

Farmers' Agitation in India Due to Audacious Farm Bill of 2020

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Abstract: Farmers are doing primary and significant duty for the society by engaging in agriculture. They are tirelessly ploughing the field, planting the seed, watering the land and yielding crops. Production of cereals, pulses, fruits and vegetable are necessary to feed people of billion plus nation and ensuring food security. It is necessity of the government to provide necessary support with legislation of law, enactment of the same, crop insurance and provision of subsidy for agricultural inputs. There should be advancement in irrigation facility, application of biotechnology, credit facility, land reform and availability of market. But new framed agricultural reform act enraged the farmers and injected fear in their mind. Farmers feel apprehensive regarding the restructuring of the Indian agriculture. There is a shadow of uncertainty about annulment of minimum support price facility. It is presumed that new farm bill would take away Mandi facility which so far gave assurance to selling of crop. Although middle men were involved in the process, farmers were sanguine about selling of agricultural output with intermediation of them. Farmers so far enjoyed crop insurance and minimum support price for agricultural output. But newly passed bill in parliament spread tension among farmers about future uncertainties. Fear and ambiguity lingered with respect to corporate support and assurance. Loss of land and livelihood to corporate also gripped the minds. Question revolved about farmers wherewithal and whereabouts if corporates fail to buy crop or agricultural output. Like majority of Indian citizen, farmers are devoid of social security measure. Corporate indifference might cause grave loss for poor farmers in the absence of safety net. But sticking to this defunct system, would result in more harm than good for Indian farmers.

Keywords: Corporatization, Farm bill, Farmer agitation, Govt. policy, Indian agriculture, Minimum support price, Market access.

1. Introduction

Agriculture is mainstay of Indian economy. Although contribution of service sector is highest and economic liberalisation and technological progress in India propelled service sector growth yet about 65 percent of Indian population live in rural area and agriculture provides means of livelihood to approximate 58% of Indian workforce. Rural sector of India accommodates majority of poor people. Even after 7 decades of Indian independence, rural infrastructure is not up to the mark. Food security of growing nation with massive population lies with agriculture. In absence of irrigation facility, several rural districts are monsoon dependent. Monsoon failure cause

draught and uncertainties in agricultural production. Mechanisation of agriculture is still a far cry. Indian agriculture is plagued by multifaced problems. Market uncertainty is one of them. Indian agriculture was in dire need of reform for long time. All farmers are not affluent. Small and marginal farmers face multiple challenges. Although agricultural income is tax free, small farmers find it difficult to receive credit facility. There were numerous cases where farmers fell prey to rural money lender, subsequently got entrapped in debt obligation and ended life abruptly. Vidarbha and Marathwada of Maharashtra are replete with these misfortunes. Farmers need scientific approach, agricultural inputs, credit facility, information access, market for agricultural products, export opportunity and forward trading facility to have enjoy higher rural income and better quality of life.

2. Case Presentation

Indian subcontinent has not seen such long-drawn protest by farmers in post-independence or post liberalisation era as it erupted by end of 2020. This is significant because it happened at the backdrop of global pandemic. At this juncture, majority of economies are grappling with crisis and waiting for mass vaccination as remedial measure. Indian farmers are upset since the launch of three new farm bills in June 2020. The three bills which got ratified in Rajya Sabha, upper house of Indian parliament is, i) the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020 and ii) the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill. The first bill granted permission to sell agricultural output beyond Agricultural Produce Market Committee (APMC) bound markets. APMC is govt. regulated marketing facility or Mandi but it is outdated one which compels farmers to settle for distress sell. APMC is basically monopoly cartel determines discounted price for farm produce. In first bill, farmers receive ample liberty to sell their product to preferred location and client. Second bill facilitates contract farming facility. There is scope for farmer to strike a deal with prospective buyer about type of crop or vegetable and corresponding prices. The third bill as The Essential Commodities (Amendment) Bill 2020 provides opportunity to farmer to proceed beyond periphery of APMC markets and explore intra-state and inter-state trading options. State

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authorities are forbidden to impose any market fee, cess beyond the ambit of APMC. Govt. has categorically clarified about continuation of govt. procurement exercise and Minimum Support Price (MSP) policy. Govt has already issued written assurance about prevalence of MSP in response to piling grievances of farmers. But farmers are not convinced and demanding about abrogation of recently approved farm bills. Farmers from Indian state Haryana, Punjab, Uttar Pradesh gathered at Delhi. They staged demonstration and shouted slogan against newly introduced agriculture reform bill of 2020. Opposition party leaders supported them as they found opportunity to denounce incumbent govt. for political gain. Farmers along with women and children put up in camp along the national highway of capital Delhi in freezing cool winter month to show their tenacity.

3. Discussion

Indian agriculture is backbone of Indian economy. There are two seasons for crop production such as Kharif and Rabi. Kharif crops are sown in May-June and harvested in October and Rabi season takes over at the outset of winter. Indian farming is not mechanised. Agriculture is prime occupation for majority of rural inhabitants in labour surplus economy. Overcrowding in agricultural field, fragmentation of land owing to rise in family size and disguised unemployment are prevalent vices. Farming activity is still rain dependent as irrigation facility is inadequate. There is an uncanny incentive for farmers to produce water guzzling crops, risking water table depletion and polluting environment by burning of stubble after harvest. Farmers from Punjab are benefitted with subsidies, concessional credit facility and higher valuation of their farm land but contributes to surplus of food grain supply which nation doesn't require and go on a waste or get rodent eaten. Burning of stubble post-harvest in winter chokes capital with air pollution.

Indian agricultural contribution to GDP is about 16% and it engages 58% of workforce. Ministry of Agriculture and Farmers' Welfare which came into existence in 1947 continues to be apex body engaged in formulation and implementation of laws regarding agriculture. The wide coverage of apex body encompasses agriculture, food processing and co-operation with farmers. Agricultural income is tax free and farmers are entitled for various subsidies although advanced economies criticised this process at WTO forum as Indian farm products get undue competitive advantages. The common subsidies are for seed, fertiliser, power, equipment, credit, irrigation and export. Green revolution which took place in 1960s with distribution of high-yielding varieties of seeds tried to address food grain productivity, abysmal poverty and malnutrition issue of the country. Now India is having surplus wheat and rice which rots in go down and unworthy to be exported as there is lack of world demand for them. National Mission for Sustainable Agriculture which rolled out in September 2010 remained attentive about coordinated farming, water use optimality, soil quality conservation, prevention of pest, nutrient upkeeping, agricultural insurance, credit facility, access to information and market to bolster agricultural performance, livestock diversification and assuring agricultural

bounties for burgeoning population. Over the period of time India gained self-sufficiency in food production and food security act was passed in 2013 to ensure adequate affordable food for all. Prior to that Manmohan Singh led UPA government launched The Mahatma Gandhi National Rural Employment Guarantee Act in 2005 to provide job assurance for rural labourers. Crop insurance scheme under Pradhan Mantri Fasal Bima Yojana (PMFBY) of 2016 provides farmers comprehensive cover for crop loss or damage. In pandemic ridden time Pradhan Mantri Garib Kalyan Rozgar Yojana of 2020 helped to assuage the suffering caused by monster virus. In last package of December 2020 fresh Rs 10, 000 had been allocated to stimulate job creation in rural sector and supplement rural earning. Despite all welfare centric work for rural people farmers are disappointed with new bills sanctioned in parliament. APMC is an obsolete system which compels farmer to settle for less and remain in the clutch of mercenary middlemen. There is high wastage of food grain due to excess producing of cereals and underproducing of protein-based pulses. Reform of export policy devoid of present stop-start would open up new avenues for agricultural revenue. The obsession about minimum support price and dependence on APMC, outdated storage and distribution facility should be contemplated upon unemotionally.

4. Conclusion

There is need of agricultural modernisation and second wave of green revolution. The new laws might usher in autonomy in agricultural practices and ensure much needed agricultural reform. Reform can't happen through populist measure, wilful rhetoric and with farm loan waiver. Time has arrived to distinguish between pro-market and pro-business stance. Market driven agricultural practices would be rewarding in the long run. It would help to remove anomalies in the Mandi system and make farmers more self-reliant rather than being constantly at the mercy of middlemen. Farmers would receive varied option to produce crops and sell it to competing corporate buyers. Farmers would explore other state- or nationwide market rather than staying aligned to local Mandi. Farmers should try to diversify and set eyes on growing need for fruit and vegetables. It doesn't make any sense to stick to abundant production of rice and wheat which lie idle in government storage and get rodent eaten. Export opportunity would also proliferate which farmer should avail with due diligence. Corporate support might accelerate technological advancement in agriculture. Weather forecasting, soil testing, availability of sophisticated equipment, credit facility, storage and distribution, information and market access would ameliorate age old agriculture system. New farm bill should be deliberated on to liberate farmers from monopoly cartel of APMC mandi. There would be provision of stockpiling unlimited inventory which so far remained constrained due to Essential Commodities Act 1955. There would be facility of availing forward contracts by farmers and passing on risk to corporate counterparts. The unutilised land could be leased out and rent earning can be enjoyed under new regulation. It is need of the hour to keep aside irrational fear and view things with logical,

futuristic mindset. Farmers can analyse and assess new law to free themselves from archaic regressive pattern. Indian farmers can't afford to lag behind farmers from other emerging economies.

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