

## Farmers Bill 2020 is a Boon or Bane

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### SUMMARY

Farmers are considered as backbone of the economy and important pillars for growth of our country. The Central Government by passing Farmer's Bill, 2020 has created the right direction for providing them the large platform to get the desired amount of their agricultural produce beyond the APMC market yards. The bill will not only accelerate the growth through the investment of private sector but will also construct new agricultural infrastructure and this will generate an employment. The Farmer's Bill, 2020 has not only strengthened the economy but has freed the farmers from the traders for selling of their produce at designated places. Farmers in Punjab are protesting against these Bills because as they think that the Central Government has left them at the mercy of big corporates and Agribusiness Companies. Farmer's are considering these bills as the re-introduction of middlemen in marketing one way.

### INTRODUCTION

In recent times, protest and agitation by the farmers can be seen at capital city of the country. These are due to the introduction of three new Farmer's Bill, 2020. The Farmers Produce, Trade and Commerce (Promotion and Facilitation) Bill, 2020, The Farmers (Empowerment and Protection) Agreement of price Assurance and Farm Bill Services, 2020. The Essential Commodities (Amendment) Bill, 2020. were passed on 14<sup>th</sup> September, 2020 by the Ministry of Agriculture and Farmers Welfare Shri Narendra Singh Tomar in both the houses of the Parliament. Farmer's Bill 2020 concept is basically based on "One India, One Agricultural Market". Farmer's Bill is to create an environment where farmers and traders will enjoy their freedom of selling and purchase without any barriers and middleman. Farm Bills opened the gates for the farmers to the corporate world like retailers for creating better trading opportunities which could extend beyond the APMC market yards. These new laws related to the Farmer's Bill, 2020 provide farmers not only with more choices but also with the completion of better prices.

### The Farmer's Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020

#### Advantages

- Farmers can sell their produce at a place of their choice even beyond the APMC market yards at a better price than the Mandi's, thus increasing the number of potential buyers.
- There will be no trade barrier for the farmers for doing their business outside the physical boundaries of markets.
- The bill ensures trade electronically.
- For the sale of agricultural produce cess or levy were exempted.
- The bill resolved dispute mechanism for the farmers for speedy trial thus leading to avoidance of court litigation.

#### Disadvantages

- Loss of revenue to the states if the farmers agree to sell their produce beyond the APMC market yards.
- Middle man will cease to exist as farmers will be able to sell their produce directly to the registered trader.
- The new bill will end the Minimum Support Price (MSP) regime.

### The Farmer's (Empowerment and Protection) Agreement of Price Assurance and Farm Services Bill, 2020

#### Advantages

- This Bill includes farm services like provision for supply of seed, feed, fodder inputs for farming etc., by the wholesaler or retailer who is called as '*sponsor*' under an agreement. Bill shows that the entire agriculture produce of a farmer is under the control of the business man / corporate bodies who are called as '*sponsor*'
- The bill facilitates the farmers to enter into a direct commercial agreement with the corporate producing food products, exporters, retailers etc. This would provide disclosure to the global markets thus eliminating the fear of exploitation.

- A network has been created for contract farming between a farmer and a buyer through a contract. This could provide transparency and fair price framework to the farmers.

**Disadvantages**

- The corporate will have an upper hand over the farmers as they have weak negotiation skills.
- The small and marginal farmers might be deprived of any such sponsors.
- The bill gives freedom to the corporate instead of the farmers as MSP has not been mentioned anywhere in the bill.

**The Essential Commodities (Amendment) Farmer's Bill, 2020****Advantages**

- Empowers the Government to consider certain commodities such as food items, fertilizers, and petroleum products as essential commodities.
- Enables the private investment in the agricultural sector.
- Helps both the farmers as well as the consumer to bring the price stability.
- The bill seeks to increase the competition in the market thus providing better opportunities.
- Removes fear of excessive regulatory interference from the minds of the private players.

**Disadvantages**

- The freedom to stock commodities may lead to exploitation as big companies will charge excessive prices.
- The price limit set for the “extraordinary circumstances” are so high that it is likely never to be triggered.

**REFERENCES**

<https://swaritadvisors.com/learning/farmers-bill-2020>.

<https://www.tribuneindia.com>.