

Theme:

- On 20th September 2020, Parliament passed three farm bills, which created protests in the country.
- The three bills are -
 - 'Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill', 2020 - 'One Nation-one market' concept was introduced to allow farmers to sell the produce anywhere in the country.
 - 'Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services Bill', 2020 - Contract farming empowers farmers to engage with wholesalers, exporters etc. so that they will get the price assurance before sowing the crop.
 - 'Essential Commodities (Amendment) Bill', 2020 - This bill removed pulses, oilseeds, onions and some other products from the essential commodities list, and thereby the restrictions on the storage of these items will be removed.

Pros:

- One nation - one market can end the monopoly of 'Agricultural Produce Market Committees' (APMCs). APMCs criminalises setting up of other competing markets. Some states made it mandatory for farmers to trade with only APMC-licensed traders. With Farmers' Produce Trade and Commerce bill, farmers can sell the produce as per their choice. So the problem of middlemen, which is one of the main loopholes of APMCs will be eliminated.
- In some states, there is a surplus of some vegetables and fruits, whereas in some other states there is less supply and more demand for them. Through one nation-one market, corporate companies can bridge this gap benefiting the consumers.
- It will attract private investments in the agricultural industry. Private investments can improve the infrastructure of the agricultural sector, which can lead to its modernization. The competition to buy the produce can fetch better prices for farmers. They may even come to the farmers to take the produce, saving the transport costs for farmers.
- Contract farming is helpful for farmers because they will get price assurance beforehand. Some companies provide seeds, fertilisers and other requirements too, which will reduce the burden of input costs for farmers.
- Essential commodities bill, 2020 can help in stabilising the prices. For example, if the onion supply is more than the demand, they can store them to prevent the price fall. This will also improve the cold storage facilities in the country.

Cons:

- The process of passing the bills is not democratic. Agriculture and trade are state subjects, but the states are not consulted before passing the bills. The main people for whom the bills are made - farmers were also not given the opportunity to voice their concerns. Even in the parliament, clear voting was not conducted. They passed the bills on a mere voice voting.
- APMCs are very helpful for small farmers not just to sell the produce but also to know the prices & production choices. Many states have amended the APMC acts to make it more liberal. The passing of farm bills 2020 may weaken the APMC system and hence can become a disadvantage to small farmers.
- There is no guarantee that the farmers' income will be increased by these bills. If we take the example of Bihar, when the state abolished APMCs in 2006, farmers got lower prices for their produce than the Minimum Support Price (MSP). So, agricultural economists are suggesting that it is important to strengthen the APMCs, instead of transferring the responsibility to private entities.
- One nation - one market may not be much useful to small farmers, because transporting the produce requires more expenditure than selling them at the nearest APMC.
- Contract farming may turn farmers into slaves.
- Removing the restrictions on the storage of some foodgrains may lead to more imports at cheaper prices affecting the domestic farmers. And big businesses may store the foodgrains to increase the prices artificially.
- Unless the prices are regulated by the government, the market will go into the hands of big businesses putting both the farmers and the consumers at the risk of exploitation.

Challenges:

- There is a mistrust in farmers on the government for passing the bills without debate. Implementing the laws in these circumstances will be a challenge
- As the restrictions on storing some products are removed, imports of those products may increase. So, protecting domestic farmers from such imports will also be a challenge.

Conclusion:

The way the bills are passed created mistrust in farmers on government sidelining the positive sides of the bills such as the opportunity to modernise the Indian agricultural

sector. It is the responsibility of the government to take the opinions of farmers and also of the states before passing such bills.

Moreover, the main thing to do to ensure the betterment of farmers is strengthening the government market spaces - APMCs and to eliminate the loopholes in them.

Your Turn...

Do you think Farm Bills 2020 can increase the income of farmers? Express your thoughts through the comment section below. And subscribe to our blog to read answers to the trending GD topics.

References:

1. [It's a no green signal from the farm world](#)
2. [Hardly the 1991 moment for agriculture](#)

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