



Three New Farm Reform Bills 2020 And It's Impact On Farmers

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Abstract:

It is known that Agriculture is the back bone of Indian economy. Right from the time of independence , policies related to farmers and the state of our agriculture economy have been farmed . Indian agriculture is plagued by multi-faceted problems. Not all farmers are prosperous. The study also focus on how Small and marginal farmers are facing many challenges in India. There is a need for scientific approach, agricultural inputs, credit facility, information access, market for agricultural products, export opportunities and futures trading facility for farmers to enjoy higher rural income and better quality of life. The study focus on brings the conceptual understanding central government policy on agriculture development to give a new direction and places for farmers markets. The study also prevail the other side of scenario of farmers agitation which create from the new farm bill policy. These bills will affect not only the farmers but every individual of the country in one way or the other. The study also covers the various circumstances related to the farm policy reform. However, the government maintains these laws to be beneficial to the agriculture sector and farmers. Bills passed by the parliaments free the farmers from such calamities. This bill will gives impetus to efforts to double the income of farmers and ensure greater prosperity for the farmers.

Keywords: Indian agriculture, farm bills, farmers and government.

Introduction

Agriculture is considered as a back bone of the Indian economy. A vast majority of our total population still earns its livelihood from agriculture. Agricultural sector plays a very important role in the development of our economy. At the time of independence, agriculture in India was completely backward. Due to the application of old and traditional techniques applied in agriculture, productivity was very bad. In September 2020, the central government passed the farm bills with three huge competition in Parliament. Farmers produce business and commerce (promotion and facility) bill, whose purpose is to separate the existing monopoly of the state on business and distribution. This act will now allow farmers to sell outside the APMC of their nominated district, which will be promoted direct interface between the buyer and the seller. The second price assurance and farmers of the Agriculture Service Bill focuses on making the opportunity to join the contract farming for the farmers through the agreement and oral contracts. This bill paves the way to reach national and corporate markets for farmers. The last essential commodities are amendments in the Act, 1955, which regulate grains, pulses, oilseeds, edible oils, onions and potatoes. Together, three bills are willing to reduce the market and to generate the agricultural sector. Bill brings a long-awaited improvement in a major section of the Indian economy. The farmer who opposed the bills depend heavily on the APMC-MSP system. For them, removing obstacles all protects – a assured price, dealing with licensed agents, and facing dispute settlement by the mandis. There is also a chance to exploit the limited knowledge of farmers by entering the corporations on a large scale. Act, the issue, and long-term movement underlines the importance of civilization of the political economy of agriculture, going back to many millennium.

Implementation of the New Farm Acts , 2020

In order to change Indian agriculture, the Government of India published three regulation with the declared welfare to empower the farmers in 2020, completed the entry of private sector to fulfil the entry of private sector, a rehabilitation of danger from farmers, and other profits Although Parliament passed the bills with the brute majority, but the bills speaking in the Rajya Sabha were not approved in true sense because they have a shortage of majority. On September 27, the President of India gave their rights to such bills. This is “dark day” in the history of Indian agricultural history. On September 27, 2020, President of India, Shri Ram Nath Kovind gave his right to three agricultural bills passed in the village in the Rajya Sabha. They are:

1. The Farmers' Produce, Trade and Commerce (Promotion and Facilitation) Bill, 2020.
2. The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill, 2020.
3. The Essential Commodities (Amendment) Bill, 2020.

The three main features of the Act are as follows: The first law bans to buy and sell yield from farmers, second loose restrictions on contract-farming and stocking, storage and transportation third loose restrictions. Widely, the purpose of three acts is to reduce the limit of state regulation in the process of buying, selling, storage and transport across the country

and to reduce the entry of private players in the market, which are currently bound by obstacles. Three bills share a base that they will be able to invest more easily in the agricultural food supply chain, the supply chain (and input supply chain will increase the efficiency in the supply chain (and input supply chain) and these benefits are high production prices or lower part of the farmers Collectively, they are designed to reduce those obstacles which faces various agricultural food supply chain actors to connect to the farmers. They want to do this by reducing dependence on traditional APMC-based arbitrators ('disruption') and create an integrated national market ("one nation-one market"). Regardless of the titles of bills who highlight 'farmers', instead of focusing directly on the farmer welfare, all three bills rely heavily on the supply chain actors to take advantage of new rules and share their profits with the farmers

Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020 : The three main features of the Act are as follows-

- 1) APMC market or other areas are allowed in the area outside the campus and inter-state trade, which are notified under the APMC market area. An APMC will be the market yard, which will be the "business area" outside the market yard in the jurisdiction of APMC.
- 2) Electronic business will be allowed in the specified business area
- 3) Any act of buying and selling in the outstation 'trade area' shall be subject to market fees and taxes and no license by the buyers. Buyers can freely buy across the country outside the purview of any act enforced by the states. The bill reduces transaction costs and reduces entry barriers for new players (agro processing industries, farmer producer organizations etc.). The basic hypothesis is that access to the market will help the farmers, middlemen have always harmed the farmers and restrictions/entry barriers make the process of market and price discovery inefficient.

Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill, 2020: Farmers (empowerment and protection) value assurance and agreement on the bill of agricultural services, 2020 is easily referred to as 'contract farming bill' and its purpose is to provide a framework for written agreement between farmers and sponsors. It allows the 'sponsors' to join the farmers through written contracts, if they choose to use such contracts. Unlike APMC bypass bill, contract is a long history of comprehensive consultation with stakeholders near Agricultural Law. Nevertheless, stupidly, the 2018 proposed model contract in favour of 2020 bills National Law has broken with the past except the Agriculture Act.

Essential Commodities (Amendment) Bill, 2020 : Historically the Essential Commodities Act 1955 (ECA) aims to provide a regulatory mechanism on the production, storage, movement, supply and distribution and trade and commerce of certain commodities. According to this Act, the Central Government of India shall maintain the supply and production of any essential commodity to ensure the equitable distribution thereof, to ensure the availability of these products at reasonable prices and to supply any essential commodity to the defense of the county. Protects. In other words, the Act regulates or prohibits the production, storage, movement, supply and distribution of certain goods and trade and commerce for the interests of the general public. But there is no specific definition of essential commodities. ECA Section 2(a) of the Act states that essential commodities are specified in the Schedule in which the names of essential commodities are listed. The Central Government has the power to add and remove any essential commodity from the list with the consent of the State Governments for public interest. The items listed as essential commodities in the Schedule are medicines; Fertilizers, whether inorganic, organic or compound; foodstuffs, including edible oils; Hank yarn made entirely of cotton; petroleum and petroleum products; raw jute and jute garments; Seeds of food-crops and seeds of fruits and vegetables, seeds of cattle feed, jute seeds, cotton seeds etc. Recently, in the eve of the COVID-19 pandemic, face masks and hand sanitizers are the two items that have been added to the schedule of ECA as an essential item, and it is effective from March 13, 2020, in ECA-1955 By amending, the Government of India has introduced a new sub-section (1A) in section 3. This modification of the ECA provides a mechanism. Agricultural food items such as oilseeds, edible oils, pulses, cereals, potatoes, onions except in some exceptional circumstances such as wars, famines, natural calamities and extraordinary price increases.

Literature Review:

Dev(2021). *agriculture reform in India* examines the recent agrarian reform bill by the parliament and the impact on the farmers' income. He said the laws allow farmers more freedom to sell their produce at better prices and allow farmers to enter into contract with processors, aggregators, wholesalers, large retailers and exporters at mutually agreed crop prices. The laws also encourage private investment in storage and warehouse by removing stock heading borders. He also talked about supply side factors on other agriculture reform like land reforms, subsidies ,technology use , rural infrastructure improvement and institutional reforms etc

Sahoo, Samal and Behera(2020) , *Impact of India's New Farm Act, 2020 on Farmers and Markets* where they present reasons why farmer are opposing the new agricultural Act 2020 and how the new farm law brings more freedom and better prices in India. They talked about that farmers want freedom to sell, move out of farming and cash support instead of high price and the new law will help the Indian farmers. They mentioned that the law proposed law are aimed at helping small and marginal farmers who have no means to either negotiating for a better price for their produce or invest in technology for better productivity. The purpose of this laws is to get better price to the farmers from this laws.

Tiwari and Tandon (2021) *The Politics Of implementation : With Special Reference on farm law* have tried to answer the important question on the topic of farmer protest on agriculture law in the field of politics. this paper present conceptual frame work: understanding the implementation and the overview history of farm laws. They said that The farmers protesting the bills are those who rely heavily on the APMC-MSP system. They talked about the paradigm of the politics of implementation, which has characterized the development and passage the agricultural bill during the Indian history in the post- independence era.

Shankar(2020) *Indian Agriculture Farm Act:2020* he talked about three agriculture reform bills, where he mentioned that that the three laws are aimed at state control over the purchase, sale, storage , and transportation of agricultural produce, is to reduce nationwide, as well as to make it easier for private player to enter the market, which is currently hindered by entry barriers. He basically focused on the various Agriculture Act implemented by the government and its advantages and disadvantages for the Indian agriculture and economy. He said that the Indian Agriculture Act 2020 is likely to bring a highlight for inter and intra state agriculture trade and may bring freedom for choice for farmer where farmers and traders appreciate the freedom of choice relating to the sale and purchase of farmer produce, remunerative prices by viable interchange channel which enable efficient , transparent and barrier free promotion of inter –state and intra- state farm marketing.

Deodhar in his article *A 2020 vision of India's Farm Reform Market* discusses the institutional structure of the Indian Agricultural markets and some of the policy initiatives from the past and salient features of the new Agriculture Acts introduced in 2020 and emphasize on their implementation . In his article he present the monotony in APMC, MSP and FCI ,contract farming and warehousing and new agriculture agriculture market reform. He mentioned that APMC markets turned into monopoly and the central government never committed itself to buy all produce on MSP from Indian farmers, except perhaps in some states like Punjab and Haryana. Contract farming was successful in some states states and for some products; however, it never reached any limit in most states.

Manjula(2021) *The Smallholder in the Agriculture Market Reform in India*” has attempted to critically analyse the market reforms in agriculture from the perspective of a smallholder. It seeks to find out whether agricultural market reforms in India accommodate or bypass smallholders farmers. In the process, the article provides insights on improving market participation and the bargaining position of smallholders.

Bezbaruah and Khan(2020) *MSP, Agricultural Reform and The Farm Bill* presented their article to explain the MSP procurement system, which primarily provided for making the Green Revolution an explosive victory, later caused many distortion in agriculture section. While acknowledging that the three Agricultural laws are a step in the right direction to usher in the much -awaited agricultural reform, the author argues that the scope of reform should be broadened to include overdue agriculture and subsidy reform.

Sekar and Siwach (2020), *Mainstream Media and Twitter narratives: A Case Study of The Farmers Protest* talked about the mainstream tweets at the time of farmers protest, which was analysed according to their understanding has been done for role in active engagement with its audience in the context of farmers’ protest . They analysed tweets to identify the key players, key categories of twitter narratives and digital crisis of the mainstream media in the context farmers’ protests. They also highlights the role of mainstreams media in connecting with people through twitter by analysing tweets from the times of farmers’ protest.

Beriya (2021) *Agriculture reform: what is in the farmer interest* he explained about the issue involved in the Farm protest and review government and farmers’ argument on the farm reforms acts. In his article he also analysed the recent reform introduced by the government of in India in the agriculture sector and whether these reform are in the Indian farmer interests. He also focused on ‘ Towards a new Indian model of ICT led growth and development’ , being undertaken by the centre for sustainable development .

Chand(2020) *New Farm Acts: Understanding The Implication* he presents the context and significant reason for understanding the three new policy reform and elaborate the series of effort made by successive central government for about the past two decade to persuade state to adopt the reforms. Drawing from the actual contents and spirit of the three agriculture acts, the paper elaborate at length how APMC markets, MSP, farmers, and the rural economy will be impacted by the new agriculture policy environment. His article also addresses the concern raised by farmers’ leaders and critics. He finds that the new reform forwards the unfinished agenda of reform started in 1991 and the fragmented , piecemeal, and patchy reform undertaken across states to their ultimate culmination. His article also presents apprehension about the new three agriculture acts so that the underlying reform proses is implemented in various states with their appropriate understanding. He also gives reasons for expecting the new agriculture acts to accomplish the goal of taking India agriculture to new heights and ushering in the transformation of the rural economy. He also informed , why the centre had to bring about this acts and discuss the implication of all three new agriculture acts on farmers , the farm sector, APMCs, the MSP regime , consumers and the future of agriculture and related aspects.

Chakravarty, Behera , Chattarjee (2020) *Agriculture Farm Act* they discuss the three agriculture farm act passed by the central government in September ,2020 and the three contentious acts, their pros and cons and possible implication on the agriculture , farmers and other players on the value chain. They also talked about an attempt to the clutter some of the confusion surrounding the act and discuss the three law detail and the plausible impact of the same on the players in the agriculture market channel.

Research Questions:

1. How the farmers will get benefit from this new farm bill act, 2020.
2. What are the positive and negative impact for the farmers.
3. Why only Punjab and Haryana farmer protest against the bill act, 2020

Objectives:

1. To examine About the three Farm Act, 2020
2. To Study why Mass Farmers Agitation Against The Farm Bill.
3. To examine how the farmers are aware of the Farm Bills.

Methodology;

The study follows explanatory research methods. For the work, This study is based on the secondary data collected from various newsletters, periodicals, articles, reports, books, journals, and literatures, on the subject for the aim of gathering the most recent updated information's on the topic was gathered from the e-sources available online.

Research discussions:

The goal in an integrated nationalized law – as it has already been mentioned, it wants to integrate the law on contract farming across the country to integrate farmers with agricultural industries. The government wants to ensure that farmers get better prices for their production, reduce the loss of crop defeat and job opportunities are assured in rural areas. Better prices – It is expected that if the farmers have the option to sell many channels, then it will increase effective competition for the produce of farmers, and therefore they will take better prices for their yield. If the farmers are free to decide between contract form and more traditional market sales, then the market competition will ensure the necessary discipline to prevent monopsony power by any type of buyer. Such benefits were celebrated for the farmers of Madhya Pradesh, who had the option of selling their output to ITC's e-Chaples and Artias (Krishnamurthy 2012). Beneficial for small and marginal farmers – this particularly small and marginal farmers will benefit with less deal power, especially when it has been seen that contract farming is limited to large farmers and specific crops as well as regional boundaries. Farmers Manufacturers have been considered as the main catalyst to bring together these small farmers to deal better. Encourage private partnership – direct contract transaction will reduce low entry barriers for costs and sponsors.

The farmers of Bharatiya Kisan Sangh (BKU), All India Kisan Sangharsh Coordination Committee (AIKSCC) as well as 30 farmer unions from Delhi, Punjab, Haryana, Uttar Pradesh and other parts of our country are in the dock. Cold, sit on a dharna on the highway leading to Delhi. Fasting, tractor rallies, road jams etc. are some of the protest strategies that farmers use to protest the three agricultural laws until they are repealed. Farmers believe that these three laws are designed to best facilitate corporates who can easily purchase, stock and contract for produce without any restrictions (Narayanan, Understanding Farmer's Protest in India, 2021) . Farmers are also afraid to do away with the 'mandi system' and end the Minimum Support Price (MSP) and procurement. Despite government assurances and Agriculture Minister Narendra Singh Tomar's promise that the minimum support price system would remain in place and the mandi system would not be scrapped, farmers are good enough to keep their demands high, i.e. repeal all three farm laws (Jyoti Prakash Sahu et al., 2020). The Agriculture Bill Act 2020 is opposed by group of political parties, agricultural organizations like All India Kisan Sangharsh Coordination Committee (AIKSCC) and Bharatiya Kisan Union (BKU), they are conscious of giving benefits to big corporate houses at the cost of farmer . And other groups like Shetkari Sangathan in Maharashtra are embracing such reform. The Agriculture Bill Act was opposed by opposition political parties, calling them "anti-farmer". Most farmers support the new agricultural law, may not be chartered the old way. Instead, the new Act mostly affects the strong "commission agents" (known as 'arhatiyas' in Haryana and Punjab), fearful of losing their grip on the farmer. Taxes from 'mandis', a strong source of revenue in the state, would be the governments of Haryana and Punjab that would be mostly affected. The middlemen or (arhatiyas or middlemen) lose their traditional company, commission in addition to official performance. The matter and inconvenience by objections sets off the stand-up Minimum Support Price (MSP). The rules, lack of connection to the 'mandis' of the state-controlled Agricultural Produce Market Committee (APMC), the trouble of losing land under the contract farming rule, the decline in farm produce costs due to market dominance by excessive agribusiness, and material concerns of farmers. Exploitation by big contractor.

MAJOR FINDING:

It has been found from the study that the new agriculture bill is very important to contribute to the economic development of the farmer, which is giving a new direction to the farmers to sustain the GDP growth in the Indian economy in future. 2) Agricultural Bill Concept " one Nation- one Agricultural Market" MS Swaminathan Committee also used this word. 3. In the 2020's three Bill Improvement Act, the first act restricts the purchase and sale of yield for the farmer, and the second contract is related to the exemption in the cultivation and the third deals with the removal of stocking / storage and transport restrictions. 4) The aim of three act is limited by admission barriers to reduce the boundaries of state regulation in the process of buying, selling, storage and transport across the country and to reduce the entry of private players in the market. 5) The three agri bills benefit small and marginal farmers. However , these farmer gets benefited under cooperative farming and not under contract farming wherein individual farmers have law bargaining capacity and thus need middle men assistance From the study found strong rationale behind these reforms and believe that these reforms are a step in the right

direction for the future of Indian farmers. 6) This bill will promote efforts to double the income of the farmers to ensure more prosperity. 7) It is also found that the government's response expectations were not towards opposition to the agricultural bill. 8) The changes in the three Acts pave the way for greater private investment in the agricultural value chain and modernize Indian agriculture. 9) Studies have strong logic behind these reforms and believe that these improvements are a step in the right direction for the future of Indian farmers. 10) Farmer are Protesting because of this two reason MSP is not specified in any of the three Agriculture Acts and the absence of any legislation, they fear full corporatization of agriculture, as agribusiness farms can determine both the market trend and the price level and terms of contract farming.

SUGGESTIONS:

Some important suggestions are forwarded on the basis of current study. Suggestions are given below: -1) The government should make immediate measures for the farmers, implementing technical facilities for the farmers, such as warehouse or even small storage and should also apply small storage granaries for stocking purposes. 2) Officials and committees should be established for the investigation and regulation of the required items and the security of farmers and citizens from the black marketing of high inflation. 3) Unite the farmers at the level of villages or Mandal, which is possible through cooperative agriculture, which facilitates animal husbandry to integrate animal husbandry, helps in better use of natural resources and input and other subsidy through integrated system, food processing units. 4) Create storage facilities and food processing units based on local crops at the village / Mandal level. 5) The government needs to invest in infrastructure, which will ensure the benefits to control for small and marginal farmers. 6) Farmers' protests and marches, as well as political unrest, have erupted in reaction to the introduction of the three bills. So, Government and the farmers' need for a deep discussion on this significant issues.

Conclusions:

Thus, the three Agriculture Bills seriously affect employment in the agriculture sector. At the same time, the government maintains that existing agricultural systems continue. Where is the need for parallel system with metering of three agriculture bills and agriculture pump sets if the existing farming system continues. As long as farmers deal in person, middlemen will harvest the money. The system overcoming all those issues is through cooperative farming in which farmers from a village or group of villages come together and do farming. This can be achieved through better utilization of natural resources, government subsidies-incentives, storage link with food processing and bargaining for MSP etc. Animal husbandry and organic farming can be integrated in this. MSP can be easily streamlined by controlling black marketing in agricultural inputs. Now the government proposes to rob people through agricultural cess – first with GST. By controlling about 40% food wastage, one can easily help in building the necessary infrastructure for agriculture.

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