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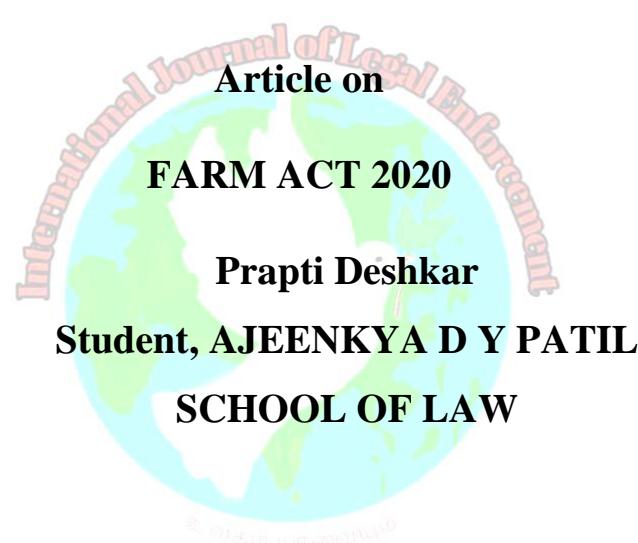
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About Us

International Journal of Legal Enforcement is an online peer review journal dedicated to express views on legal and socio legal aspects. This platform also shall ignite the initiative of the young students. We do not charge any publication charge for online publications. We process to bring out the analysis and thoughts of every socio legal and legal matters from the young powerful minds. With this thought we hereby present you, International Journal of Legal Enforcement.

“Dharma is to protect the Needy”



"If agriculture goes wrong, nothing else will have a chance to go right in the country."

— M. S. Swaminathan

INTRODUCTION

After independent in 1947, the productivity from the agriculture was very low. The agriculture was done by very subsistence farming using animate source using traditional tools and equipment. 80% of the population was dependent on farming for their livelihood. In few years the agricultural department was putting measure efforts generating agricultural engineering research and education. Five years plans were prepared from the independence in 1950, government started focusing on agriculture and made it the priority. But in sixties the new schemes by government of India were introduced. One of the schemes was phrased "JAI JAWAN JAI KISAN" introduced by Indian second Prime Minister Lal Bahadur Shastri. In 1967, after the green revolution first harvest was introduced.

Then in 1970, government of India took a step by introducing MSP (minimum selling price) it was a big step to famine avoidance strategy. The change in direction was made because of valiant farming community. These were few initiatives taken by government. But even after that, farmers were suffering for their basic right of selling the products produced by them.

There was cycle of the farmers, farmers used to directly sell the product but for the growing of crop production, farmers used to take the loan from the money lender and when the farmer were not able to repay the loan and were in debt, the money lender used to buy the products in cheaper price for debt relief. Then for next production the farmer has to take the loan again from the money for next production. This is used to be the cycle of exploitation of farmers.

To stop the cycle of exploitation, in 20's the farmers were introduced with a scheme of APMC act, the act says that the farmers cannot sell their products directly to the consumers nor anyone will directly purchase from them. All sales of the products will be through MANDIS which was established through the Act of APMC Act. The objective was basically to protect the farmers from exploitation. These MANDIS are governed by the State government.

FUNCTION OF APMC

- Every state has its own APMC, the state divides the mandis according to their area and each area has its own specific mandis.
- The traders need to acquire the license of that specific mandi from where he wants to purchase the produce.
- And similarly, the farmers are also allowed to sell the produces to that specific mandi in their area.
- If traders want to purchase the produce from APMC then he has to acquire the license from APMC.
- The whole process of selling and buying from specific mandi is mandatory.

SELLING OF PRODUCTS IN APMC

The selling of the produce is done by auction. It is a process of public sell of the produces where the trader buys the goods and it was sold to the trades who is the highest bidder. The auction is of two types

1. MSP (minimum selling price)

It is the process where the state government decide the minimum rate of the produce. It means the auction price cannot go below the price decided by the government. Basically, it is the value from where the auction will start. The produce cannot be sold at the price lesser than the decided price. MSP is not applicable to all crops, it is only from 22 crops for which government of India decided the MSP.

2. Price Discovery

The second system is Price Discovered; the crops remaining that are not sold by MSP are sold by this process. These are the crops apart from the 22 crops; here the rate of the produce is decided depending upon the demand and supply of the goods in the market basically the market rate. On the basis the price of the produce is discovered. And the farmers get the amount according to that.

THE EXISTING SUPPLY CHAIN

The produce gets sold in APMC through a supply chain. In the working of the supply chain, farmers being the first person of the chain produce the goods and the consumer being the last person of the chain to consume. In the process of produce reaching from first person to last there are many middle men. The process where middle men are involved for pricing the produce, the process is not transparent to the farmers. In this whole process the transaction agent charges 3% on the farmers got as the market fee which the farmer has to pay. These middle men are the commission agent, traders, vendors, whole seller etc. And from going through them it comes to the consumer. The time the consumer receives the produce there is already a 50% difference in the actual rate of the produce and above that the 25 % of actual produce is wasted. To make it simple, if the consumer is purchasing the goods at Rs. 70/- the farmers is getting the value of same goods is Rs. 7/-. All remaining money is divided between the middle men. The consumer gets the products in much more inflated price because of the all the middle men and farmer has to sell the product at very low price.

In the existing supply chain there is clearly flaws,

1. Who can became traders - as we all know the APMC is governed by the state government and it is observed that the trades are generally those who are close to the state government or the politicians and no one else.
2. The product pricing - the farmers get the minimum price of their product which is being sold in the market with almost 5-10 times higher price. Where farmers are the one who are at the greatest lost.

THE PROTEST

In the current scenario traders by forms a group and refuse to purchase the farmers good above the MSP rate. And under the pressure of their goods being perishable nature farmers have to sell the goods on the lowest value that is the MSP of the product. And if the goods are not sold then the value of the farmer's goods will decrease day by day as the product will stale. The traders take an advantage of this complete situation and act accordingly. To change the situation and in an advantage of the farmers, the farmers are protesting to increase the MSP

rate of the product. And bring different reforms in the existing the structure of MSP. It has become counterproductive.

APMC has become the main reason of exploitation and monopoly. Existing system is in favour of only one.

The main concern in agriculture and farming field is the state need to have less control over them. According to the needs of 21st century farmers need some relaxation from the control of the state. There should be a regulatory body and controller mechanism which protect the farmers from exploitation. Some of the state like Karnataka, Bihar, and Maharashtra has already practicing the new system. This state has amended new clause to overcome the flaws existing system like if any traders buy the product below the MSP price he should be penalised and deciding the value to remuneration received by the farmers.

The protest against is mainly in the state of Punjab, Haryana and MP where they already have a strong market and bonding with the APMC. They do not want to change the strong well-oiled machinery that is functional.

POWER OF CENTRE IN FARMING

Under the 7th schedule of Constitution of India there exist 1) union list, 2) state list and 3) concurrent list. The agriculture comes under state list entry 14 where state has the power in respect of agriculture field. In concern with strict division of power of agricultural department the centre has no power.

But it comes with exception of article 248 which states that the matters which are not listed under the three list of 7th schedule the power of making law of that matters straight goes to the centre. Article 249 states that if there is a matter in interest of the Nation i.e., National interest the centre will have the power to make law on the subject of state, even if any matter is entered in the part of state list. In concurrent list, in the entry 33 reduce the power of state to make law on agriculture and stated that centre can make the law in this matter. On those bases the centre has the power regarding of making law related to agriculture matter.

FARM ACT AMENDMENT

Narendra Tomar agricultural minister government of India introduced the bill as "Bring change in the lives of farmers"¹ that is now assented and become an act,

- The Farmers' Produce Trade and Commerce (Promotion and Facilitation)
- The Farmers (Empowerment and Protection) Agreement of Price Assurance Farm Services
- The Essential Commodities (Amendment) Act

These laws are expected to create a major impact on Indian agriculture. These mainly aim to elimination of exploitation of farmers. By eliminating all the middle men in the supply chain, by removing monopoly of government-run and being fair. Older law was making mandatory to sell products on APMC, the new act is eliminating the role of APMC.

In the older law, it was mandatory to sell the product in madis. But the new law is allowing the farmers to sell freely and to anyone they want, even to the private buyer, to the big companies. And they have been given freedom to sell the product anywhere they want in India.

In APMCs, licensed middlemen broke the deal between farmers and the government. Over the years, these middlemen monopolised their authority in APMCs and cartelisation occurred. Farmers were often at the mercy of these middlemen.

The newly passed farm law are likely to break the monopoly of these middlemen as it gives farmers the freedom to carry out the first sale outside APMCs.

Mandis will be open as before but farmers will have the option to sell at other places too. The e-NAM trading method will be functional in the mandis. Electronic platforms trading would increase which would raise transparency and augment time-saving.²

Prime Minister Narendra Modi, on September 20, tweeted that the "system of MSP will remain" and "government procurement will continue".³ In September '20 opposition member in Lok Sabha plan to move against the trade and commerce ordinance and price assurance ordinance. In August on date 28 the Punjab assembly passed a resolution rejecting the centre ordinances. But despite of the oppose from the opposition **the bill is assent by President Ram**

¹ <https://www.ndtv.com/india-news/farm-bills-crucial-will-bring-revolutionary-changes-says-agriculture-minister-narendra-singh-tomar-2300369> ; 07/10/2020(15:10)

² <https://timesofindia.indiatimes.com/blogs/economic-update/the-new-farmers-bill-and-its-effects/> ; 07/10/2020(18:20)

³ <https://indianexpress.com/article/explained/what-is-the-basis-of-msp-6609668/>; 07/10/2020(19:15)

Nath Kovind and has been notified by centre on 27th September 2020. Even at the time of implementation of the act the farmers started their protest against it, PM Narendra Modi has sent the central ministers to stop the protest and to give them the proper knowledge of the benefits of the act.

PROS

- Farmers will have their own choice of selling their produce to anyone and anywhere without depending on the APMC.
- The monopoly will be destroyed of APMC.
- There will be elimination of the middle men who essentially run APMC.
- In three days, payment will be received by the farmers.
- The farmers will have more option regarding selling their produce and it will increase the interstate trade.

CONS

- Farmers will be at mercy of big companies during dealing. If the MSP is abolished completely, farmers will lose the power of bargaining and last-ditch sale option they use to have.
- In view of critics of the farms act they say there is no much regulatory over sight in the new provision.
- Lack of guarantee if in case farmers are been cheated the government will comprehensively intervene.
- Observation across the globe shows that if the farmers are exposed in the open market their will be decrease in income than increase.
- And it is also called as black law where they referred the act as making farmers slave of capitalist.

CONCLUSION

Looking at the farm act amendments there are long term benefits. Even though farmers are protesting which is in few states, farmers of most states are in favour of the act. The farmer who are protesting are not looking forward to the bigger benefits but are stuck on to the temporary negative effects of it. This will help farmers getting better price.

The biggest positive amendment in the act is that they can sell the produce anywhere in India, this will open many opportunities and will give a wider platform for the farmers.

