

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

LOK SABHA
UNSTARRED QUESTION NO. 382
TO BE ANSWERED ON THE 20TH JULY, 2021

IMPACT OF NEW FARM LAWS

382. DR. AMAR SINGH:

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

- (a) whether the new farm laws are unconstitutional and anti-farmer and would dismantle the Agricultural Produce Market Committee (APMC) system intended to ensure fair prices for farm products;
- (b) if so, whether the implementation of the new laws in their current form will open a parallel market which is unregulated and lead to exploitation of farmers;
- (c) if so, the details thereof and the reaction of the Government thereto;
- (d) whether it is also a fact that though these laws will enable farmers to sell their produce outside the mandis, they will only get half the price for their crop outside mandis;
- (e) if so, whether these new laws would pave the way for eliminating the safety cushion of Minimum Support Price (MSP) and do away with mandis that ensure income, leaving them at the mercy of big corporates; and
- (f) if so, the action taken to prevent such an outcome?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a): No Sir. Government had promulgated “The Farmers’ Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020”, “The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Ordinance, 2020”, and “The Essential Commodities (Amendment) Ordinance, 2020” on 5th June, 2020 by following the due procedure. Union Government had enacted the new Farm Laws under entry 33 of List-III (Concurrent List) of Seventh Schedule of the

Constitution, under which the Parliament is constitutionally competent to legislate & has passed the laws.

The bills on aforesaid laws were passed by both the houses of the Parliament and subsequently enacted these into Acts on 27th September, 2020.

Government has always been supporting the idea of strengthening of Agricultural Produce Market Committees (APMCs) and making them more competitive through improving services and infrastructure. Government has been providing assistance to APMCs for infrastructure and value chain development through various schemes like Rashtriya Krishi Vikas Yojna – RAFTAAR, Agriculture Market Infrastructure (AMI), National Agriculture Market (e-NAM), Agri. Infrastructure Fund (AIF) and Agriculture Marketing Infrastructure Fund (AMIF), etc.

(b) to (d): No Sir. The New Farm laws viz, “The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020”, “The Farmers (Empowerment and Protection) Agreement On Price Assurance and Farm Services Act, 2020” and “The Essential Commodities (Amendment) Act, 2020, are intended to 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 reduction in supply chain and marketing cost to enhance their income.

Farm laws provide 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. Farm laws will accelerate more investment in marketing and value addition infrastructure near to farm gate creating more employment opportunities for rural youth. Further farmers are free to sell their produce in APMC as earlier.

(e) & (f): Government of India announces Minimum Support Prices (MSP) for 22 major agricultural commodities of Fair Average Quality (FAQ) each year in both the crop seasons after taking into account the recommendations of the Commission for Agricultural Costs and Prices (CACP). Government also extends remunerative price to farmers through its various interventions schemes. The procurement at MSP is being done by Central and State Agencies under various schemes of Government. Besides, the overall market also responds to declaration of MSP and Government's procurement operations, results in increase of selling price of the various notified crops.

MSP policy has nothing to do with Farm Acts. Farmers are free to sell their produce to the Government procurement agencies at MSP or Agricultural Produce Market Committee (APMC) markets or through contract farming or in the open market whichever is advantageous to them.
