



Agri-Reforms 2020: Boon or Bane for Farmers?

A Great Debate

2nd Edition

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The recent agri-reforms in the form of three new laws – Farmers Produce Trade and Commerce (Promotion & Facilitation) Act, 2020; The Farmers (Empowerment & Protection) Assurance and Farm Service Act, 2020 and The Essential Commodities (Amendment) Act, 2020 – is seeing intense opposition from many farmer unions, while many are in support of the reform. After several rounds of negotiation between farmers and the Central Government there seems to be deadlock. Supreme Court has intervened to take the talks forward by forming a committee, while putting the implementation of the three laws on hold. These news articles and opinions, talking about the pros and cons of these new laws, gives us a scenario where a middle path can be drawn.

Article/Op-ed	Key Takeaway
<p>Pushing the envelope, Supreme Court stays farm laws, names panel for talks The Indian Express January 13, 2021</p>	<p>Ostensibly to “assuage” farmers’ “hurt” and to create a space for dialogue on the contentious farm laws, the Supreme Court Tuesday, January 12, put on hold, until further orders, the implementation of the three laws and named a committee to suggest — in two months — what changes, if any, were needed after it listens to all sides. The court’s committee will include: Bhupinder Singh Mann, National President, Bhartiya Kisan Union and All India Kisan Coordination Committee; Pramod Kumar Joshi, Agricultural Economist and Director for South Asia, International Food Policy Research Institute; Ashok Gulati, Agricultural Economist and Former Chairman of the Commission for Agricultural Costs and Prices; and Anil Ghanwat, President, Shetkari Sanghatana.</p>

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<p>Supreme Court's order putting on hold the farm bills is terrible constitutional precedent, bereft of judgment <i>By Pratap Bhanu Mehta</i> The Indian Express January 13, 2021</p>	<p>The issues in the farm bills are complex. But no matter which side you are on, you should now worry about how the Supreme Court is interpreting its function. It has suspended the implementation of the farm laws, and created a committee to ascertain the various grievances. But it is not clear what the legal basis of this suspension is. The court's action, at first sight, is a violation of separation of powers. It also gives the misleading impression that a distributive conflict can be resolved by technical or judicial means. It is also not a court's job to mediate a political dispute. Its job is to determine unconstitutionality or illegality. Even in suspending laws there needs to be some prima facie case that these lapses might have taken place.</p>
<p>Most on Supreme Court committee have backed farm laws, called protests misguided The Indian Express January 13, 2021</p>	<p>All four members have publicly been in favour of the farm laws and none of them has supported the demands for repealing them. Three of the four believe the protesting farmers are misguided; they are unanimous in their view that the farm laws will benefit the farmers immensely. There is no voice in the panel for the kind of reservations against the farm laws that the protesting farmers are raising. But between the four of them, the panel members bring several decades of experience, either as agricultural economists or farmer leaders.</p>
<p>In a punishing winter, Punjab's farmers find inspiration from history <i>By Meera Dewan</i> The Indian Express January 13, 2021</p>	<p>Under the midnight sky of Poh, this public declaration of a collectively created antidote finds echoes. Is their struggle now elevated from a Punjab farmers' protest to a national agrarian movement? In this ongoing land lockdown, do Punjab farmers retain the trophy of sacrifice and victory, since the 1905 movement Pagri Sambhal Jatta ("Farmers, Protect your Turbans")? Yet again they stand in the first line of defence, vanguards holding together about 40 farmer groups from diverse corners of the country. No, they won't be divided.</p>
<p>Both government and farmers need to re-evaluate their positions <i>By Ajay Vir Jakhur</i> The Indian Express January 12, 2021</p>	<p>The government should re-evaluate its response and agree to four other points. One, circulate the draft of the amended Acts; two, explicitly define its MSP commitment; three, hold wide ranging consultations with various stakeholders; four, if it is unagreeable to a one-person committee, constitute a small committee — otherwise it will be interpreted as a ruse to scuttle the issue. The Acts, though, can't be set right even with amendments. Not only because the farmers are demanding it, but to usher in the much needed tangible agricultural reforms, it would actually be wise to put in place a new legal framework.</p>

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<p>Agitators reject panel constituted by the Supreme Court</p> <p>The Economic Times January 12, 2021</p>	<p>“All names in the committee have been totally in favour of the laws. Even if people opposed to the laws were in the committee, or if the SC changes the composition tomorrow, we will not agree. The move is to put our agitation into a deep freezer. We are here for an indefinite protest. The names show the government doesn’t want the laws to be repealed,” said Jagmohan Singh, one of the farmers’ representatives. When asked if not appearing before the committee could violate the SC order, Balbir Singh Rajewal said: “We never asked the SC for a committee or put any application for the same before the SC.”</p>
<p>An Expert Explains: Farm protests, big picture</p> <p><i>By Siraj Hussain</i></p> <p>The Indian Express January 12, 2021</p>	<p>The farmers of Punjab, Haryana and other states that have robust APMC mandis and an efficient system of procurement are more fearful of the three laws. They fear that these laws signal the beginning of the end of open-ended procurement of wheat and paddy. They fear that the success of these states in creating the infrastructure for procurement may now become the reason for withdrawal of support of the Centre.</p>
<p>Supreme Court raps Centre, says extremely disappointed with negotiation process</p> <p>Money Control January 11, 2021</p>	<p>When the attorney general told the court that next meeting between the government and farmers is scheduled for January 15 and the court should not pass any order today, the bench said, We do not think the Centre is handling the issue correctly. We have to take some action today. We don't think you are being effective. If laws are put on hold then negotiations will have a chance to work out.</p>
<p>Most countries support their farmers. Where does India stand?</p> <p>The Indian Express January 11, 2021</p>	<p>Agriculture employs almost half of India’s population (44 per cent) despite contributing less than 15 per cent to the country’s GDP. So, how does the Indian government support its farmers as compared to other countries? A look at the data.</p>
<p>Why experts aren’t buying Centre’s argument against MSP for crops</p> <p>The Indian Express January 11, 2021</p>	<p>Economics Professor, Punjabi University, Patiala, Professor Kesar Singh Bhangu said, “The government says that half of India budget’s expenditure will go in the procurement of all these crops if MSP is made legal, but this is not the actual case as it depends on the market circumstances of all such crops to a large extent.”</p> <p>“Making MSP legal does not mean that government has to procure everything as government’s presence in the market will help stabilise the market price if farmers get too low prices for their crop in the open market against the declared MSP, which is calculated only to decide a benchmark for a crop,” said a senior professor from Punjab Agriculture University (PAU), Ludhiana.</p>

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<p>To help farmers, right approach is through Farmer Producer Organisations, not APMC mandis <i>By Ashok Gulati</i> The Indian Express January 4, 2021</p>	<p>There is no doubt that APMC markets and MSP will face competition from private markets and out-of-APMC mandi transactions. But will this hurt the farmers or play in their favour? Opinions differ. I believe it will help the farmers at large, especially small and marginal ones. The creation of an additional 10,000 Farmer Producer Organisations (FPOs) and the promised Agri-infrastructure Fund of Rs one lakh crore will aid this process. But many among the agitating farmers fear losing the MSP for wheat and paddy that they get in Punjab-Haryana.</p>
<p>Farmers need assured income, even rich nations pump massive subsidy into agriculture: Agri Expert Devinder Sharma The Indian Express December 30, 2020</p>	<p>On an average, an American farmer gets a subsidy of USD 62,000 every year. Compared with this, an Indian farmer gets a paltry USD 282. If you take a look at the Producer Subsidy Equivalent (PSE) index, it gives you a clear idea as to how the rich country farmers continue to be subsidised. Besides, as I said earlier, there are numerous other ways farming is protected in developed countries, and farmers receive a number of other privileges too. For instance, Swiss farmers receive family allowance and also get rebate on petrol and diesel costs. In India, we are made to believe that farmers receive huge subsidies and therefore have no reason to complain. This is a fallacy.</p>
<p>Reforms with the future and farming needs in mind <i>By Ramesh Chand</i> The Hindu December 29, 2020</p>	<p>Some experts and farmer leaders feel that these apprehensions and fears are imaginary, unrealistic and a part of deliberate narrative created to stop reforms in agriculture and prevent India from modernising agriculture and becoming a global power in agriculture. Those who oppose these Acts have focused mainly on threats and adverse effects and refrained from talking about the potential benefits of the new Acts; they are also ignoring the reasons for changing the regulatory system of agriculture. Another set of reputed experts such as Kaushik Basu have reiterated their support for changing archaic laws in agriculture but opposed the new Acts.</p>
<p>What made Centre change its approach from incentivising states to forcing down reforms? <i>By Harish Damodaran</i> The Indian Express December 29, 2020</p>	<p>What happened between February and June for the Modi government to discard its earlier plan of incentivising/encouraging states in favour of the so-called constitutional route of forcing reform via Central legislation? Before answering this, it is necessary first to examine the very basis of the “constitutional route” that was taken.</p>
<p>Will bypassing APMC-based procurement improve farmers' income, ensure food security? <i>By Prasanna Mohanty</i> Business Today December 29, 2020</p>	<p>Demonising Punjab farmers for protesting against the new laws to protect their interests (farmers from Haryana, Uttar Pradesh, Rajasthan and other states too are protesting) is unlikely to help in reversing any of the ill-effects of the Green Revolution or ensure India's food security. On the contrary, it may lead to far bigger problems: jeopardise food security and worsen agricultural crisis.</p>

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<p>A policy on agriculture should have the farmer at the centre, but government is keeping them on the periphery</p> <p>The Times of India December 27, 2020</p>	<p>This is very different from anything in the past. There are four main characteristics of this movement. First, it is the largest kisan movement since Independence. Second, there are 500 organisations under one umbrella – Samyukta Kisan Morcha – and there is not a single point of difference between them. The unique unity, in this movement, is its biggest strength. Third, such a huge movement has been most peaceful. Fourth, the determination of the farmers. This is what the government is failing to understand.</p>
<p>A Month on, Farmers Remain Resolute Over Repeal of Farm Laws</p> <p>The Wire December 25, 2020</p>	<p>The last one month, and for Punjabi farmers, the last four months, were full of hurdles – the lack of media attention on the subject of agriculture, the coronavirus pandemic, state surveillance on farmers’ leaders, fake news propaganda and a general apathy of the current government towards those resisting its dictum. Yet, they have overcome each hurdle with organisational capacity and grit. The government still has the option to emerge smartly, and in good faith to end the gridlock.</p>
<p>Farmers protests: BJP sees plot, others lend weight but socially distanced</p> <p>The Indian Express December 25, 2020</p>	<p>Going ahead, this marginalisation of the political player has implications for the future of the state and the political party. All parties will have to address the disillusion, to win back the people’s trust. In the immediate term, as the protests continue, it could mean that the political party will have little or no say in a crucial calculation that will decide the timing and content of the resolution: When do the costs of the mobilisation begin to outweigh the investments being made in it?</p>
<p>Who are Shetkari Sanghatana, the group backing Govt on farm laws?</p> <p>The Indian Express December 23, 2020</p>	<p>Shetkari Sanghatana, the Maharashtra-based union that was founded by the legendary farm leader Sharad Joshi. Since its inception, the Shetkari Sanghatana has been vocal about getting access to the market. Joshi was convinced that the root cause of farmers’ problems lay in their limited access to the market. Markets, Joshi would say, should be open and competitive to allow price realisation for farm produce. He accused governments of intentionally deflating the prices of farm produce to ensure that consumers get them cheap.</p>
<p>Govt must promote crop diversification by setting MSP for other crops as well</p> <p><i>By Manjit S Kang</i></p> <p>The Indian Express December 19, 2020</p>	<p>Farmers of the “food-bowl” states have been selling foodgrains (mainly wheat and rice) at Minimum Support Price (MSP) since the mid-1960s. This has helped the central government create a central pool of food grains and the Public Distribution System (PDS) to help the poor. However, MSP has not been guaranteed in the newly enacted farm laws, which is the major bone of contention. Some people affiliated with the central government claim such “support” cannot be guaranteed in the laws.</p>

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<p>Why we should move away from APMCs <i>By Bibek Debroy</i> Money Control December 18, 2020</p>	<p>In other areas of economic policy-making, we are moving away from heavy-handed State intervention characterising the period from second-half of the 1960s to 1970s. Why not agriculture? By the way, the royal commission said market committees should not have licensed brokers as members. But all the APMC committees now have traders and commission agents as farmers. Indeed, mandi committees represent them more than farmers. For many mandi committees, elections have not been held for years.</p>
<p>Farms laws: 3 Experts, 2 Opinions <i>By Arvind Panagariya Kaushik Basu & Nirvikar Singh</i> Times of India December 18, 2020</p>	<p>Arvind Panagariya: A final criticism is that the reform has been introduced without sufficient prior groundwork. The flip side here is that prior groundwork can become an excuse to deny the farmer justice perpetually. None of telecom and airline reforms under PMs Narasimha Rao and Vajpayee, right to education reform under UPA and the Goods and Services tax under PM Narendra Modi's government would have progressed to their current stage had the respective governments waited till the ground had been fully prepared.</p> <p>Kaushik Basu and Nirvikar Singh: There is no indication of risk mitigation policies, especially for poor farmers, alongside these new liberalisation laws. Farmers fear that with the planned deregulation, MSP and government purchases will gradually be replaced by corporate buyers with inordinate market power.</p>
<p>Govt needs to ready solutions that will facilitate agrarian transition without hurting farmers <i>By Ashutosh Varshney</i> The Indian Express December 16, 2020</p>	<p>Belief in good intentions is established through trust, not by administrative fiat. The trust deficit between protesting farmers and the government is enormous. In Parliament, the debate on farm bills was shabbily short. And outside Parliament, there was no great consultation with farmer organisations. The solution can now only be premised upon the government listening in a credible manner, and coming up with solutions that facilitate the agrarian transition without hurting peasants. Punjab's farmers have staying power. Coercion will backfire.</p>
<p>Farm laws impasse: A way forward? <i>By T Nanda Kumar</i> Financial Express December 15, 2020</p>	<p>The impasse between farmers and the government continues. Concerned citizens are hoping for a solution. Farmers appear adamant in their demand for repeal of all the three laws and amendments in two others, one already enacted and the other proposed. The government has shown patience and willingness to accommodate a number of demands by offering to amend the laws. Policy experts have joined the issue as well: Some are asking for repeal of the three laws, and some others arguing for a 'no retreat, push forward' strategy. The issue has acquired political overtones and has become complex.</p>

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<p>Who are arhtiyas, also part of the farmers’ protest? What is their role? The Indian Express December 15, 2020</p>	<p>The arhtiya isn’t a trader holding title to the grain bought from a farmer. He merely facilitates the transaction between a farmer and actual buyer, who may be a private trader, a processor, an exporter, or a government agency like the Food Corporation of India (FCI). That makes him more akin to a broker. The arhtiya, however, also finances the farmer. That, plus his income from commission being dependent on the quantity and value of produce routed through him, aligns the arhtiya’s interests much more with those of the farmer.</p>
<p>Democracy is the lifeblood of India: A rebuttal by Amitabh Kant <i>By Amitabh Kant</i> The Indian Express December 11, 2020</p>	<p>It has been a long held view of renowned agricultural experts such as M S Swaminathan, Ashok Gulati, Ashok Dalwai and Ramesh Chand that we need to decrease input cost inefficiencies, ensure better price signalling, ascertain better price realisation for farmers at the grassroots level, minimise post-harvest losses and also strategise new avenues to aid income generation for farmers. The entire agriculture value chain, “beej se bazaar”, across storage, finance, transport, aggregation, and marketing has become a fertile ground for farmers, entrepreneurs and industry to collaborate and cooperate for innovations which will unleash productivity in the sector.</p>
<p>Govt’s dismissal of farmers’ concerns reduces quality of policies, makes them harder to implement <i>By Arun Maira</i> The Indian Express December 11, 2020</p>	<p>The problem of India’s agricultural sector, according to economists, is that there are too many people employed in agriculture. Whereas the agriculture sector contributes 17 per cent of India’s GDP, it employs 57 per cent of the workforce. The solution, according to economists, is to improve the productivity of Indian agriculture and reduce the numbers employed. For the agriculture sector to become as productive as other sectors of the economy, it should employ only 17 per cent of the workforce — the overall size of which is estimated to be around 500 million. Therefore, approximately 200 million workers must migrate from agriculture to other sectors.</p>
<p>Farmers’ protest may be bringing a small beginning of normal politics, of negotiation and compromise <i>By Suhas Palshikar</i> The Indian Express December 11, 2020</p>	<p>The present regime looks upon any difference or protest through a three-dimensional prism: First, the prism of righteous monopoly over wisdom — nobody else knows anything better. Second, the prism of ill-will. The third dimension of the prism is that of brutality coupled with fear of the “people”. This was on full display when the government decided to keep Delhi out of bounds for the protestors and did not hesitate to use water cannons. As farmers harden their stance, one could expect naked repression.</p>

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<p>Constituency for reforms in BJP-ruled states can disprove fears that farm laws are a corporate plot <i>By Bharat Ramaswami</i> The Indian Express December 10, 2020</p>	<p>The uncomfortable truth, however, is that while the new laws are not perfect, they represent a necessary direction for agricultural policy. Without developing new markets for the more dynamic lines of activity, agriculture, farmers and the economy will be stuck with a slow-moving cereal economy. This requires enabling policies and investments. With the farmers rejecting offers from the government to amend the contentious laws, the situation has reached a perilous impasse. Some pro-reform commentators have shrugged off their past disappointments to once again hail the Prime Minister as an icon of right-wing economics. It is doubtful that the BJP would care to keep this faith.</p>
<p>Common challenges faced by agriculture in India and the UK, and new opportunities for greener practices <i>By Suhrid Patel</i> Bridge India December 10, 2020</p>	<p>Reforms to agricultural policy in both India and the UK have recently been in the news. They highlight many common challenges faced by the agriculture sector in both countries, and also a fundamental paradox: food is the most important good produced in the world, yet those who produce it struggle to earn a living without also damaging the environment. So here is the first shared challenge between the UK's (and for that matter the rest of the EU) agriculture sector and that in India (and many other developing countries): without government financial support, farmers would struggle to earn a living.</p>
<p>Did You Think the New Laws Were Only About the Farmers? <i>By P. Sainath</i> The Wire December 09, 2020</p>	<p>And you thought the new laws were only about farmers? Sure, there are other laws that also exclude prosecution of civil servants for carrying out their legal duties. But this one goes way over the top. The immunity given to all those in respect of anything, acting 'in good faith,' whatever they do, is sweeping. Not only can they not be taken to the courts for a crime they may have committed 'in good faith' – they're protected against legal action for crimes they are yet to commit ('in good faith' of course). Just in case, you missed the point – that you have no legal recourse in the courts – S. 15 rubs it in.</p>
<p>Modi Bets the Farm. It Was About Time Bloomberg Quint September 24, 2020</p>	<p>Big changes are afoot in Indian agriculture, driven by Prime Minister Narendra Modi at considerable political risk. Freeing up farming markets may be as significant as dismantling industrial licenses in 1991. However, if the state's protection withers away only to reveal a few large capitalists as the new overlords, there will be chaos and misery rather than progress and prosperity. To gauge the scale of what's being done, picture the depth of the stasis: 119 million cultivators and 144 million farmhands — taken together, 10 times Australia's population — yoked to a marketplace designed to be anti-competitive, and denied the lift in productivity that propelled urbanization from Japan and South Korea to Taiwan and China.</p>

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<p>No Evidence That Freeing Up Agri Markets Will Spur Private Investment <i>By Shreehari Paliath</i> IndiaSpend September 22, 2020</p>	<p>The government’s policy direction appears to be different. Public investment in farm storage and warehousing has been stagnant, if not falling. The government is leaving the sector open to investment by large, private, multinational agri-business players. Here, its argument is that the ECA is the reason why less private investment is flowing into the warehousing and storage spheres. This is why they argue for the amendment to the ECA. I believe that this viewpoint is flawed in the Indian context, where small and marginal farmers predominate.</p>

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