

Bill No. 77 of 2023

**THE SMALL LAND HOLDING FARMERS (PROTECTION AND
WELFARE) BILL, 2023**

By

SHRI GANESAN SELVAM, M.P.

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BILL

*to provide for protection and welfare of small land holding farmers by constitution of a
Minimum Price Assurance Commission and a Small Land Holding Farmers Welfare Fund
and for matters connected therewith.*

BE it enacted by Parliament in the Seventy-fourth Year of the Republic of India as
follows:—

1. (1) This Act may be called the Small Land Holding Farmers (Protection and Welfare)
Act, 2023.

Short title and
commencement.

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(2) It shall come into force on such date as the Central Government may, by notification
in the Official Gazette, appoint.

Definitions.	<p>2. In this Act, unless the context otherwise requires,—</p> <p>(a) “agricultural produce” means agricultural produce specified in the schedule;</p> <p>(b) “Commission” means the Minimum Price Assurance Commission constituted under section 6;</p> <p>(c) “Fund” means the Small Land Holding Farmers Welfare Fund constituted under section 4;</p> <p>(d) “minimum assured price” means the price of the agricultural produces fixed and declared by the Central Government under section 3;</p> <p>(e) “prescribed” means prescribed by rules made under this Act; and</p> <p>(f) “small land holding farmer” means a person possessing agricultural land measuring not more than ten acres and who has no major income from any source other than agriculture.</p>	
Central Government to declare minimum assured price of agricultural produce.	<p>3. The Central Government shall, on recommendation of the Commission, at least one month before every financial year, by notification in the Official Gazette, declare the minimum assured price for each agricultural produce.</p>	5
Constitution of Small Land Holding Farmers Welfare Fund.	<p>4. (1) The Central Government shall, by notification in the Official Gazette, constitute a Fund to be known as the Small Land Holding Farmers Welfare Fund for carrying out the purposes of this Act.</p> <p>(2) The initial corpus of rupees one hundred crore of which rupees fifty crore shall be provided by the Central Government, after due appropriation made by Parliament by law in this behalf, and rupees fifty crore shall be provided by the State Governments in such proportion as may be prescribed.</p> <p>(3) The Central Government and State Governments shall contribute every year to the Fund in such ratio as may be prescribed.</p> <p>(4) There shall also be credited to the Fund moneys received under corporate social responsibility from the corporate and other private individuals.</p>	10
Utilization of Fund.	<p>5. The Fund shall be utilized for—</p> <p>(i) providing minimum assured price for agricultural produce;</p> <p>(ii) payment of pension to every small land holding farmer who has attained the age of fifty-five years;</p> <p>(iii) financial assistance to the young small land holding farmers for innovative proposals; and</p> <p>(iv) establishing efficient institutional mechanism for full-fledged marketing of agricultural produce.</p>	20
Constitution of the Minimum Price Assurance Commission.	<p>6. (1) The Central Government shall, as soon as possible but not later than six months of the commencement of this Act, by notification in the Official Gazette, constitute a Commission to be known as the Minimum Price Assurance Commission.</p>	25
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(2) The Commission shall consist of—

(a) a Chairperson to be appointed by the Central Government in such manner, as may be prescribed, from amongst the persons having knowledge in the field of agricultural operations in small land holding farming sector and expertise in agricultural economics;

(b) a Vice-Chairperson to be elected by and from amongst the members of the Commission representing the small-holder farmers;

(c) two Members of Parliament, one each from Lok Sabha and Rajya Sabha, to be elected by the respective Houses;

(d) one member not below the rank of Joint Secretary, representing the Union Ministry of Agriculture;

(e) one member not below the rank of Joint Secretary, representing the Indian Council of Agriculture Research; and

(f) five members representing small land holding farmers to be nominated by the Central Government in such manner as may be prescribed.

(3) The term of office of the Commission shall be three years.

(4) The Commission shall be a body corporate having perpetual succession and common seal with power to acquire, hold and dispose of property both movable and immovable and to contract and shall, by the said name, sue or be sued.

7. The Commission shall recommend to the Central Government—

Functions of the Commission.

(a) the minimum assured price for agricultural produce after taking into consideration the cost of cultivation including fifty per cent. margin on the cost of cultivation; and

(b) the steps to be taken for the improvement of livelihood of small-holder farmers.

8. The Central Government may issue such directions to the State Governments as it may think necessary for carrying out the purposes of this Act.

Power to issue directions.

9. The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.

Act to have overriding effect.

10. (1) The Central Government may make rules for carrying out the purposes of this Act.

Power to make rules.

(2) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both the Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

SCHEDULE

[see section 3]

1.	Fibre	Coconut
2.	Cereals	Paddy
3.	Oil seeds	Coconut, Oil palm
4.	Fruits	Mango, Orange, Papaya, Guava, Banana, Grapes, Jack fruit, Pineapple, Rambutan, Mangostin, Cocoa
5.	Vegetables	Common pea, Gram, Tomato, Turmeric, Bitter gourd, Snake gourd, Ash gourd, Winter crops, Chilly
6.	Tubers	Topioca, Carrot, Beet root, Common taro, Elephant foot yam, Carrot, Potato
7.	Spices	Pepper, Cardamom, Ginger, Nutmeg, Clove, Cinnamon
8.	Cash crops	Rubber, Tea, Coffee

STATEMENT OF OBJECTS AND REASONS

Agriculture plays a major role in Indian economy and small land holding farmers owe a considerable share in it. Small land holding farmers are farmers with a low asset base and limited resource endowments and who depend on household members for most of the labour, small land holding farmers are characterized by smaller applications of capital but higher use of labour and other family-owned inputs, and generally higher index of cropping intensity and diversification. Farmers, especially small land holding farmers fall in debt trap due to vagaries of nature and lack of assured minimum support price for agricultural produce.

Currently, a farmer is born under debt and dies under the threat of its repayment. Due to total negligence and non-remunerative profession, youngsters are not preferring agriculture as promising and profitable. The pitfalls in farming policy and Free Trade Agreements make the situation more assailable, especially in rural economies. The whole proceedings result in social discontent, anarchy and turmoil which paves the way for terrorism and naxalism.

In short, an immediate effective intervention is needed by the Government to safeguard the dreams, hopes and aspirations of agrarian people. The constitution of the Small Land Holding Farmers Welfare Fund and the Minimum Price Assurance Commission will lend a helping hand in removing indebtedness and social insecurity from small land holding farming community. The Bill seeks to achieve the above objectives.

Hence this Bill.

NEW DELHI;
February 27, 2023.

GANESAN SELVAM

FINANCIAL MEMORANDUM

Clause 4 of the Bill provides for the constitution of a Small Land Holding Farmers Welfare Fund with initial corpus of one hundred crore rupees of which fifty crore rupees shall be provided by the Central Government. Clause 6 provides for constitution of a Minimum Price Assurance Commission for the welfare of small land holding farmers. The Bill, therefore, if enacted will involve expenditure from Consolidated Fund of India. It is estimated that a recurring expenditure of about rupees one hundred crore would be involved from the Consolidated Fund of India.

A non-recurring expenditure of about rupees fifty crore is also likely to be involved.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 10 of the Bill empowers the Central Government to make rules for carrying out the purposes of the Bill. As the rules will relate to matters of detail only, the delegation of legislative power is of a normal character.

LOK SABHA

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