



New Farm Laws 2020: Critical Analysis

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Abstract: In September 2020 Government of India approved & notified 3 farm laws – The farmers Produce Trade and Commerce (Promotion & Facilitation) Bill 2020 and The farmers (Empowerment and Protection) Price Assurance and Farm Service bill 2020 and the Essential Commodities (Amendment Act 2020) as legislation. The very purpose of these 3 farm laws is to assist the small & marginal farmers by removing the middleman & allowing farmers to sell anywhere in the country even outside “mandis”. But these laws are opposed by farmers. The Supreme Court of India stayed the implementation of these farm acts and constituted a committee to make recommendation. But there is tussle between the farmers who are protesting against these laws and the Government of India. All eyes are on way forward.

Keywords: Farmers, Trade and Commerce, Assurance, Essential, Commodities.

1. BRIEF HISTORY

India is predominantly an agrarian economy. Initially farmers used to sell directly to the consumer but due to the prevailing system of zamindars or money lenders, the farmers are trapped in vicious circle of debts as farmers depend on money lenders for money to buy seeds, fertilizers etc for which they charge a very high rate of interest. Further zamindars used to buy the whole produce of the farmers at a very less price as the farmers do not have bargaining power viz - a - viz zamindars or money lenders. To put an end to this exploitation, the government of India introduced APMC (Agriculture Produce Market Committee) Act. At present more than 7000 APMCs are functional in India. Now the farmers are selling their produce to the middleman or Arhatiya's who act as a link between farmers & big traders. Further the produce which is not purchased by middlemen is bought by the government at MSP (Minimum Support Price)

Objective of the study

1. To have in-depth insight into 3 farm laws:
 - (i) The farmers Produce Trade & Commerce (Promotion and facilitation) Act 2020
 - (ii) Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm services Act, 2020.
 - (iii) Essential commodities (Amendment Act, 2020)

2. Positive and negative impact of farm laws in general and particularly on agriculture during COVID crisis.

Introduction: The 3 Farm laws are passed to reform the farm economy- price assurance, farm services like contract farming and stock limits for essential commodities. The laws enacted are.

1. The farmers Produce Trade & Commerce (Promotion and facilitation) Act 2020.
2. Farmers (Empowerment and Protection) Agreement on Price Assurance and farm services Act, 2020.
3. Essential Commodities (Amendment Act, 2020).

1. The Farmers Produce Trade and Commerce (Promotion and facilitation) Bill 2020.

Key Provision

- Allows the farmers for intra state & inter state trade outside APMC (Agriculture Produce & Marketing Committee) .
- Prohibits collection of any market fee or cess under State APMC Acts.
- State government has given power to frame & regulate under the Act.

Issues

- Difficult for small & marginal farmers to transport their Produce to large distances.
- No adequate demand for the produce at MSP (Minimum Support Price) in the local market.
- Therefore farmers will be forced to sell below MSP in the local area itself.

The farmer's Produce Trade and Commerce (Promotion & Facilitation) Bill 2020

Arguments For	Arguments Against
<ul style="list-style-type: none"> • Full autonomy to farmers to sell • Addressing the shortcoming of APMC Act • One Market for entire country. 	<ul style="list-style-type: none"> • Fears with regard to MSP Regime. • Middle man working with APMC are affected eg Adhartis.

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<ul style="list-style-type: none"> Better Price realisation for farmers 	<ul style="list-style-type: none"> Aderve impact on state as there are no mandis to bring in revenue. Against the spirit of co-operative fedratism.
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2. THE FARMERS (EMPOWERMENT AND PROTECTION) AGREEMENT ON PRICE ASSURANCE AND FARM SERVICES BILL, 2020

Key Provision

- Creation of legal framework for contract farming in India.
- Written farming agreement entered in to prior to the production contining all terms & conditions like quality, grade, price etc.
- Also defines 3 level dispute resolution Mechanism Concilitaion Board, Sub- divisional Magistrate and Appellate Authority.

Issues

- Negotiating Power of 2 parites involved in the contract.

Farmers (Empowerment and Protection) Agreement on Price Assurance and farm services Act, 2020.

Arguments For	Arguemnts Against
<ul style="list-style-type: none"> Contract farming started. Increased farm productivity. Participation of private sector. Protection of farmers interest Effective dispute resolution mechanism. 	<ul style="list-style-type: none"> No mechanism of price fixation. Exploitation of farmers in contract farming. Lack of bargaining power of farmers. Difficul for farmers to face the legal battle with private corporate entities in care of dispute.

3. Essential Commodities (Amendment) Act 2002

Key Provision

- It regulate the supply & sector limit of certain specified agricultural produce under special circumstances such as war & natural calamity.
- It requires that imposition of any stock limit on agricultural produce be based on price rise.

Issues

- Stock limits are imposed on the basis of price trigger.
- Not applicable to exports.

Essential Commidities (Amendment) Act 2020

Arguments For	Arguemnts Against
<ul style="list-style-type: none"> Better forward linkages More private investment. 	<ul style="list-style-type: none"> Increased volatility of food items. No clear cut guidelines. Increased threat of food insecurity.

3. FARM LAWS & COVID CRISIS

India is in a complicated situation because of COVID-19 & simultaneous agitation against 3 farm laws by farmers.(1)

If the situation of pandemic continues in future also, there will not be any food stock left with the government and there the private players will keep their selfish motive high leading to a situation wherein in they will purchase at a lesser price and charge extra ordinarily high price farm the public.

This study in under taken to know about the strategies and policies for food safety during & past COVID-19 pandemic. And also the long terms like strengthening of the food supply is also the need of hours. (2)

4. LITERATURE REVIEW

Kumar et al (2020) revealed the weak points of Indian agriculture & food systems and also suggested that reforms are needed so as to connect farmers to markets directly, better price for produce & innovations in agriculture sector.(9)

Tolero (2020) surfaced that due to COVID fear & hygiene issues people changed their eating habits and they prefer the home cooked good(11). Timilsina et al (2020) analysed that the income of farmers is badly hit by COVID-19 few of them have shifted to the regular produce crop which are consumed by the masses. He also highlighted that the agriculturalists are equally important as police & health care workers.(21)

Rama Kumar (2020) brought in to notice the issue of migrant labour as the agriculture sector faced labour shortages across the world. (15)

Sarma (2020) highlights that during & after Pandemic , many people have lost their jobs. At the same time , environmental factors such as soil, air & water have improved considerably. (19)

Dev (2021) says it's the Agriculture sector which save Indian economy & its people during the crises time of COVID-19.(20)

5. METHODOLOGY

The secondary data is used to know about the impact of COVID-19 on agriculture in particular reference to 3 farm laws. For this purpose various news letters, reports, journals, literature are used to gather the most recent updated information. To deal with secondary data descriptive research is done.

According to Borg & Gall,(17) Descriptive studies answers "what is," therefore it is the observational and survey methods are frequently used to collect data. Descriptive studies highlights the characteristics/ feature of the sample. In it the data is simply collected about the units under the study with regard

to sample. Then various tools are used to gather, analyze or summarize the data.(20)

In Descriptive research various measures of central tendency including the mean, median, mode, variation, percentage, and correlation between variables. To draw inferences descriptive research is done.(12)

The cardinal feature of the specific group is brought out to the surface and for this the following steps are to be undertaken:

1. Identify a phenomenon.
2. features of the phenomenon are considered
3. Identify the constructs (measures) that best represent these features.
4. Measurable & observable patterns in the data.
5. Communicate the patterns in the data that describe the realities of the phenomenon.
6. Rethink and repeat when required

6. RESEARCH ANALYSIS

There is multifold impact of COVID-19 on agriculture sector directly as well as indirectly. On one hand purchasing power is decreased considerably because of job loss, reduced salary & lockdown etc. on the other hand retailers stored the food (i.e hoarding) leading to food accessibility & affordability issues. Above it the non availability of transport during COVID-19 resulted in shortage of food & price rise.

Under the descriptive research on secondary data used analysis can be Univariate or Bivariate.(13) In univariate analysis the

independent single variables are studied with regard to the measures of central tendency such as the mean , median and mode. Along with it dispersion and standard deviation is also calculated. It can be depicted in a graphical or tabular form like histogram , pie chart, bar diagram etc.(16)When it comes to Bivariate analysis it studies large number of dependent and related variables and the relationship among them. This type of research helps in:

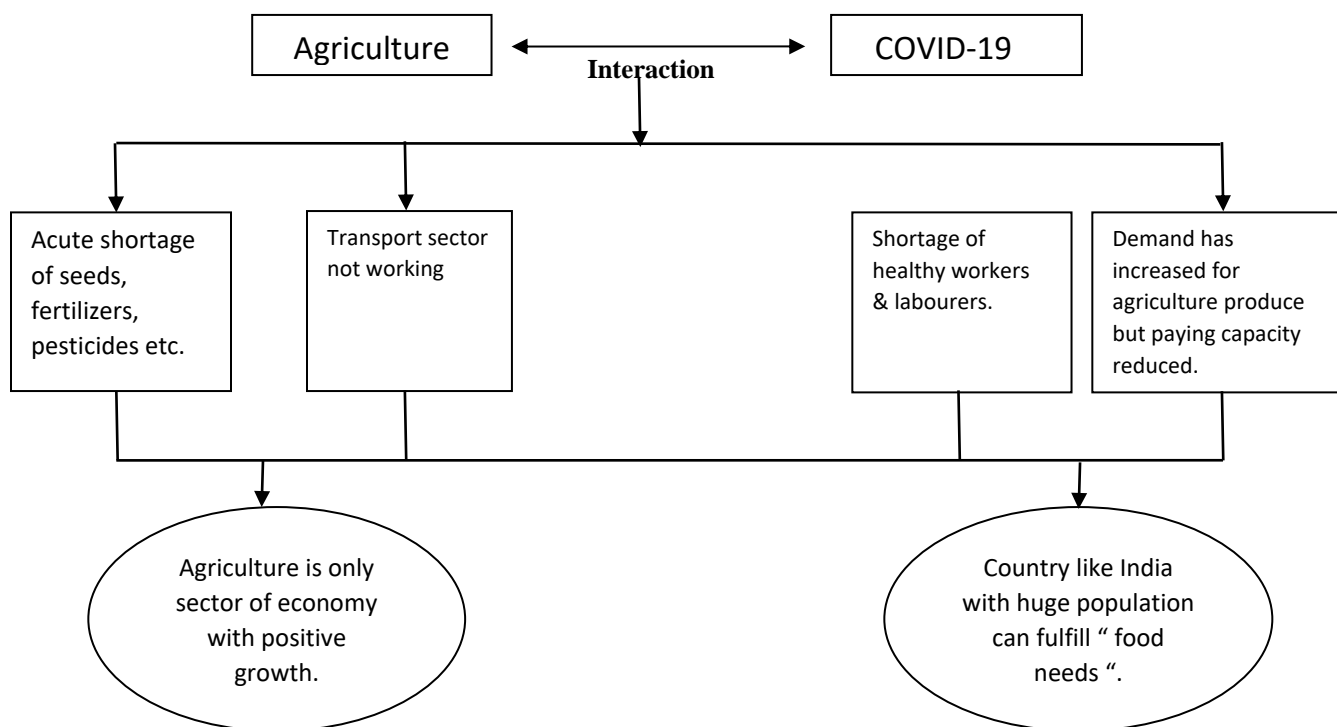
1. Collection and summarization of data in condensed form.
2. Easily to convert into simple quantitative data such as percentage , average etc.
3. Deals with simple and raw data.
4. Foster future research.
5. Act as a base foe complex statistical operations.

Cross-tabulations and contingency tables

- Graphical representation via scatter plots
- Quantitative measures of dependence
- Descriptions of conditional distributions

Government has also made announcements with regard to agriculture sector(5&6) during COVID-19 pandemic such as

- 800 million poor people will be given food grains during COVID crises (eg Pulses, Rice, wheat, etc)
- For the survival of migrant labourers, food & money was made available.
- E-commerce was used for groceries delivery during COVID-19



It is clearly evident that it's the Agriculture sector only which acts as the saviour for our country during COVID-19 fulfilling requirements of large population of India. Therefore, any reform in this sector be launched after due caution because any negative impact on it will adversely effect the entire country.(14)

For the analysis of secondary data used , simple methods like averages , percentages , mean , median, mode are used. With the help of research we are able to conclude in quantitative term from the qualitative data. Here we could identify the deep impact farm laws have on the entire country as it affects all aspects may it be social ,political , economic and psychological directly or indirectly.(23)

7. CONCLUSION

Almost around 50% of India's population is engaged in agriculture & even a higher percentage of it is poor. Therefore, India's economic and social development depends upon the empowerment of the farmers which evidently requires "AGRICULTURAL REFORMS" These reforms are initiated in form of 3 farm law viz- The farmer's Produce Trade and Commerce (Promotion and facilitation) Bill 2020, The farmers (Empowerment and Protection) agreement on price assurance and farms services bill, and Essential Commodities ((Amendment) Act 2020.

But these farm laws lack farmer's faith & confidence. These farm laws are opposed from knock & corner of the country by the farmers on one hand and the government of India on other hand is adamant on implementation of these farm laws. what is required is mid-way keeping in view the reformist approach of government as well as farmers concern regarding MSP & contract farming. The underlying thrust is that every farmer be given due credit for their hard toil investment and the vision of these farm laws be widened as it not only effects farmers but each & every individual of the country directly or indirectly.

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