

# Challenges of Farmers Midst the Agrarian Reforms in India

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**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 resent 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 foodstuff 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 meagre 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.

## 2. Methodology

This research is exploratory in nature. It is based on primary data collected from small farmers through interviews and case studies in the Mansa district of Punjab and analysis of secondary data taken from journals, articles, newspapers, internet, and research papers. Keeping in view the objectives of the study the research design is descriptive and analytical in nature. The questionnaire 'The Impact of farm laws-2020' was designed for collection of data. It has 7 questions pertaining to New Farm Laws in India. The sample was drawn from small farmers of Mansa district of Punjab. Case studies were also prepared on the farming and the economic conditions of the small farmers.

## 3. Findings

The detailed analysis of the interviews and case studies reveals the fear and uncertainties among the small farmers towards the prospect and challenges of the New Farm Laws 2020 under study as listed below:

- 1) It will hurt their meager earnings. They fear that they will face subsistence crisis.
- 2) Withdrawing of the minimum support prices (MSPs) will lead to extreme drop in prices during the harvest season. Small farmers do not have the resources to store grains.
- 3) Mandis operated under the APMC law of the states will be abolished. The farmers will be forced to sell the crop to corporates at very low price.
- 4) Will be exposed to the risk of fraud due to the entry of people without license or registration.
- 5) Farmers fear losing their land and becoming "slaves" to the corporates as far as The Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services Act, 2020 is concerned.

The small farmers of the Mansa district have the perception that the farm laws will benefit the traders and the big corporate houses. The dispute mechanism is very loosely framed. The Act proposes that any transaction dispute can be referred only to offices of the sub-divisional magistrate and district collector. The farmers fear that they will not be able to deliver justice and there will be no mechanism to check timely payment. Small farmers are not in a position to hire lawyers. They fear that these laws will take away the basic two square meals that they earn with sweat and hard work. The case studies reveal that the small farmers are in a very precarious economic situation. They are caught up in the vicious cycle of poverty. The small piece of land hardly manages to feed them.

## 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, dairy, 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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