

Bill No. LXXVII of 2010

**THE DISTRESSED FARMERS (SPECIAL FACILITIES, PROTECTION
AND WELFARE) BILL, 2010**

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BILL

to provide for the special facilities and protection of distressed farmers who are affected by various natural calamities, and victims of indebtedness, physical infirmities, diseases, old age, exploitation, etc. by giving adequate compensation, extending relief measures, removal of indebtedness, prevention of exploitation by moneylenders and other unscrupulous elements, extending easy and hassle free bank loans, giving remunerative prices for their produce, improving farming practices through scientific means, extending compulsory market intervention in case of bumper crop, compulsory insurance of crops and livestock, old age allowance, medicare and other welfare measures to ensure that they do not commit suicide and for matters connected therewith and incidental thereto.

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

1. (1) This Act may be called the Distressed Farmers (Special Facilities, Protection and Welfare) Act, 2010.

(2) It extends to the whole of India.

(3) It shall come into force with immediate effect.

Short title,
extent and
commence-
ment.

Definitions.

2. In this Act, unless the context otherwise requires,—

(a) "agricultural produce" include wheat, paddy, coarse cereals like maize, jowar, bajra, millet, barley, madwa, soyabean etc., pulses including gram and all types of beans and peas, cotton, sugarcane, oilseeds, tobacco, vegetables, jute, all types of spices, coconut, all fruits including areca nuts, chillies and such other crops grown by farmers and produces which may be notified by the Central Government in the Official Gazette, from time to time and also include seeds as defined in the Seeds Act, 1966; 5 54 of 1966

(b) "appropriate Government" means in the case of a State, the Government of that State and in all other cases, the Central Government;

(c) "bumper crop" means the excess yield of any agricultural produce of a farmer which does not give reasonable return to the farmer after selling the yield as compared to its cost of production; 10

(d) "crop insurance" means insuring the crops in the event of loss of crop due to any natural calamity and include losses suffered by farmer on account of bumper crop;

(e) "farmer" means a person who owns land and cultivates or causes it to be cultivated for agricultural purposes or for horticulture purposes and includes all farmers big, middle, small and marginal farmers as identified by the Planning Commission of the Central Government; 15

(f) "Fund" means the Farmers Natural Calamity Assistance Fund established under section 4; 20

(g) "natural calamity" include drought, flood, excessive rains, cloudbursts, cyclone, super cyclone, tsunami, storm, hailstorm, winds, frost, winterkill, lightening, fire, excessive snowfall, earthquake, wild life, insect infection, plant disease and such other natural causes as may be prescribed;

(h) "prescribed" means prescribed by rules made under this Act. 25

Long-term
National
Action Plan
for Welfare of
Farmers.

3. (1) Notwithstanding anything contained contrary in any other law for the time being in force, the Central Government shall as soon as may be, but within one year of the commencement of this Act, formulate and publish in the Official Gazette, a long term action plan for the overall welfare of the farmers and more so for the distressed farmers of the desert, drought prone, hilly, flood prone, coastal and other natural calamity prone areas and regions of the Country as may be necessary, incidental or conducive for such plan and shall take appropriate measures for the uniform implementation of such action plan. 30

(2) In particular and without prejudice to the generality of the provisions contained in sub-section (1) of section 3 such action plan may include,—

(a) provision of immediate interim relief or ex-gratia payment to distressed farmers affected by natural calamity; 35

(b) comprehensive crop and livestock insurance scheme in which insurance premium of small and marginal farmers shall be borne by the Central Government to provide relief to the farmers in distress affected by natural calamity or who suffer losses on account of bumper crop; 40

(c) ensuring remunerative prices for the agricultural produce of the farmers through Minimum Support Price mechanism or other appropriate measures;

(d) compulsory market intervention scheme in case of bumper crop of any agricultural produce without the formalities of making requests etc., by the concerned State authorities so as to procure or arrange to procure the excess yield of the farmers; 45

(e) institutional mechanism for efficient marketing and export of agricultural produce of the farmers;

(f) making easy availability of fertilizers, pesticides and quality seeds to farmers at affordable prices;

(g) ensuring timely completion of irrigation projects to provide requisite irrigation facilities to the farmers to save them from the vagaries of nature;

5 (h) comprehensive measures for the removal of indebtedness of the distressed farmers by way of writing-off loans and interest accrued thereon if crops are lost by natural calamity, providing easy loans with nominal interest from banks and financial institutions by removing the hurdles of complicated procedures, technicalities and collaterals, and saving the distressed farmers from the clutches of greedy moneylenders
10 so that they may be saved from resorting to extreme step of committing suicide; and

(i) welfare scheme including old age allowance for all farmers and their spouses, free medical care, shelter to the needy ones and for such other provisions as may be deemed necessary.

15 **4. (1) The Central Government shall, as soon as may be, but within six months of the commencement of this Act, establish a Fund to be called the Farmers Natural Calamity Assistance Fund for carrying out the purposes of this Act.**

Establishment
of Farmers
Natural
Calamity
Assistance
Fund.

(2) The initial corpus of the Fund established under sub-section (1) of Section 4 shall be fifty thousand crore rupee to be provided by the Central Government after due appropriation made by Parliament by law in this behalf.

20 **(3) After the initial constitution of the Fund, moneys shall be provided to the Fund by the Central and State Governments in such proportion and in such manner as may be prescribed.**

(4) The fund shall also comprise moneys received from the general public, body corporates, domestic and foreign financial institutions as donations, gifts, etc.

25 **(5) The fund shall be utilized for providing immediate financial assistance, ex-gratia, compensation to the distressed farmers affected by any natural calamity or disaster in such manner as may be prescribed.**

30 **(6) The fund shall also be utilized for providing special assistance or package as may be formulated by the appropriate Government for the children, women, physically challenged farmers, old farmers and such other persons vulnerable to the aftermath of natural calamity in such manner as may be prescribed.**

5. (1) Notwithstanding anything contained in any other law for the time being in force, it shall be the duty of the appropriate Government to,—

Certain
facilities and
miscellaneous
provisions for
farmers.

35 (a) make sure that every distressed farmer affected by natural calamity who has lost his crop, livestock, movable or immovable property or life of kith or kin gets timely adequate compensation;

40 (b) publicise the weather forecasts during the sowing seasons in different parts of the country through the print and electronic media and in particular through All India Radio and Doordarshan in such manner as the appropriate Government may deem fit and necessary;

45 (c) to consistently monitor the sowing and production trends of crops of agricultural produce right from the beginning of every sowing season so as to make correct estimates of likely yields, local consumption needs, purchases by Government agencies under Minimum Support Price (MSP) mechanism, surplus and such other eventualities to ensure that farmers are not affected in any manner therefrom.

(d) ensure that when there is bumper crop of any agricultural produce the farmers do not resort to distress sale of that produce and to prevent such sale shall extend the compulsory market intervention scheme in such area and provide subsidised

transportation facility to carry the surplus produce to the identified areas of the State or of the neighbouring States where such produce is likely to be in demand or consumed and make necessary marketing and yard facilities for such bumper crop;

(e) remove the middlemen, moneylenders and unscrupulous traders who exploit the farmers in case of bumper crop in such manner as it may deem fit necessary to do so;

(f) establish agricultural farms in every block of the Country which shall ensure timely and adequate supply of quality seeds and saplings at affordable rates to the farmers;

(g) establish Agricultural universities and *Krishi Vigyan Kendras* at conspicuous places for promotion of agricultural as a whole;

(h) establish modern veterinary hospitals and clinics in every block to assist farmers in animal husbandry;

(i) promote agro based industries such as food processing, dairy, poultry, rearing of animals, piggery, bee keeping, bakery, etc. in order to enhance the farm income of the farmers;

(j) promote co-operative farming and contract farming to promote better farm management and farm techniques with a view to making agriculture economically viable and sustainable;

(k) promote cultivation of vegetable, floriculture, horticulture, spices, pisciculture, sericulture, herbals and plants of medicinal values, bamboo and cane, along with handloom and handicrafts and other village arts in the suitable areas to supplement the income of the farmers;

(l) promote organic farming, use of natural manure, use of biomass for energy production, rain water harvesting techniques, use of solar and wind energy for the benefit of farmers;

(m) promote traditional water bodies such as wells, ponds etc., and provide sprinkler and other irrigation facilities and regular power supply to the farmers; and

(n) provide such other facilities as may be necessary, incidental and expedient as may be prescribed.

6. It shall be duty of the appropriate Government to provide every farmer,—

(a) **medical facilities including medicines and hospitalisation wherever necessary free of cost;**

(b) **educational facilities including technical medical, vocational, information technology and higher education at the college and University level free of cost to the children of farmers;**

(c) **adequate old age allowance which is sufficient to lead a dignified life;**

(d) **disability pension in case he is physically challenged;**

(e) **recreational and entertainment facilities through individual or Community Centres; and**

(f) **such other welfare and protective measures as may be deemed necessary and appropriate or as may be prescribed.**

7. (1) Notwithstanding anything contained in any other law for the time being in force, it shall be obligatory for all the public, private and cooperative sector Banks and Financial Institutions to provide hasslefree credit facilities with nominal interest or without any interest thereon to the distressed farmers affected by any natural calamity or to face the aftermath of any natural calamity in his agricultural operations.

Certain welfare measures for farmers.

Special credit facilities for distressed farmers.

(2) The Banks and Financial Institutions referred to in sub-section (1) of section 7 shall also waive the recovery of any outstanding loan against any distressed farmer affected by any natural calamity for at least a year after the said natural calamity and shall not refuse a fresh loan to such farmer on this ground so as to enable him to carry out his agricultural operations.

8. (1) The Central Government shall provide after due appropriation made by Parliament by law in this behalf, necessary requisite funds, from time to time, for carrying out the purposes of this Act.

Central Government to provide requisite funds.

(2) It shall be the duty of every State Government in implementing the provisions of this Act and the Central Government shall place necessary funds at the disposal of every State Government for this purpose.

9. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, published in the Official Gazette, not inconsistent with the provisions of this Act, remove the difficulty:

Power to remove difficulty.

Provided that no such order shall be made after the expiry of two years from the Commencement of this Act.

(2) Every order made under sub-section (1) of section 9 shall be laid, as soon as may be, after it is made, before each House of Parliament.

10. The provisions of this Act and the rules made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force but save as aforesaid the provisions of this Act shall be in addition to and not in derogation of any other law for the time being in force dealing with the subject matter of this Act.

Act to have over-riding effect.

11. The Central Government, may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

Power to make rules.

STATEMENT OF OBJECTS AND REASONS

It is rightly said that our Country resides in villages because majority of our population is in the rural areas and agriculture is the main occupation. The Farmers are the backbone of our economy and they mainly depends on good harvests during the sowing seasons. Inflation and price rise are also decided by the yield of the farmers. Agriculture extensively contributes to our Gross Domestic Product (GDP). This sector generates maximum number of employment opportunities, ensures food security to the nation and provides largest share of raw materials to our industries. But unfortunately, the lot of most of the farmers has not improved even after more than six decades of independence and implementation of eleven Five Year Plans. They are still poverty stricken, indebted and being exploited. The farmers are on the mercy of vagaries of nature for their yields in the absence of irrigation facilities in abundance. At the same time natural calamities do occur very frequently in one part or the other, of the country round the year. Drought affects various parts of the country at regular intervals and so is the case of floods which devastate many parts of the country regularly year after year. The coastal areas face the brunt of cyclones very frequently and some times they are affected by super cyclone and even Tsunami. Similarly, many other parts of our vast nation are adversely affected by earthquake, excess rains, cloudbursts, hailstorm, frost, winterkill, lightening, fire, excess snow, wild life insect infection, plant diseases and other vagaries of nature. The farmers who lose their crops and other belongings have to bear the brunt of these natural calamities and with that their hopes too are dashed. They become indebted in order to survive and restart their agricultural operations and fall in the unending trap of greedy moneylenders and many of them also take the extreme step of committing suicide. Such suicides are very rampant in Maharashtra, Andhra Pradesh, Madhya Pradesh, Punjab, etc. Similarly, when the farmer grows a bumper crop there are no buyers of his yield. He is forced to go for distress sale of his produce at throwaway prices and sometimes resorts to burning his crop. The indebted farmers do not get any support to live a dignified life in their old age. There is no social security for them. In some States, they are given a meagre old age pension which can not fetch even two square meals for them. They do not get the medical facilities. The plight of infirm and physically challenged farmers is more precarious.

In a welfare State like ours it is the sacred duty of the State to protect the farmers who have remained neglected and exploited. They should be given sufficient protection by the State by implementing comprehensive crop and livestock insurance, extending soft loans by Banks and Financial institutions, by giving adequate and timely compensation when affected by natural calamity. It should be ensured that they get remunerative prices for their yield and the State must implement welfare measures for the farmers so that they too reap the fruits of progress made by our nation.

Hence this Bill.

DR. AKHILESH DAS GUPTA

FINANCIAL MEMORANDUM

Clause 4 of the Bill provides for the establishment of the Farmers Natural Calamity Assistance Fund with initial Corpus of rupees fifty thousand crores and thereafter Central Government has to provide requisite funds every year. Clause 5 provides for certain facilities for farmers. Clause 6 provides for certain welfare measures to farmers. Clause 8 makes it obligatory for the Central Government to provide requisite funds for carrying out the purposes of the Bill. The Bill if enacted will therefore involve expenditure from the Consolidated Fund of India. Apart from the initial amount of fifty thousand crore, it is estimated that a sum of rupees sixty thousand crore rupees may involve as recurring expenditure per annum.

A non recurring expenditure to the tune of rupees fifty thousand crore may also involve from the Consolidated Fund of India.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 11 of the Bill gives power to the Central Government to make rules for carrying out the purposes of the Bill. The rules will relate to matters of details only. The delegation of legislative power is of normal character.

RAJYA SABHA

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BILL

to provide for the special facilities and protection of distressed farmers who are affected by various natural calamities and victims of indebtedness, physical infirmities, diseases, old age, exploitation, etc. by giving adequate compensation, extending relief measures, removal of indebtedness, prevention of exploitation by moneylenders and other unscrupulous elements, extending easy and hassle free bank loans, giving remunerative prices for their produce, improving farming practices through scientific means, extending compulsory market intervention in case of bumper crop, compulsory insurance of crops and livestock, old age allowance, medicare and other welfare measures to ensure that they do not commit suicide and for matters connected therewith and incidental thereto.

(Dr. Akhilesh Das Gupta, M.P.)