे को पूरा करने की कोशिश की जा रही है। इसकी पुष्टि इससे भी होती है कि गतिरोध दूर करने के लिए सरकार के हर प्रस्ताव को न केवल खारिज किया जा रहा है, बल्कि विरोध के नाम पर ऐसे तौर-तरीके अपनाने की धमकी दी जा रही है जो अलोकतांत्रिक और व्यवस्था भंग करने वाले हैं। ऐसे तौर-तरीके वैचारिक अतिवाद की निशानी हैं। यह अतिवाद एक चुनी हुई सरकार के शासन करने के अधिकार को भी स्वीकार नहीं कर पा रहा है। अब यह साफ है कि इस आंदोलन के जरिये राजनीतिक दल भी अपने संकीर्ण हितों को पूरा करने की फिराक में हैं और वामपंथी अतिवाद-नक्सलवाद से प्रेरित संगठन भी।

### पंजाब के किसानों का रुख विरोधाभासी

इस आंदोलन को लेकर पंजाब के किसानों का रुख विचित्र और विरोधाभासी है। यह वह राज्य है जिसने हरित क्रांति में सबसे अधिक योगदान दिया और आज राजनीतिक उकसावे पर यहीं के किसान एक और हरित क्रांति में बाधक बन रहे हैं। पंजाब की कांग्रेस सरकार और अकाली दल ने न केवल राजनीतिक लाभ के लिए किसानों को सड़कों पर उतारा, बल्कि वे उन्हें उकसा भी रहे हैं। पंजाब में कौट्रेक्ट फार्मिंग 2006 से ही लागू है। इससे यहां के किसान लाभान्वित भी हुए हैं और अब जब इसी व्यवस्था को नए कानूनों का अंग बनाया गया है तो केवल यह डर दिखाकर उसका विरोध किया जा रहा है कि कॉरपोरेट जगत किसानों की जमीन हथिया लेगा। यह हौवा तब खड़ा किया जा रहा है जब ऐसा एक भी मामला सामने नहीं आया जब किसी किसान की जमीन कॉरपोरेट ने हथिया ली हो। किसान एक तरफ कॉरपोरेट जगत का हौवा खड़ा कर रहे हैं और दूसरी तरफ उन आदतियों के हितों की चिंता करके सड़कों पर उतरे हुए हैं जो खुद भी व्यापारी ही हैं। कुछ किसान संगठन यह

भी देखने-समझने से इन्कार कर रहे हैं कि वे उन लोगों के हाथों का खिलाऊना बनने का काम कर रहे हैं जो इस मामले का अंतरराष्ट्रीयकरण करने पर तुले हुए हैं।

नए कृषि कानूनों के विरोध में किसान संगठन मनमानी पर आमादा

नए कृषि कानूनों के विरोध में किसान संगठन और उनका साथ दे रहे लोग किस तरह मनमानी पर आमादा हैं, इसका प्रमाण कई दौर की वार्ता की नाकामी तो है ही, किसानों की अतीकिक मांगें भी हैं। पहले उनका विरोध केवल नए कानूनों पर केंद्रित था, लेकिन अब उन्होंने प्रदूषण की रोकथाम के लिए प्रस्तावित कानून में पराली जलाने पर दंड के प्रावधान को वापस लेने और बिजली सब्सिडी में सुधार के खिलाफ भी जिद पकड़ ली है। किसान संगठन यह भी समझने के लिए तैयार नहीं कि मंडी कानून पर राज्य फैसला लेने के लिए स्वतंत्र हैं।

कृषि में पूंजी निवेश, नई तकनीक और उद्योगीकरण समय की मांग

अपने देश की लगभग 70 प्रतिशत आबादी इस समय कृषि से जुड़ी हुई है। अगर इतनी बड़ी आबादी की आय नहीं बढ़ेगी और वह सशक्त नहीं होगी तो क्या देश का विकास संभव है? क्या कृषि में पूंजी निवेश, नई तकनीक और उद्योगीकरण समय की मांग नहीं है? क्या निजी निवेशक इस आश्वासन के बिना निवेश के लिए राजी होंगे कि वे अपने हिसाब से कृषि में उत्पादन करा सकें?

किसान संगठनों को यह समझना चाहिए कि कृषि में निजी निवेश की भागीदारी मात्र दो प्रतिशत है और यह क्षेत्र तब तक प्रगति नहीं कर सकता जब तक इसमें नए निवेशक नहीं आएंगे। यह स्पष्ट है कि किसान संगठनों को उकसाने और भड़काने का काम वे संगठन कर रहे हैं जो विचारधारा के स्तर पर निजी निवेश के खिलाफ हैं और यह मानते हैं कि सब कुछ सरकार के स्तर पर ही किया जाना चाहिए। मुक्त बाजार वाली अर्थव्यवस्था उन्हें स्वीकार नहीं।

नए कृषि कानूनों पर संसद में बहस को लेकर विपक्षी दलों का तर्क

आधारहीन

विपक्षी दलों का यह तर्क आधारहीन है कि नए कृषि कानूनों पर संसद में बहस नहीं हुई। तथ्य यह है कि मानसून सत्र में जब इनसे संबंधित विधेयक संसद में लाए गए थे तब उन पर 12 घंटे बहस हुई थी। यह बात अलग है कि विपक्षी दलों की दिलचस्पी मोदी सरकार को कोसने में थी।

न्यूनतम समर्थन मूल्य यानी एमएसपी समाप्त होने का डर दिखाने में हर विपक्षी दल आगे था। विपक्षी दलों ने यह रुख तब अपनाया जब वे अच्छी तरह जानते हैं कि एमएसपी को कानूनी रूप नहीं दिया जा सकता, क्योंकि केंद्र सरकार देश भर का ख़ाद्यान्न नहीं खरीद सकती।

बहुमत वाली मोदी सरकार को संवैधानिक दायरे में फैसले करने से कोई रोक नहीं सकता

किसान आंदोलन में जैसे तत्वों की घुसपैठ हो चुकी है उसके बाद मोदी सरकार के लिए यह आवश्यक हो जाता है कि वह न तो किसी दबाव को स्वीकार करे और न ही ऐसे कोई संकेत दे कि वह चंद लोगों की मनमानी के आगे झुकने के लिए तैयार है। यह इसलिए आवश्यक है, क्योंकि कोई भी न तो एक बहुमत वाली सरकार को संवैधानिक दायरे में फैसले करने से रोक सकता है और न ही दिल्ली में एक और शाहीन बाग बनाने की इजाजत दी जा सकती है। यह स्वीकार नहीं किया जा सकता कि

जो दल अथवा संगठन भाजपा और प्रधानमंत्री मोदी का राजनीतिक रूप से सामना नहीं कर पा रहे हैं वे अराजकता के सहारे अपने मंसूखे पूरे करने की कोशिश करें और ऐसा करते हुए लोकतंत्र की दुहाई भी दें। रेलवे ट्रैक रोकना, सड़कें बाधित करना और किसी प्रतिष्ठान पर तोड़फोड़ की अपील करना विरोध के लोकतांत्रिक तौर-तरीके नहीं हैं। ऐसे तौर-तरीकों को न तो जनता की सहानुभूति और समर्थन मिल सकता है और न ही सरकार की हमदर्दी।





# जागरण

## उचित रूप से लागू हुए तो खेती का कायाकल्प करने वाले हैं मोदी सरकार के ये तीनों कृषि कानून

Ashok Gulati  
Jagran

11th December 2020

कृषि क्षेत्र में सुधार के लिए मोदी सरकार के नए कानूनों का किसानों के एक वर्ग द्वारा तीखा विरोध जारी है। इन किसानों के मन में शंका है कि नए कृषि कानूनों से उनकी आमदनी खतरे में पड़ सकती है। यह स्थिति तब है जब प्रधानमंत्री नरेंद्र

मोदी भरोसा दिला चुके हैं कि न तो न्यूनतम समर्थन मूल्य यानी एमएसपी व्यवस्था समाप्त होने जा रही है और न ही मंडी व्यवस्था। इससे किसानों को आश्वस्त होना चाहिए, लेकिन वे उलटे आक्रोशित हो रहे हैं। कुछ राजनीतिक दल इन किसानों का भ्रम और बढ़ा रहे हैं।

केंद्र ने जो तीन कृषि कानून बनाए हैं, उनकी लंबे अर्से से प्रतीक्षा की जा रही थी। जैसे आवश्यक वस्तु अधिनियम की व्यवस्था तब बनाई गई थी, जब हम अपनी आबादी का पेट भरने में ही सक्षम नहीं थे। इसके उलट आज ऐसे अधिशेष की स्थिति है कि भारतीय खाद्य निगम यानी एफसीआइ के गोदामों में अनाज रखने के लिए पर्याप्त जगह ही नहीं। ऐसे में भारत को खाद्यान्न के मोर्चे पर अकाल से अधिशेष की स्थिति का लाभ उठाने की दिशा में अग्रसर होना ही होगा। इसी कारण सरकार ने आवश्यक वस्तु अधिनियम में संशोधन का उचित फैसला किया है।

पल भर में किसानों की उपज का मनमाने दामों पर हो जाता है सौदा इसी तरह कृषि उत्पादन एवं विपणन समिति

यानी एपीएमसी से जुड़े कानून में संशोधन भी समय की मांग है।

आप देश की किसी भी मंडी में जाकर देख सकते हैं कि कैसे पल भर में किसानों की उपज का मनमाने दामों पर सौदा हो जाता है। इससे कमीशन एजेंटों को तो बढ़िया फायदा मिल जाता है, लेकिन किसान अपेक्षित लाभ से वंचित रह जाते हैं। ऐसे में एपीएमसी कानून में सुधार से किसानों के लिए आवश्यक विकल्पों का बढ़ना तय है और इससे खरीदारों के बीच प्रतिस्पर्धा भी बढ़ेगी।

इसी तरह अनुबंध खेती से जुड़े कानून भी किसानों को राहत पहुंचाएंगे। अमूमन किसान पिछली फसल के दाम देखकर ही अगली फसल की तैयारी करते हैं, लेकिन अनुबंध कृषि के जरिये वे भविष्य की फसल की कम से कम जोखिम के साथ बेहतर योजना बना सकते हैं। यह तथ्य किसी से छिपा नहीं कि किसानों को फसल उगाने से अधिक उसे बेचने में कहीं ज्यादा मुश्किल होती है। ये कानून काफी हद तक इस समस्या का समाधान करने में सक्षम हैं। इसी तरह आपूर्ति शृंखला बेहतर होने से उपभोक्ताओं का भी भला होगा। ये तीनों कानून यदि उचित रूप से लागू हुए तो इनमें भारतीय कृषि और किसानों की कायापालट करने की पूरी क्षमता है।

पेच फंसाकर नहीं होने वाला कुछ भी हासिल

इसके बावजूद इन कानूनों का विरोध समझ से परे है। इस विरोध में एक स्पष्ट रूझान भी दिख रहा है कि यह मुख्य रूप से पंजाब

के किसानों द्वारा किया जा रहा है। इसकी पड़ताल करें तो यही पाएंगे कि पंजाब में एफसीआइ बड़े पैमाने पर खरीद करता है। ऐसे में वहां के किसानों को लगता है कि मंडी व्यवस्था उनके लिए पूरी तरह उपयुक्त है। फिर आढ़तियों के आर्थिक हित और राज्य सरकार को मिलने वाले करीब 5,000 करोड़ रुपये के राजस्व का भी पहलू है। ऐसे में आढ़तियों और राज्य सरकार को ये अपने हाथ से फिसलता दिख रहा है। उनकी ये चिंताएं कुछ हद तक वाजिब भी हैं। ऐसे में उन्हें कुछ वर्षों के लिए इसकी क्षतिपूर्ति दी जा सकती है। या फिर निजी क्षेत्र के लिए खरीद की एक सीमा निर्धारित की जा सकती है। इस गतिरोध का सार्थक संवाद या ऐसे ही किसी मध्यमार्ग के जरिये हल निकाला जा सकता है, मगर इस पर पेच फंसाकर कुछ हासिल नहीं होने वाला। साथ ही पंजाब के किसानों को अपनी आमदनी बढ़ाने के लिए गेहूं और धान जैसे विकल्पों से इतर भी देखना होगा।

सुधारों को मूर्त रूप देने के लिए निजी निवेश होगा आवश्यक

प्रदर्शनकारी किसान जिस एमएसपी को लेकर अड़े हैं, वह व्यवस्था भी 1965 के दौर में तब की गई थी, जब देश खाद्यान्न के मोर्चे पर खस्ताहाल था। आज स्थिति ऐसी है कि उत्पादित खाद्यान्न के भंडारण के लिए पर्याप्त स्थान का अभाव है। स्पष्ट है कि हम अतीत की नीतियों के जरिये नहीं चल सकते। ये कृषि सुधार इन्हीं गड़बड़ियों को सुधारने के लिए गए हैं। इन सुधारों को मूर्त रूप देने के लिए निजी निवेश आवश्यक होगा। बाजार की भूमिका भी महत्वपूर्ण होगी।

कृषि सुधारों का विरोध करने वालों को यह भी समझना होगा कि मौजूदा व्यवस्था को रातोंरात नहीं बदला जा सकता। इस संक्रमण अवधि में वे निजी क्षेत्र के खिलाड़ियों से मुकाबला करने के लिए अपनी क्षमताएं बेहतर कर सकते हैं। इससे होने वाली प्रतिस्पर्धा का लाभ उत्पादक और उपभोक्ता दोनों को मिलेगा।

भारतीय प्रतिस्पर्धा आयोग जैसी संस्था को किया जा सकता है सक्रिय

सरकार ने सुधारों की दिशा में कदम अवश्य बढ़ाए हैं, लेकिन कुछ कमियां भी छोड़ दी हैं। जैसे कुछ वस्तुओं की कीमतों में 50 से 100 प्रतिशत बढ़ोतरी की स्थिति में आवश्यक वस्तु अधिनियम लागू करने का प्रावधान शेष है। जबकि आवश्यक वस्तु अधिनियम को पूरी तरह अंत्म कर देना चाहिए। सिर्फ युद्ध या प्राकृतिक आपदा की स्थिति में ही इसका सहारा लिया जाए। यदि कोई पक्ष कीमतों को कृत्रिम रूप से बढ़ा-चढ़ाकर बाजार को विरूपित करने का प्रयास करता है तो उस स्थिति से निपटने के लिए भारतीय प्रतिस्पर्धा आयोग जैसी संस्था को सक्रिय किया जा सकता है।

वास्तव में कृषि क्षेत्र में ऐसे सुधारों की प्रतीक्षा तो लंबे समय से की जा रही थी, लेकिन मसला संवेदनशील होने के कारण कोई सरकार इन्हें आगे नहीं बढ़ा पाई। प्रधानमंत्री मोदी ने साहसिक फैसले लेने की अपनी विशिष्ट शैली में इन सुधारों पर कदम बढ़ाए हैं।

उनकी सरकार पर जल्दबाजी में ये कानून बनाने का आरोप भी सही नहीं है, क्योंकि इन सुधारों पर विमर्श की शुरुआत वर्ष 2003 में वाजपेयी सरकार के समय से ही शुरू हो गई थी। कांग्रेस के नेतृत्व वाले संप्रग की सरकार में भी इन पर यदाकदा चर्चा होती रही। यहां तक कि वर्ष 2019 के आम चुनाव में कांग्रेस ने अपने घोषणापत्र में इन मांगों का उल्लेख अपने घोषणापत्र में भी किया था और अब वह इसका विरोध कर रही है। मोदी सरकार ने अभी तक दृढ़ता से इन सुधारों का समर्थन किया है। उसे किसानों द्वारा बनाए जा रहे दबाव के आगे नहीं झुकना चाहिए। यदि मोदी ऐसे किसी दबाव के चलते कृषि सुधारों पर कदम पीछे खींचते हैं तो भविष्य में किसी भी सरकार के लिए इन सुधारों पर कदम आगे बढ़ा पाना असंभव नहीं तो बेहद मुश्किल जरूर होगा।



# गरीब किसान, छोटे जमींदार और उपज का संकट: देश को सख्त कृषि सुधारों की आवश्यकता क्यों ?

Santosh Chaubey  
News18 Hindi  
15 December 2020

भारत में जब कृषि की बात आती है तो देश विरोधाभासों की भूमि है.

ऐसे विरोधाभास जो कृषि गतिविधि में लगे लाखों किसानों के जीवन को प्रभावित करते हैं. अब उन्हें जीवन के इन तरीकों से बाहर निकलने की जरूरत है, जो उन्हें लंबे समय से प्रभावित करते आए हैं. हमने हर साल हजारों किसानों को आत्महत्या करते देखा है और वर्ष 1995 से (जब से राष्ट्रीय अपराध रिकॉर्ड ब्यूरो (NCRB) ने अपना डेटा जारी करना शुरू किया.) इसके आधिकारिक रिकॉर्ड हैं.

इस देश के किसानों को कृषि सुधारों की सख्त आवश्यकता है और तीन कृषि बिलों के माध्यम से पेश किए गए गए कृषि कानून इस दिशा में सही कदम हैं, जिसे सरकार ने अच्छी तरह से लागू किया है

भारत दुनिया में कई फसलों के शीर्ष उत्पादकों में से एक है, लेकिन जब उत्पादकता मानकों की बात आती है, यानी प्रति यूनिट भूमि पर उत्पादित फसल, तब हम पिछड़े

जाते हैं. यह हमारी खाद्य उत्पादन प्रणाली की सबसे महत्वपूर्ण श्रृंखला को प्रभावित करता है. इसका मतलब ये सीधे किसानों को प्रभावित करता है.

किसानों की आजीविका उनके खेतों में होने वाले उपज से जुड़ी है, लेकिन वे अपने अनाज के उत्पादन को आवश्यक पैमाने पर बढ़ाने में विफल रहे. उनमें से अधिकांश किसान गरीब हैं और उनके पास बहुत कम खेती है. ऐसे किसान इस देश की सिंचाई तकनीक में निवेश नहीं कर सकते हैं जहां मॉनसून के माध्यम से होने वाली मौसमी बारिश कई बार फसलों के लिए अनुकूल समय पर नहीं होती है. वे अपनी उपज को बढ़ाने के लिए आवश्यक कृषि-प्रौद्योगिकी और वैज्ञानिक तरीकों से निवेश नहीं कर सकते हैं.

1950 में देश की GDP में कृषि क्षेत्र का योगदान 50% से ज्यादा था

भारत में कृषि एक ऐसा क्षेत्र है जिससे देश की जनसंख्या का बड़ा हिस्सा जुड़ा हुआ है. ये कहना गलत नहीं होगा कि ये क्षेत्र सबसे ज्यादा लोगों या किसानों की भरण पोषण का साधन है. हालांकि यह क्षेत्र आवश्यक विकास दर हासिल करने में विफल रहता है. 1950 के दशक में, कृषि भारतीय अर्थव्यवस्था का मुख्य आधार था, जिसका देश की जीडीपी में 50% से अधिक का योगदान था. भारत का 70% वर्कफोर्स कृषि में लगा हुआ था. वर्तमान समय में इसमें कमी आई है. इस क्षेत्र में भारी गिरावट देखी गई है. वर्ष 2019-2000 में देश की जीडीपी में कृषि क्षेत्र का योगदान लगभग 17 फीसदी था.

अभी भी कृषि क्षेत्र देश के 55 फीसदी से ज्यादा लोगों के रोजगार का साधन है. जिससे कई तरह के सवाल भी उठते हैं. इस क्षेत्र में गिरावट क्यों है जब देश का सबसे बड़ा वर्कफोर्स और संसाधन इस क्षेत्र में लगे हैं? कभी यह भारतीय अर्थव्यवस्था का मुख्य आधार था? आखिर हरित क्रांति की भारी सफलता के बावजूद ऐसा क्यों है जिसने भारत को न केवल आत्म-निर्भर बनाया है

बल्कि उपज में शीर्ष स्तर का निर्यातक भी बनाया है ?

1971 में 3.6 करोड़ लोगों के पास देश की 68% कृषि भूमि थी

शुरुआत में हमने बताया है कि हम अपनी उपज को एडवांस बनाने में सक्षम नहीं हो पाए और इसलिए हम अनाज का उत्पादन बढ़ाने में सफल नहीं हुए. देश में पिछले कुछ वर्षों से बढ़ती आबादी के साथ ही कृषि योग्य भूमि भी धीरे-धीरे छोटे क्षेत्रों में खंडित हो गई है. कृषि जनगणना 2011 और 2019 के आंकड़ों के अनुसार, भारत में 1971 के दौरान 3.6 करोड़ लोगों के पास कृषि भूमि थी. 2016 में यह बढ़कर 10 करोड़ से अधिक हो गया. जो कुल होल्डिंग का 68% थी. भारत के 82% किसान अभी भी कम भूमि वाले और गरीब हैं.

जिसका परिणाम यह है कि किसानों की आय का स्तर कम हो रहे भूमि के आकार में कमी के कारण आवश्यक अनुपात में नहीं बढ़ सकता था और वे उन्नत मशीनीकरण और सिंचाई तकनीकों को अपनाने में असमर्थ थे. भारत की कम फसल उपज संकट का यह प्रमुख कारण है.

यूएस जियोलॉजिकल सर्वे द्वारा मैप एनालिसिस के अनुसार, दुनिया की सबसे ज्यादा कृषि योग्य भूमि भारत में है. 2017 में जारी किए गए मानचित्र में दिखाया गया है कि भारत में 179.8 मिलियन हेक्टेयर में फसल है, जो संयुक्त राज्य अमेरिका के 167.8 मिलियन हेक्टेयर और चीन के 165.2 मिलियन हेक्टेयर से अधिक है. जबकि दक्षिण एशिया को दुनिया की कृषि राजधानी कहा जाता है. देश के लगभग 20: खेत का उपयोग संयुक्त राज्य अमेरिका और चीन में फसल उत्पादन के लिए किया जाता है.

ज्यादा कृषि भूमि होने के बावजूद हम उत्पादन में अमेरिका, चीन से पीछे

हालांकि, जब कृषि उपज या भूमि की प्रति यूनिट उत्पादित फसल की मात्रा की बात आती है, तो हम अभी भी अन्य प्रमुख फसल उत्पादक देशों से पिछड़ जाते हैं. भारत में दुनिया की सबसे ज्यादा कृषि योग्य भूमि होने के बावजूद हम अनाज उत्पादन में संयुक्त

राज्य अमेरिका और चीन से पीछे हैं. भारत का खाद्यान्न उत्पादन लक्ष्य, ज्यादातर गेहूं और चावल के लिए, 2020-21 के लिए, लगभग 300 मिलियन टन है. जबकि चीन के लिए यह लगभग 350 मिलियन टन है. अमेरिका ने 2019-20 में लगभग 430 मिलियन टन अनाज का उत्पादन किया.

खाद्य और कृषि संगठन (एफएओ) 2014 के आंकड़ों के अनुसार, भारत फसल और फलियां उपज में वैश्विक औसत से काफी नीचे है. भारत औसतन 2,391 किलोग्राम प्रति हेक्टेयर चावल का उत्पादन करता है, जबकि वैश्विक औसत 3,026 किलोग्राम प्रति हेक्टेयर है. गेहूं उत्पादन में वैश्विक औसत 3,289 किलोग्राम प्रति हेक्टेयर है, जबकि भारत में यह 2,750 किलोग्राम प्रति हेक्टेयर है. हम मक्का उत्पादन में भी 2,632 किलोग्राम प्रति हेक्टेयर के साथ बहुत नीचे हैं. जबकि इसका वैश्विक औसत 5,664 प्रति हेक्टेयर है.

भारत चावल का दूसरा सबसे बड़ा उत्पादक होने के बावजूद अभी तक अमेरिका, चीन और ब्राजील से पीछे है. हम गेहूं उत्पादन में चीन के बाद दूसरे सबसे बड़े देश हैं. अभी तक हम दलहन के सबसे बड़े उत्पादक हैं लेकिन सभी फसलों के उत्पादन के मामले में हम संयुक्त राज्य अमेरिका, चीन और ब्राजील के बाद चौथे स्थान पर हैं. ये सभी कारक भारतीय किसानों के संकट को दर्शाता है.

एक गरीब, आत्मनिर्भर किसान उत्पादन की सूक्ष्मता को नहीं समझ कर सकता है जोकि आर्थिक रूप से उन्नत और कम आबादी वाले देशों जैसे कि संयुक्त राज्य अमेरिका के किसानों में देखा जाता है. वहीं, अगर चीन को देख लें तो वह भारत की तुलना में अधिक आबादी वाला है, लेकिन वहां कृषि उत्पादन में कई दशक से कृषि सुधार देखे गए हैं. वहां, कृषि-प्रौद्योगिकी की शुरुआत काफी अच्छी तरह से की गई है. ऐसे में भारतीय किसानों के पास क्या रास्ता है ?

भारतीय किसानों को सहारे की जरूरत

भारतीय किसानों को अपनी कृषि उपज बढ़ाने के लिए बेहतर सिंचाई सुविधाओं और उन्नत कृषि तकनीकों के लिए सहयोग की जरूरत है. उसे कृषि-प्रौद्योगिकी तक पहुंच की

आवश्यकता है. उसे अधिक लाभ प्राप्त करने के लिए सीधे व्यापार करने की आवश्यकता है और उसे एक ऐसी प्रणाली की आवश्यकता होती है जो उसकी आर्थिक रूप से मदद कर सके क्योंकि बहुत अधिक आवश्यकताएं उसकी सीमाओं से परे हैं.

ऐसे में नए कृषि कानून आवश्यक कृषि सुधार में उपयोगी हो सकते हैं. नए कृषि कानून में अनुबंध खेती को अनुमति दी गई है, जिससे किसान सीधे कृषि व्यवसायियों के साथ जुड़ें। नए कानून यह सुनिश्चित करते हैं कि किसानों को उन्नत तकनीक प्राप्त करने और फसल उत्पादन के अन्य लाभ और पूर्व निर्धारित निश्चित मूल्य मिले. इन कानूनों के माध्यम से किसानों के फायदे का बड़ा हिस्सा लेने वाले बिचौलियों को दूर करके उन्हें इनके चंगुल से आजाद किया गया है।

नए कृषि कानून में यह सुनिश्चित किया गया है कि संभावित सहयोगी किसानों की जमीन नहीं खरीद सकते हैं और इसमें न्यूनतम समर्थन मूल्य (MSP) का कोई उल्लेख नहीं है. सरकार अब यह लिखित में देने के लिए तैयार है कि MSP प्रणाली विरोध के बाद

भी जारी रहेगी और एमएसपी को चरणबद्ध किया जाएगा.

वर्तमान कृषि कानून मौजूदा बाजार प्रणाली को हटाने के लिए नहीं है। यह कानून एपीएमसी मंडियों को हटाने के लिए नहीं है. लेकिन यह किसानों को संभावित खरीदारों के साथ सीधे बातचीत करने के लिए एक व्यापक विकल्प दे रहा है।

यह कानून जब मुख्य धारा में आ जाएगा तब सीमांत और छोटे किसानों को सीधे मदद मिलेगी. छोटे और सीमांत किसान भी संभावित खरीदारों से प्रभावी रूप से मोलभाव कर सकते हैं. अगर इसे प्रभावी ढंग से लागू किया गया तो किसानों और कृषि व्यवसायियों के लिए यह एक जीत की स्थिति हो सकती है।

# कैसे कृषि कानूनों का गलत मतलब निकाल रहे हैं किसान संगठन ?

Kailash Adhikari  
16 December 2020  
News18 Hindi

भारत में सुधार लाना एक कठिन कार्य है। सरकार के कभी विपक्ष और विभिन्न हितधारकों से मतभेद होते हैं, तो कभी सभी एकमत हो जाते हैं। मतभेद की स्थिति में इसे जाहिर करने के लिए अक्सर सड़कों पर प्रदर्शन किया जाता है। देश में विभिन्न सुधारों के कार्यान्वयन में देरी का ये एक प्राथमिक कारण रहा है।

नए कृषि कानूनों को लेकर बीते कुछ दिनों से दिल्ली में जो उथल-पुथल मची हुई है, ये इसका सबसे अच्छा उदाहरण है। इसमें निहित स्वार्थ वाले समूह किसानों को गुमराह कर रहे हैं और उन्हें विद्रोह करने के लिए उकसा रहे हैं। ऐसे लोग किसान आंदोलन के जरिए अपने खोए हुए राजनीतिक आधार को फिर से स्थापित कर रहे हैं। किसान समुदाय से बेहतर किसी भी पार्टी के लिए कोई दूसरा तुरूप का पता नहीं है।

**Farmers Protest- बॉर्डर पर किसानों का आंदोलन सही या गलत? सुप्रीम कोर्ट में आज सुनवाई**

कोविड महामारी के दौरान घर लौट रहे प्रवासी मजदूरों और श्रमिकों की दुर्दशा को जोर-शोर से उठाने, आरक्षण के मुद्दे को दोबारा उठाने और नागरिकता संशोधन कानून को लेकर विपक्ष के लामबंद होने तक... पिछले कुछ वर्षों में देश ने विभिन्न विरोधों को देखा है। उनमें से अधिकांश प्रधानमंत्री और विकास से संबंधित उनकी पहल के सामने सपाट हो गए हैं। सरकार से मुकाबला करने के लिए विपक्ष नित नए तरीके और रास्ते खोजते हैं। जनता से समर्थन मांगते हैं।

राष्ट्रीय ताने-बाने को खींचे जाने पर किसान सामाजिक और धार्मिक सीमाओं को काट देते हैं। इसलिए उनसे जुड़े किसी भी मुद्दे को समाज के सभी क्षेत्रों से समर्थन और ध्यान मिल जाता है। उदाहरण के तौर पर 2009 में सत्ता में वापसी के बाद यूपीए को किसानों के ऋण की माफी के लिए प्रमुख रूप से जिम्मेदार ठहराया गया था

नए कृषि कानूनों पर प्रधानमंत्री द्वारा कई सार्वजनिक मंचों से किसानों को आश्वासन दिए गए। गृहमंत्री और कृषि मंत्री भी किसानों को कई बार समझाने की कोशिश कर चुके हैं कि नए कानून सोच-समझकर बनाए गए हैं। इससे किसी का अहित नहीं होगा। मगर किसानों का आंदोलन जारी है और वो अपनी मांगों को लेकर अड़े हुए हैं। केंद्र सरकार और किसान यूनियनों के बीच गतिरोध जारी है, क्योंकि सरकार के साथ कई दौर की चर्चाएं विफल रही हैं।

भारत एक कृषि प्रधान अर्थव्यवस्था है, जहां लगभग दो-तिहाई आबादी प्रत्यक्ष या अप्रत्यक्ष रूप से कृषि गतिविधियों में लगी हुई है।

विशेषज्ञों और प्रमुख हितधारकों ने कृषि प्रणाली में समय-समय पर सुधार लाने के लिए कई मांगों को उठाया है। ये नवीनतम कृषि सुधार किसानों के सशक्तीकरण और उनकी सामाजिक-आर्थिक स्थिति को सुधारने की दिशा में है। तीन नए कानूनों का आधार “वन इंडिया, वन एग्रीकल्चर मार्केट” के विचार पर आधारित है, जिसका उद्देश्य किसानों और कॉर्पोरेट

के बीच अवसरों को अधिकतम करने और बिचौलियों को कम करने के लिए तालमेल बनाना है।

इन कानूनों से न केवल कृषि-सुधार में सुधार होगा, बल्कि रोजगार के बड़े अवसर पैदा होंगे। आर्थिक विकास और ग्रामीण विकास में सकारात्मक योगदान होगा। साथ ही अधिक स्वतंत्रता के साथ किसानों की दुर्दशा में सुधार होगा।

बेशक किसान एमएसपी को लेकर कुछ आशंकित हैं। लेकिन इसे सरकार समझाने की पूरी कोशिश कर रही है। किसानों को डर है कि एमएसपी खत्म कर दी जाएगी और मंडियों को बंद किया जा रहा है। लेकिन नए कृषि कानून में ऐसा कोई प्रावधान नहीं है। किसानों की बीच फैलाई जा रही बातें तथ्यों पर आधारित नहीं है।

एमएसपी और मंडियों किसानों को चुनने के लिए उपलब्ध अतिरिक्त विकल्पों के साथ-साथ उसी तरह से काम करना जारी रखेगी। कॉन्ट्रैक्ट फार्मिंग, जिसे एक दानव के रूप में चित्रित किया गया है जो छोटे किसानों को ख़ाएगा और उनकी जमीन कॉर्पोरेट को बेची जाएगी। नए कानूनों में ऐसा भी कुछ नहीं है। हालांकि, यह सामान्य ज्ञान है कि फसलें भंडारण और गोदामों में सड़ जाती हैं, जिसके परिणामस्वरूप भोजन की बर्बादी होती है और सरकारी खजाने को नुकसान होता है। सरकार ने इससे बचने के लिए कई प्रावधान किए हैं।

एग्री-इंफ्रा विकसित करने से जुड़े कम निवेश का प्राथमिक कारण आवश्यक वस्तु अधिनियम के कारण था। अब नए कानूनों से भंडारण, वितरण और कृषि क्षेत्र में अधिक निवेश को बढ़ावा मिलेगा। परिवर्तन अंततः मूल्य

श्रृंखला के दोनों सिरों को लाभान्वित करेंगे। यानी किसानों और उपभोक्ताओं दोनों को इन कानूनों से फायदा ही होगा।

इसके अलावा भय और आशंकाओं को फैलाने को ध्यान में रखते हुए सरकार किसानों संगठनों के सुझावों को कानून में शामिल करने पर सहमत हुई है। पुराने कानूनों के कारण किसानों को लंबे समय तक स्वतंत्र रूप से व्यापार करने के अपने अधिकार से वंचित किया गया है। अब कृषि सुधारों के कारण, कुछ राजनीतिक संगठनों के साथ निष्ठा रखने वाले बिचौलियों की लॉबी घबरा रही है और अशांति पैदा कर रही है। ये आंदोलन इसी घबराहट का नतीजा कहा जा सकता है।

किसानों को भ्रमित करने की साजिश, सरकार शंका दूर करने के लिए 24 घंटे तैयार: PM मोदी

इस मामले में हासने वाला वह है जो अंत में केंद्र के खिलाफ लड़ाई लड़ने के लिए एक उपकरण के रूप में इस्तेमाल किया जा रहा है। बिलों को किसानों के विरोधी के रूप में देखा जा रहा है और उनके मन में आशंकाएं पैदा की जा रही हैं। जो कि सरासर गलत है। यह समय है कि सरकार को बढ़ती जनसंख्या के साथ कृषि सुधारों में यू-टर्न नहीं लेना चाहिए। जो लोग परिवर्तन का विरोध कर रहे हैं, वे इस तथ्य को पचाने के लिए तैयार नहीं हैं कि किसान स्वतंत्र रूप से व्यापार और कार्य कर सकते हैं।



जानकारीपूर्ण  
लेख





# जनसम्पर्क विभाग

मध्यप्रदेश शासन

## फॉर्चून राइस लिमिटेड कंपनी को लेना होगा अनुबंध मूल्य पर धान

MPInfo.org

11th December, 2020

होशंगाबाद जिले के किसानों से अनुबंध के बावजूद फॉर्चून राइस लि. दिल्ली द्वारा धान नहीं खरीदी जाने के प्रकरण में जिला प्रशासन द्वारा तत्परतापूर्वक कार्रवाई की गई। नवीन कृषि कानून 'किसान (सशक्तिकरण और संरक्षण) अनुबंध मूल्य आश्वासन और कृषि सेवा अधिनियम 2020 के प्रावधान अनुसार कार्रवाई की गई है।

किसानों को 24 घंटे में न्याय दिलवाया गया है। एसडीएम पिपरिया नितिन टाले ने बताया कि कृषकों से मंडी के उच्चतम मूल्य पर धान खरीदी के अनुबंध 3 जून, 2020 के बावजूद फॉर्चून राइस लि. कंपनी द्वारा 9 दिसम्बर को मंडी में उच्च विक्रय मूल्य होने पर धान नहीं खरीदी गई। उक्त प्रकरण में 10 दिसम्बर, 2020 को ग्राम भौखेडी के कृषक पुष्पराज पटेल एवं ब्रजेश पटेल द्वारा एसडीएम नितिन टाले को शिकायत की गई। कृषकों ने चर्चा में बताया कि फॉर्चून राइस लिमिटेड दिल्ली द्वारा 3 जून, 2020 को उच्चतम बाजार मूल्य पर धान खरीदी का अनुबंध किया था, कंपनी द्वारा लगातार अनुबंध अनुसार खरीदी की जाती रही किंतु 3 हजार रुपये प्रति कि्वंटल धान के भाव होने पर कंपनी के कर्मचारियों ने खरीदी बंद कर किसानों से सम्पर्क समाप्त कर दिया।

उक्त प्रकरण की जानकारी जिला प्रशासन को प्राप्त होने पर तत्परतापूर्वक कार्रवाई कर न्यायालय अनुविभागीय दंडाधिकारी पिपरिया ने समन जारी कर फॉर्चून राइस लिमिटेड के अधिाकृत प्रतिनिधि को 24 घंटे में समक्ष में जबाव प्रस्तुत करने के निर्देश दिये। एसडीएम कोर्ट द्वारा जारी समन पर फॉर्चून राइस लिमिटेड

के डायरेक्टर श्री अजय भलोटिया ने जबाव प्रस्तुत किए जाने पर कृषक (सशक्तिकरण एवं संरक्षण) अनुबंध मूल्य आश्वासन और कृषि सेवा अधिनियम-2020 की धारा-14 (2) के तहत कॉन्व्यूलेशन बोर्ड का गठन किया। कॉन्व्यूलेशन बोर्ड के समक्ष कंपनी ने दिनांक 9 दिसंबर के उच्चतम दर पर धान क्रय करना स्वीकार किया।

बोर्ड की अनुशंसा के आधार पर न्यायालय अनुविभागीय दंडाधिकारी पिपरिया ने अनुबंधित कृषकों से रु 2950+50 रु बोनस कुल 3 हजार रुपये प्रति कि्वंटल की दर धान खरीदने हेतु आदेशित किया।

इस प्रकार नये कृषक कानून का प्रयोग करते हुए शिकायत प्राप्त होने के 24 घंटे के अंदर कृषकों को अनुबंध अनुसार उच्चतम बाजार दिलाये जाने की कार्रवाई की गई। उक्त अधिनियम के तहत लिए गए फैसले से किसानों में हर्ष व्याप्त है। किसानों द्वारा बताया गया कि कंपनी द्वारा कॉन्ट्रैक्ट के बावजूद धान खरीदी नहीं किए जाने से हमें बहुत अधिाक आर्थिक नुकसान उठाना पड़ता। किसान हितैषी नया कृषि कानून हमारे लिए आशा की किरण लेकर आया है। किसानों के हित में लिए गए इस फैसले से अब हम अनुबंध के अनुसार अपनी उपज कंपनी को बेच पाएंगे।

# IMF के कार्यकारी निदेशक सुरजीत भल्ला बोले- मंडी व्यवस्था प्रासंगिक नहीं, APMC के लिए लड़ रहे अमीर किसान

News18

12th December, 2020

अंतरराष्ट्रीय मुद्रा कोष के कार्यकारी निदेशक सुरजीत भल्ला ने शनिवार को ब्छ छम्मे 18 से एक्सक्लूसिव बातचीत में कहा कि कृषि कानून के खिलाफ किसानों के प्रदर्शन से स्पष्ट है कि राजनीतिक विपक्ष खुलकर सामने आ गया है। पंजाब और हरियाणा के अमीर किसानों को लगता है कि उनके अनुचित अमीरी भरे दिन अब खत्म हो गए हैं। भल्ला ने दो टूक कहा कि मंडी व्यवस्था अब प्रासंगिक नहीं है और इससे नुकसान किसका है? क्या आपको टाइपराइटर्स से शिकायत है।

भल्ला ने कहा कि बहुत सारे अर्थशास्त्रियों ने सुधारों का समर्थन किया है। हो सकता है कि किसानों के प्रदर्शन का राजनीति से कोई कनेक्शन हो।

उन्होंने कहा कि APMC (Agricultural Produce Market Committee)

व्यवस्था 150 साल पहले अस्तित्व में आई। एपीएमसी को मैनचेस्टर के कारखानों में कपास की सप्लाई के लिए स्थापित किया गया था ताकि किसानों को मजबूर किया जा सके कि वे रेगुलेटेड मार्केट के जरिए उपनिवेशी शासकों को अपने उत्पाद बेचें।

उन्होंने कहा कि अमीर किसानों का समर्थन करना औपनिवेशिक नियम-कानूनों को बनाए रखना है। बावजूद इसके कि सभी पार्टियों

ने एपीएमसी को जारी रखा, 1991 में इंडस्ट्री की बेड़ियां खोल दी गईं, लेकिन खेती आजाद नहीं हुई। नए सुधारों से किसानों को अपनी उपज मंडी के बाहर बेचने की आजादी मिलेगी।

आंकड़ों का हवाला देते हुए भल्ला ने कहा कि सरकारी खरीद एपीएमसी मार्केट के जरिए होती है। फिर भी सिर्फ 6 फीसदी किसान ही एपीएमसी के जरिए अपनी फसलें बेच पाते हैं।

इनमें से ज्यादातर पंजाब और हरियाणा के किसान हैं। इन 6 फीसदी किसानों से 60 प्रतिशत गेहूं की खरीद होती है।

उन्होंने कहा कि अगर सभी किसान प्रदर्शन कर रहे हैं, तो अमीर किसान सिर्फ एपीएमसी व्यवस्था को बचाने के लिए प्रदर्शन कर रहे हैं। सबको कृषि कानून के ज्यादातर प्रावधान पता हैं, लेकिन अमीर किसान अपनी धनाढ्यता गंवाना नहीं चाहते, खासतौर पर जब ये अनुचित है।

भल्ला ने कहा कि पंजाब और हरियाणा हरित क्रांति के जनक रहे हैं। दोनों राज्य अमीर राज्य हैं, लेकिन उत्पादकता के स्तर पर नीचे हैं। दूसरे राज्यों में उत्पादन पंजाब और हरियाणा के मुकाबले दोगुनी है।





# जागरण

## कृषि कानून पर वाराणसी में बोले विशेषज्ञ - 'नया कृषि कानून लागू होने से किसानों को होगा अधिक मुनाफा'

Jagran

15th December, 2020

आज भारत कृषि उत्पादन में आत्मनिर्भर और प्रमुख कृषि निर्यातक देश भी बन गया है। इसका श्रेय हरित क्रांति की उच्चतम कृषि तकनीक (बैनी, संकर किस्में, खाद, सिचाई प्रबंधन आदि), मेहनतकश किसान और दूरदर्शी कृषि सुधार को जाता है, जिससे बिजली, पानी, बीज, खाद, फसलों की लाभकारी समर्थन मूल्य पर बिक्री और विपणन, भंडारण, वितरण व्यवस्था की सुविधा किसानों और गरीबों को मिली।

वाराणसी स्थित भारतीय सब्जी अनुसंधान संस्थान के निदेशक डा. जगदीश सिंह कहते हैं कि केंद्र सरकार द्वारा लाए गए नए कानूनों से 'एक देश-एक दाम' का सिद्धांत पूरे देश में लागू होगा। इससे किसान को दोगुने से ज्यादा का लाभ होगा। साथ ही यह फसल विविधीकरण में भी सहायक होगा।

बागवानी फसलों में मुख्य रूप से सब्जी फसल को समाहित करने से न केवल फसल विविधीकरण होगा बल्कि किसानों को सब्जी फसलों की खेती से अधिक मुनाफा भी होगा। कृषि उत्पादन व्यापार और वाणिज्य (संवर्धन और सुविधा) अध्यादेश, 2020, राज्य सरकारों को मंडियों के बाहर की गई कृषि उपज की बिक्री और खरीद पर टैक्स लगाने से रोकता है और किसानों को लाभकारी

मूल्य पर अपनी उपज बेचने की स्वतंत्रता देता है। निदेशक ड० सिंह का कहना है कि इस बदलाव के जरिए किसानों की उपज की बिक्री और खरीद से संबंधित आजादी मिलेगी, जिससे अच्छा माहौल पैदा होगा और दाम भी बेहतर मिलेंगे। साथ ही इस अध्यादेश से किसान अपनी उपज देश में कहीं भी, किसी भी व्यक्ति या संस्था को बेच सकते हैं।

किसान अपनी उपज की कीमत तय कर सकेंगे और किसान के अधिकारों में इजाजा होगा और बाजार में प्रतियोगिता भी बढ़ेगी। किसान को उसकी फसल की गुणवत्ता के अनुसार मूल्य निर्धारण की स्वतंत्रता मिलेगी। अनुबंधित खेती से किसान को फसल की बुवाई से पहले ही अपनी फसल को तय मानकों और तय कीमत के अनुसार बेचने की सुविधा मिलेगी।

कॉन्ट्रैक्ट फार्मिंग से किसान का जोखिम कम होगा। दूसरे, खरीदार ढूंढने के लिए कहीं जाना नहीं पड़ेगा। यह अध्यादेश किसानों को शोषण के भय के बिना समानता के आधार पर बड़े खुदरा कारोबारियों, निर्यातकों आदि के साथ जुड़ने में सक्षम बनाएगा। इससे बाजार की अनिश्चितता का जोखिम किसानों पर नहीं रहेगा और किसानों की आय में सुधार होगा।

निदेशक ड० सिंह का यह भी कहना है कि इस अध्यादेश से किसानों

की उपज दुनियाभर के बाजारों तक पहुंचेगी। कृषि क्षेत्र में निजी निवेश बढ़ेगी। अनुबंध खेती यानी कॉन्ट्रैक्ट फार्मिंग से किसानों की अधिक हालत में भी सुधार होगा।

पहले सरकार द्वारा निर्धारित एजेंट ही फसल खरीद सकते थे। लेकिन अब ऐसा नहीं होगा। फसल कोई भी खरीद सकता है। ऐसे में किसान को अधिक विकल्प मिला है। पहले फसल बेचने का विकल्प न होने के चलते किसानों को अधिक परेशानी आ रही थी। अब किसान के पास कई विकल्प होंगे। किसान मंडी में बेचने के अलावा बाहर भी फसल बेच सकता है। सब्जी फसलों जैसे मिर्च, हरी मटर, बैंगन, टमाटर, बींस, पत्तेदार सब्जियां और गैर परंपरागत अल्प दोहित सब्जी फसलों की खेती अपनाकर फसलों का विविधिकरण कर अपनी आय में बढ़ोतरी कर सकते हैं। आज केवल परंपरागत खेती फायदे का सौदा नहीं रही। अनाज के साथ सब्जी, फल-फूल आदि से भी अच्छी आमदनी की जा सकती है।

अब खेती के तरीकों के साथ फसलों को भी बदलने की जरूरत है। फसलों के विविधिकरण के साथ जैविक खेती में भी भविष्य छिपा है। फसलों के विविधिकरण से जमीन की उर्वरा शक्ति को वापस लाया जा सकता है।

खेती का रकबा दिनों-दिन कम हो रहा है, तो किसान अपने खेत में कोई बड़ा निवेश नहीं कर पाता। और कारोबारी-कंपनी किसान तक नहीं पहुंच पाता। ऐसे में कई बार छोटे किसान के पास इतना कम उत्पादन होता है कि अगर वो मंडी ले जाए तो किराया भी नहीं निकलता है। ऐसे में अगर छोटे किसान मिलकर सब्जी फसलों की खेती करेंगे और एकत्र होकर बेचेंगे तो उन्हें अवश्य ही फायदा होगा। कॉन्ट्रैक्ट फार्मिंग में करार सिर्फ फसल का होगा, जमीन का नहीं। किसान ही जमीन का मालिक रहेगा। अनुबंध खेती में आने वाली कृषि उपज को राज्य के उन सभी कानूनों से छूट मिलेगी जो कृषि उपज की बिक्री और खरीद पर लागू होते हैं। इसके अलावा इन अनुबंधों को राज्य सरकार की रजिस्ट्रेशन अधिनियम से मान्यता मिलेगी।

देश भर में एफपीओ से हजारों किसान जुड़ रहे हैं और अनुबंधित खेती के अंतर्गत जीरे, धनिया, मेथी, कलौंजी जैसे मसालों की जैविक

खेती अनुबंध पर कर रहे हैं। कई मल्टीनेशनल कंपनियों के साथ करार कर उनकी उपज आज दूसरे देशों में भी जाती है। ऐसे में कारोबार करोड़ रुपये से ज्यादा पहुंच गया है। डा. सिंह अपने अनुभव के आधार पर अनुबंध की खेती को फायदे का सौदा मानते हैं। कॉन्ट्रैक्ट फार्मिंग से सारी सुविधाएं मिलती हैं, कहीं से लोन नहीं लेना पड़ता है। न साहूकार से न किसान क्रेडिट कार्ड से। इसके अलावा जब उसकी उपज होती है तो कहीं भटकना नहीं पड़ता। बाजार भाव से ज्यादा कीमत मिलती है, इसके अलावा कंपनी से सर्टिफिकेट मिलता है, तो किसान को फायदा ही है। सब्जी किसानों को उचित प्रशिक्षण भी मिलता है। निश्चित रूप से कॉन्ट्रैक्ट फार्मिंग किसानों के लिए बेहतर विकल्प है। किसान के खेत से मंडियों की दूरी, बाजार का अभाव, कोल्ड चेन की दिक्कतों के चलते हर साल देश में 20 हजार करोड़ से अधिक की की फल-सब्जियां बर्बाद होती हैं।

डा. सिंह का कहना है कॉन्ट्रैक्ट फार्मिंग के बाद कंपनियां गांव पहुंचेगी, वहां अपना निवेश कर कोल्डचेन और सप्लाय चेन ठीक करेंगी, जिससे किसानों को फायदा होगा, फसलों की बर्बादी रुकेगी।

इस विधेयक के अंतर्गत किसान जब चाहे कारोबारी-कंपनी ट्रेडर के साथ समझौता तोड़ सकता है, लेकिन अगर कंपनी करती है तो उसे किसान को वो निश्चित रकम जो किसान से तय हो चुकी है उसका भुगतान करना ही होगा। नए सुधारों से कृषि क्षेत्र में निवेश बढ़ेगा, किसानों को आधुनिक टेक्नोलॉजी मिलेगी, साथ ही उनके उत्पाद और आसानी से अंतर्राष्ट्रीय बाजार में पहुंचेंगे। आज पूर्वांचल के विभिन्न जिलों में किसान समूहों में विभिन्न सब्जी फसलों जैसे हरी मिर्च, करेला, हरी मटर की खेती सफलता पूर्वक कर रहे हैं और स्थानीय मांग की पूत के अलावा विदेशों को भी भेज रहे हैं। अधिक उत्पादन की स्थिति में मूल्य संवर्धन कर ऊपज से और भी अधिक मुनाफा कमा सकते हैं। नए कृषि कानूनों से बागवानी फसलों की खेती को बढ़ावा ही नहीं मिलेगा बल्कि इससे किसानों की आय दोगुनी करने के प्रयासों को बल मिलेगा और उनकी समृद्धि सुनिश्चित होगी।



# जागरण

## आलू बेल्ट में किसानों को भा रहा कृषि विधेयक

Jagran

6th December, 2020

जिले में किसानों की पहचान आलू की सर्वाधिक पैदावार करने के लिए होती है। बड़े किसान सीधे दूसरे प्रदेशों की मंडियों के लिए खेत से आलू की लोडिंग करते हैं। कुछ लोग यहां मंडी में भी आलू बेचते हैं। केंद्र सरकार द्वारा पास किए गए कृषि विधेयक का विरोध भले ही दिखाई दे रहा हो, लेकिन यहां के किसानों को विधेयक में फायदे नजर आते हैं। किसानों के लिए भविष्य में हितकर होगा विधेयक

– कृषि विधेयक किसानों के लिए भविष्य में हितकर साबित होगा। पहले आलू की लोडिंग करने पर मंडी टैक्स का भुगतान करना होता था। अब यदि मंडी के बाहर से लोडिंग होगी तो कोई टैक्स देय नहीं है। इसके दूरगामी परिणाम निकलेंगे।

मनोज कुमार चतुर्वेदी, निवासी गांव संकिसा हमें तो विधेयक में नहीं लगती कोई खोट

– कृषि विधेयक के बारे में समाचार पत्रों में पढ़ा है। इससे प्राइवेट सेक्टर में इंवेस्टमेंट की मदद से एग्रीकल्चर इंफ्रास्ट्रक्चर तैयार करने में मदद मिलेगी। फसलों के लिए सप्लाय चेन भी बेहतर होगी। बिल के संबंध में किसानों को जागरूक होने की जरूरत है। इसमें उन्हें कोई खोट नजर नहीं आती।

कौशलेंद्र मिश्र, निवासी गांव मेरापुर कृषि क्षेत्र में ग्रोथ की रफ्तार बढ़ने की उम्मीद

कृषि विधेयक पर गौर करें तो लगता है कि सरकार किसानों की समस्याएं जानती है। उसे ध्यान में रखते हुए कृषि बिल में प्रावधान किए

गए हैं। इससे कृषि क्षेत्र में ग्रोथ बढ़ने की उम्मीद है। फसलों को राष्ट्रीय व वैश्विक बाजार तक पहुंचाने में मदद मिलेगी।

रामप्रकाश यादव, निवासी गांव नगला मटीला बिचौलियों से मुक्ति के आसार बढ़े

किसानों की तरक्की के बीच दीवार बनकर खड़े बिचौलिये दरकिनार होंगे। हम अपनी फसलों को सीधे जहां चाहें बेच सकेंगे। पहले मंडी के बाहर फसल बेचने पर कर्मचारी घेराबंदी करते थे। जुर्माना भी लगता था। अब ऐसा नहीं हो पाएगा।

मुकेश चौहान, निवासी गांव पखना समझने से पता चलेगी बिल की हकीकत

खेती किसानी से जुड़े हर व्यक्ति को कृषि बिल पढ़ना और समझना चाहिए। तभी हम बिल के फायदे और नुकसान के बारे में समझ सकेंगे। सुनी सुनाई बात से किसानों को लाभ होने वाला नहीं है। हमें सरकार की नियत में खोट नहीं दिखती।

राकेश वर्मा, निवासी गांव पुनपालपुर आवक कम होते ही आलू भाव में उछाल

एक सप्ताह से सातनपुर मंडी में आलू की आवक बढ़ गई थी। इससे भाव में काफी गिरावट आ गई थी। रविवार को एकाएक आमद आधी से भी कम रह गई। जिसके चलते भाव में उछाल आ गया। रविवार को आलू 1600 से 1900 रुपये प्रति क्विंटल के भाव से बिका। आलू के भाव में गिरावट जारी रहने से किसानों ने शनिवार को एकाएक खोदाई रोक दी और इंतजार करना उचित समझा। जिससे मात्र 45 ट्रक आलू ही बिक्री के लिए मंडी में आया। छत्तीसगढ़, बिहार, असोम व प्रदेश के पूर्वी जिलों से अच्छी मांग आई। इसके चलते भाव बढ़कर 1600 से 1900 रुपये प्रति क्विंटल तक पहुंच गया। जबकि शनिवार को करीब 125 ट्रक आलू लोड हुआ था और 1500 रुपये से 1700 रुपये प्रति क्विंटल तक रहा था।

# किसानों को नियमों की बेड़ियों से आजाद कराने के लिए हैं नए कानून, फिर क्यों जारी है आंदोलन ?

Karan Bhasin  
16 December 2020  
News18 Hindi

दिल्ली की सरहदों पर प्रदर्शन जारी है। हालांकि, इससे आगे सच और कुछ भी नहीं हो सकता कि यह किसानों का आंदोलन नहीं है। बल्कि, पंजाब, हरियाणा और उत्तर प्रदेश के कुछ हिस्सों के कुछ अमीर जमींदारों एक वर्ग प्रदर्शन कर रहा है। हाल ही में कई किसान संगठनों ने नए कृषि कानूनों (New Farm Laws) पर अपना समर्थन जताया है। उन्होंने कृषि मंत्री से कहा है कि अगर ये कानून वापस लिए गए, तो वे आंदोलन कर देंगे। अब सवाल उठता है कि आखिर क्यों किसानों का एक वर्ग इन कानूनों का विरोध कर रहा है। जबकि, देश के कई संगठन इसका समर्थन कर रहे हैं। इससे भी जरूरी बात यह है कि क्या हम इसे किसानों का आंदोलन कह सकते हैं, जब किसानों के बीच ही नए कानूनों को लेकर अलग-अलग मत हों ?

तीन नए कानूनों और उनके काम को ऐसे समझिए

ये तीन नए प्रस्तावित कानून कृषि क्षेत्र के अलग-अलग हिस्सों को संभालने के लिए तैयार किए गए हैं। पहला कानून एक निजी बाजार बनाने की कोशिश कर रहा है, जहां किसानों को अपना अनाज सरकारी मंडियों के

अलावा कहीं और भी बेचने की आजादी होगी।

साल 1991 में ज्यादातर सेक्टर्स से रेग्युलेशन हटने के बाद भी कृषि क्षेत्र में सरकार का काफी दखल था। इन नए कानूनों के जरिए सरकार ने किसानों को यह आर्थिक हक दिया है कि वे खुद ही तय करेंगे कि उन्हें अपना अनाज कहां बेचना है।

आलोचक एमएसपी को लेकर भी बात करते हैं। नए कानूनों के तहत किसान एमएसपी पर ही APMC (Agricultural Produce Market Committee) या निजी बाजारों में अपना प्रोडक्ट बेच सकते हैं। इस तरह से किसान निजी बाजारों के बारे में तब सोचेंगे, जब उन्हें वहां APMC से ज्यादा अच्छा भाव मिलेगा। खास बात है कि मुट्ठीभर अनाज के लिए केवल 6 फीसदी किसानों को ही एमएसपी का फायदा मिलता है। जबकि, सबसे ज्यादा बड़ा हिस्सा गेहूँ और चावल का होता है।

अब दूसरा कानून किसानों की कानूनी तौर पर मदद करता है। इसकी मदद से किसान कॉन्ट्रैक्ट फार्मिंग (Contract Farming) का लाभ ले सकते हैं। यह काफी जरूरी है, क्योंकि कई लोग इसे कॉर्पोरेट का समर्थक बता रहे हैं। जबकि, नए कानून किसानों को आसानी से कॉन्ट्रैक्ट से किसी भी समय बाहर होने की अनुमति देते हैं।

वहीं, अगर समय से पहले कॉन्ट्रैक्ट टूटता है, तो कंपनियों को पेनाल्टी देनी होगी। कानूनों को ध्यान से देखा जाए, तो पता लगता है कि इन्हें किसानों के कानूनी हितों को ध्यान में रखकर तैयार किया गया है।

तीसरा कानून जरूरी वस्तु अधिनियम के बारे में बात करता है। यह सूची में से ऐसी कई चीजों को हटाता है, जो निजी क्षेत्रों को सुनिश्चित कराते हैं कि सरकार दखल नहीं देगी और बाजारों को काम करने की अनुमति देगी। यह सुनिश्चित करना जरूरी है

कि निजी क्षेत्र लॉजिस्टिक्स और स्टोरेज के जरिए मुनाफा कमा सके. अब कई लोग कहते हैं कि अगर कॉर्पोरेट को फायदा होगा, तो वह किसानों को कम पैसा और उपभोक्ताओं को ज्यादा पैसा देकर होगा. जबकि, कॉर्पोरेट सेक्टर बेहतर कीमत प्राप्ति के जरिए किसानों की कमाई के बाद भी मुनाफा कमा सकता है और उपभोक्ताओं को चीजें भी कम दर पर मिलेंगी. यह मुमकिन है क्योंकि पूरे देश में अच्छी वितरण व्यवस्था तैयार कर ली गई है. जिससे वजन कम होना रुकेगा और आवाजाही में होने वाला खर्च कम हो सकेगा.

हमें यह जानना होगा कि सरकार ने E-NAM के तौर पर एक ऑनलाइन मार्केट तैयार किया है, जो किसानों को दूसरे बाजारों के भाव की भी जानकारी देगा. यह बेहद जरूरी जानकारी है और नए कानून किसानों को देश के दूसरे हिस्से में प्रोडक्ट बेचने में मदद करेंगे. अब कई लोग यह कहते हैं कि रेग्युलेटेड मंडियों के बाहर सामान बेचने पर सरकारी नियम

लागू नहीं होंगे. यह पूरी तरह गलत है, देश में किसी भी तरह की खरीद-बिक्री पर कॉन्ट्रैक्ट की शर्तें लागू होंगी।

यह सोचना बहुत जरूरी है कि जब बेचने वालों की संख्या उतनी ही रहेगी और खरीदने वाले बढ़ जाएंगे, तो फायदा बेचने वालों को ही होगा. यह फायदा छोटे ही नहीं, बड़े किसानों को भी होगा. जो इस समय आंदोलन कर रहे हैं.

यह याद रखने वाली बात है कि विरोध कर रहे कई दल और राजनीतिक पार्टियां इस साल के शुरू होने तक इन्हीं कानूनों की मांग कर रहे थे. जैसे कांग्रेस ने अपने घोषणापत्र में इन्हीं कानूनों का जिक्र किया था. ऐसे में इन आंदोलनों का मतलब किसानों के हितों और अर्थव्यवस्था से ज्यादा राजनीतिक बन गया है।



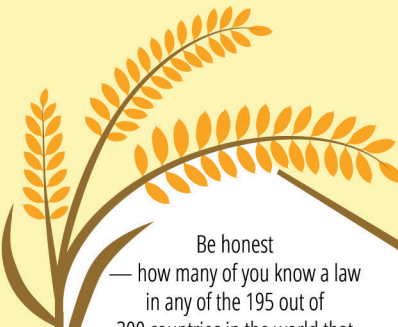
The government has surely shown a willingness to walk the right path and deserves compliments. The reforms, announced last week could be a harbinger of major change in agri-marketing, a 1991 moment of economic reforms for agriculture.

**-Ashok Gulati**




This will allow farmers to come up with spontaneous solutions to their problems rather than solely rely on those dictated by the government or government-appointed experts.

**-Shamika Ravi**



Be honest — how many of you know a law in any of the 195 out of 200 countries in the world that prohibit an individual from selling her wares in the market? Count the countless street vendors in the world, in both developing and developed markets. Are they prohibited from selling who they want to sell to? Then why the demand that the APMC be the sole buyer for all farmers?

**-Surjit Bhalla**



The Indian farmer has, for too long, been subjected to cruel and unusual laws. This ordinance is a step towards normalising farming in India, and allowing farmers to reap the benefits of freedom that other sectors in India take for granted.

**-Ila Patnaik and Shubho Roy**





“ भारत को  
अपने अन्नदाताओं पर बहुत  
गर्व है। वे देश का पेट भरने के  
लिए दिन-रात काम करते हैं।  
हम अपने किसानों को  
सशक्त करने के लिए सुधारों  
और दूसरे अन्य उपायों के  
जरिए कृषि क्षेत्र को मजबूत  
करने में जुटे हैं। ”

**-पीएम नरेन्द्र मोदी**

