

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS WELFARE

LOK SABHA
UNSTARRED QUESTION NO.228
TO BE ANSWERED ON THE 2ND FEBRUARY, 2021

FEATURES OF NEW FARM BILL

228. DR. KALANIDHI VEERASWAMY:
SHRI A. RAJA:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) the features of new farm bill;
- (b) whether the Government has removed/withdrawn Minimum Support Price(MSP) under this new bill, if so, the reasons therefor;
- (c) whether the Government has included the corporate sector under this new bill and if so, the reasons therefor; and
- (d) whether the Government is aware that this new bill is a death warrant for small and marginal farmers and leaves them at the mercy of corporate and large-scale institutional buyers by handing over agriculture and market to the big corporates?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a): The features of “The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020”, and “The Farmers (Empowerment and Protection) Agreement On Price Assurance and Farm Services Act, 2020” are at Annexure-I & Annexure- II.

(b): No Sir, the aforesaid Acts has no bearing on the policy and process of procurement on MSP.

(c) & (d): These farm Acts provide an ecosystem where the farmers can enjoy the freedom of choice relating to sale of farmers' produce which facilitates remunerative prices to farmers through competitive alternative channels for selling their produce.

These farm Acts will facilitate direct buying from farmers in trade area by traders, processors, exporters, Farmer Producer Organizations (FPOs), agriculture co-operative Societies etc., so as to facilitate farmers with better price realization due to short in supply chain and less marketing cost.

Farm Acts will accelerate more investment in marketing and value addition infrastructure near to farm gate creating more employment opportunities for rural youth.

Farm Acts provides additional marketing opportunities outside the APMC market yards such as farm-gates, cold storages, warehouse, silos, etc. to help farmers get remunerative prices due to additional competition.

“The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020” is intended to promote competition and transparency in trade by way of facilitation of electronic trading system in trade area.

The Farming agreement i.e “The Farmers (Empowerment and Protection) Agreement On Price Assurance and Farm Services Act, 2020” will enable scaling of investment by industry for production and processing of high value agriculture produces and give fillip to exports. The framework will also mitigate the risks for the farmers, enhance their income and will put in place an effective and conducive policy regime for agreements. Farm Acts provides sufficient safeguard mechanism to protect the interest of farmers including that of small and marginal farmers. Simple, accessible, quick and cost effective dispute resolution mechanism is prescribed at local Sub-divisional level and deterring penal provisions have been provided against traders to prevent and curb any violation of the Act by them.

The salient features of the “The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020” are as follows:

The Act provides for the creation of an ecosystem where the farmers enjoy the freedom of choice relating to sale of farmers' produce which facilitates remunerative prices through competitive alternative trading channels; to promote efficient, transparent and barrier-free inter-state and intra-state trade and commerce of farmers' produce outside the physical premises of markets or deemed markets notified under various State agricultural produce market legislations; to provide a facilitative framework for electronic trading and for matters connected therewith or incidental thereto.

- i. Any trader with a Permanent Account Number (PAN) allotted under Income Tax Act 1961 or such other document as may be notified by the Central Government may engage in inter-state trade or intra-state trade of scheduled farmers produce. Farmer Producer Organizations (FPOs) or agricultural co-operative societies do not require PAN card for trading in the trade area.
- ii. No market fee or cess under any state APMC Act or any other state law is to be levied on any farmer or trader or electronic trade and transaction platform for trade in the trade area.
- iii. Payment to the farmer is to be made on the same day or maximum within 3 days, if procedurally so required.
- iv. Any person (other than individual) having a Permanent Account Number allotted under the Income Tax Act, 1961 or such other document as may be notified by the Central Government or any FPOs or agricultural co-operative society may establish and operate an electronic trading and transaction platform for facilitating inter-state and intra-state trade of scheduled farmers produce in a trade area.
Provided that the person establishing and operating an electronic trading and transaction platform shall prepare and implement the guidelines for fair trade practices such as mode of trading fees, technical parameters including inter-operability with other platforms, logistics arrangements, quality assessment, timely payment, dissemination of guidelines in local language of the place of operation of the platform and such other matters.
- v. Simple, accessible, quick and cost effective dispute resolution mechanism is prescribed for the farmers at sub-division level through conciliation board and further by Sub-Divisional Authority and District Collector.

The salient features of the “The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020” are as follows:

- (i) Creating a legal framework for farming agreements between farmers’ and sponsors.
- (ii) Central Government may provide for model farming agreements for facilitation.
- (iii) Agreements can require that ownership of crops be retained by the farmer during production.
- (iv) Agreements may also provide for the sponsor to provide inputs and bear risks.
- (v) Farming agreements shall be exempted from application of any State Act available for the purpose of regulation of sale and purchase of such farming produce. Essential Commodities Act 1951 or any control order issued thereunder shall not be applicable to such quantity of farming produce as are purchased under farming agreements.
- (vi) Farming agreements cannot be entered, if they are in derogation of the rights of the share cropper.
- (vii) Facilitating greater certainty in quality and price.
- (viii) Flexible price subject to guaranteed price.
- (ix) Sponsor to ensure timely acceptance of delivery and payment of produce
- (x) Prohibition of sale, lease or mortgage of farmers’ land and Farmers’ land protected against any recovery.
- (xi) Farmers’ liability limited to advance received and cost of inputs provided by the sponsor.
- (xii) Linkage of farming agreements with insurance and credit instruments.
- (xiii) Notification of a Registration Authority to provide for e-registry of such agreements.
- (xiv)** Provisions for conciliation and dispute settlement.
