Challenges of Farmers Midst the Agrarian Reforms in India

Gurteshwar Singh Dhillon
Lawrence School, Sanawar, H.P, India

Abstract: The Indian Agriculture Acts of 2020, often referred to as the Farm Bills were initiated by the Parliament of India in September 2020. The Lok Sabha approved the Farm bills on 17 September 2020 and the Rajya Sabha on 20 September 2020. The President of India gave his assent on 27 September 2020. It led to resentment among the farmers, which gained momentum in September 2020. The study was conducted to study the perceptions of the small farmers about the new farm laws. It was an exploratory study of the cause of resentment and fear among the small farmers and an analysis of the genesis of the farm laws in India. Interviews and case studies were conducted among 30 small farmers in the Mansa district of Punjab. The findings of the study reveal that the acts have faced protests from farmers in various parts of India fearing that it will hurt their meager earnings. The main reason for opposition is the uncertainty regarding the implementation of the reforms, controversy surrounding the minimum support prices (MSP). There is a persistent agrarian distress in India and middlemen gobble up much of the profits. Small farmers hope that government should protect the interest of the farmers and reduce the complexities of the selling process of the farm produce.

Keywords: Small farmers, minimum support prices, Middlemen, farmers protest

1. Introduction

The Indian agriculture acts of 2020, referred to as the Farm Bills, are three acts initiated by the Parliament of India in September 2020. The Lok Sabha approved the bills on 17 September 2020 and the Rajya Sabha on 20 September 2020. The President of India, Ram Nath Kovind gave his assent on 27 September 2020 (BBC News, 2021).

An overview of The Farm Laws are listed below:
1) Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020
   - Expands the scope of trade areas of farmers' produce from select areas to "any place of production, collection, aggregation".
   - Allows electronic trading and e-commerce of scheduled farmers' produce.
   - Prohibits state governments from levying any market fee, cess, or levy on farmers, traders, and electronic trading platforms for the trade of farmers' produce conducted in an 'outside trade area'. (Business Standard India, 2020)

2) Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020
   - Provides a legal framework for farmers to enter into pre-arranged contracts with buyers including mention of pricing.
   - Defines a dispute resolution mechanism. (Business Standard India, 2020)

3) Essential Commodities (Amendment) Act, 2020
   - Removes foodstuffs such as cereals, pulses, potato, onions, edible oilseeds, and oils, from the list of essential commodities, removing stockholding limits on agricultural items produced by Horticulture techniques except under "extraordinary circumstances"
   - Requires that imposition of any stock limit on agricultural produce only occur if there is a steep price rise. (Business Standard India, 2020)

On 20 September 2020, Prime Minister Narendra Modi referred to the bills as a watershed moment in the history of Indian agriculture and stated the bills will "ensure a complete transformation of the agriculture sector" and empower tens of millions of farmers. Minister of Agriculture and Farmers' Welfare, Narendra Singh Tomar rejected demands for the inclusion of Minimum Support Price (MSP) as a mandatory provision in the Farm Bills. He said that the government was committed to MSP but it was not a legislative provision. (Hindustan Times, September 2020)

Response of farmers

The acts have faced wide scale protests from farmers in various parts of India alleging that it will hurt their meager earnings. The main reasons for opposition is the uncertainty regarding the implementation of the reforms, controversy surrounding the minimum support prices (MSPs) and low bargaining power of the farmers against the rich traders. These fears have led to the opposition of the bills. Lack of support for the MSP in the bills is a major point of concern, especially for farmers from Punjab and Haryana, where 65% of wheat (2019) is procured at MSP by the Food Corporation of India and state agencies (The Indian Express,2020). The Bharatiya Kisan Sangh (BKS), a farmer’s organization, has demanded that the government should send the bills to the Parliamentary Standing Committee on Agriculture and questions the government's haste to get the bills passed. (Kumar, A., The Economic Times, 2020)

Protests

Several farmers' outfits announced an intensified agitation against the acts and called for a "Bharat bandh" on September 25, 2020. This was supported by as many as 10 central trade unions and 18 political parties (The Hindu, 2021). On 12 January 2021, the Supreme Court stayed the...
implementation of the farm laws. The Supreme Court appointed a committee to look into the grievances related to the farm laws (The Wire, 2021). It’s been more than 10 months that the farmers are sitting in protest against the farm laws at the borders of the National capital, Delhi braving the harsh conditions of cold, rain and the extreme summer heat. They are demanding the withdrawal of the New Farm Bills-2020.

4. Discussion of the Result

The findings of the study reveal that the Farm Laws 2020 that were implemented with the hope to revive the agricultural sector have instilled fear and insecurity among the small farmers. Majority of the small farmers are concerned that they will not be able to survive the new reforms without the support of MSP. The farmers tried to diversify by growing vegetables, diary, etc. but because of the lack of the government regulations they are forced to sell at throwaway prices. All the profit is garnered by the traders. They hope that government should facilitate by ensuring MSP and take steps to reduce exploitation by traders. The main reason for opposition is the uncertainty regarding the implementation of the reforms, controversy surrounding the minimum support prices (MSP). There is a persistent agrarian distress in India and middlemen gobble up much of the profits. Small farmers hope that government should protect the interest of the farmers by reducing the complexities of the selling process of the farm produce.

5. Conclusions

The proposed changes in the Farm Laws addresses the key concerns to reform the agricultural sector in India. India is primarily an agricultural economy. Reforms will not only generate good revenue for both central and state government it will give the desired boom to the Indian economy. Nevertheless, under the banner of reforms, we cannot snatch the food from the plate of the farmer to feed the world. No Farmers, No Food.

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