

A Study on "Agricultural Reforms: The Act provides the farmers the freedom of choice related to sale and purchase of produce"

Dr. J. Nehru Naik

M. A., B.Ed., B.sp.Ed., Ph.D., D.Litt., Lecturer in Economics, Government Degree College, Mandapeta
Dr. B.R. Ambedakar Konaseema District. Andhra Pradesh, India

ABSTRACT

The Government of India brought two new laws and amended an earlier one, all the three dealing with Agriculture in India, in 2020. One nation, one market the Act will help create One India, One Agriculture Market and will lay the foundation for ensuring golden harvests for our hard working farmers. The Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services Act, 2020 The two new laws seek to promote barrier-free interstate and intra-state trade in agricultural produce and allow farmers to engage with processors, aggregators, wholesalers, large retailers, exporters in the form of contract farming. The third is an amendment to the Essential Commodities Act to liberalize the regulatory environment around stock holding limits for food items. These changes seek to pave the way for greater private investment in agriculture value chains and modernise Indian agriculture. The government of India claims that these reforms were long pending and will hugely benefit Indian farmers while some farmers' groups vehemently contest these claims. In this paper, we detail the issues involved and review both sides of the argument. The freedom to produce, hold, move, distribute and supply will lead to harnessing economies of scale and attract private sector/foreign direct investment into the agriculture sector. We find strong rationale behind these reforms and believe that these reforms are a step in the right direction for the future of Indian farmers.

Key words: APMCs, ECA, WPI, ENAM, PPO

INTRODUCTION

Since 1970 Agriculture sector has experienced cyclical growth path around longrun annual average of 2.8 per cent. This is in sharp contrast to performance of non agriculture sector which shows acceleration in growth over time particularly after 1991 when the country embraced economic reforms. As a consequence the disparities in growth path of agriculture and non agriculture sectors increased sharply after early 1990s. These disparities got translated to disparities in per worker income in agriculture and non agriculture and income of cultivators and non farm workers. A worker in agriculture sector earned less than one fifth of income of non agriculture worker and a cultivator (farmer) earned less than one third of the income of a non farm worker during 2011-12. Slow growth in agricultural income and rising disparities are the major source of persistent agrarian distress in the country which has become a serious challenge for the country.

The Government with the aim of transforming agriculture in the country and raising farmers' income have passed three important legislation from Parliament.

These legislations sought to bring much needed reforms in the agricultural marketing system such as removing restrictions of private stock holding of agricultural produce or creating trading areas free of middlemen and take the market to the farmer.

The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020,
The Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services Act, 2020, Essential Commodities (Amendment) Act, 2020.

Objectives of land(Agricultural) reforms:

- Redistribution of land(Agricultural) across society so that land is not held in the hands of few people.



M. K. N. Naik
Govt. Degree College | 63
MANDAPETA - 533 308.