

The Farmers' Produce Trade and Commerce (Promotion and Facilitation), Bill, 2020

Myth and Reality

Sl. No	Myth	Reality
1	<p>(a) <i>"If new Bill become law, farmers will not get the MSP"</i></p> <p>(b) <i>"It may Eventually end MSP based procurement system"</i></p> <p>(c) <i>"MSP Operations will discontinue"</i></p>	<p>❖ The aforesaid Bill has no bearing on the policy and process of procurement on MSP which continues to be the priority of the Government. Further, MSP purchase on agricultural produce is done through State Agencies and there is no change in this policy. State can declare MSP center/ sub-centers as procurement points including declaring APMCs as procurement centre. MSP procurement from farmers is the top priority of the present Government.</p>
2	<p><i>"Trade & Commerce Bill will replace the State APMC Act and affect the functioning of the APMCs"</i></p>	<p>❖ This Bill is not intended to replace the State APMC Act and do not affect the functioning of the APMCs. APMCs will continue to regulate the marketing of agricultural produce within the physical boundaries of market yards under Entry 28 of State list. They can levy market fee within physical mandis as per their regulations. The Bill will provide farmers with additional marketing opportunities in 'trade area' in addition to existing APMCs. It will further motivate APMCs to be more effective and efficient in providing cost effective services to farmers for efficient marketing of their produce towards improving their income. Both the laws will co-exist for the common interest of farmers in true spirits of co-operative federalism.</p>
3	<p>(a) <i>"Infringement into the States powers of making Legislation"</i></p> <p>(b) <i>"Encroachment in State Powers"</i></p>	<p>❖ There is no infringement into the States powers of making legislation as Inter-State trade falls within Entry 42 of List I (Union List) of the Constitution of India. Though intra-State trade falls within Entry 26 of List II (State List), the same is subject to Entry 33 of list III (Concurrent List) of Constitution of India. Thus Central government is fully competent and empowered to legislate in inter-state and intra-state trade in farmers' produce under concurrent list. Hence no encroachment in State powers.</p>

4	<p>(a) <i>“Sufficient safeguard is not provided to protect the interest of farmers”</i></p> <p>(b) <i>“Exploitation of farmers by Corporates”</i></p>	<ul style="list-style-type: none"> ❖ Bill provides sufficient safeguard mechanism to protect the interest of farmers. Simple, accessible, quick and cost effective dispute resolution mechanism is prescribed for the farmers at local Sub-divisional level for which deterring penal provisions have been put in place against traders to prevent and curb any unscrupulous act by them through a fulcrum of Dispute Resolution Mechanism under this Ordinance. ❖ Payment has to be made to the farmers on the same day or within three working days where procedure so requires. ❖ In order to further empower farmers with information to negotiate with traders for price , there is provision that Central Government will, through any Central Government Organisation, develop a price information and market intelligence system for farmers' produce and a framework for dissemination of information relating thereto
5	<p><i>“The bill doesn’t safeguard farmer payments. The commission agents under APMC are verified and payment is secured.”</i></p>	<ul style="list-style-type: none"> ❖ Payment has to be made to the farmers on the same day or within three working days where procedure so requires. Simple, accessible, quick and cost effective dispute resolution mechanism is prescribed for the farmers for which deterring penal provisions have been put in place for traders to curb any unscrupulous act by them through a fulcrum of Dispute Resolution Mechanism under this Ordinance. The penalty provision against trader will act as deterrent against any fraudulent motive of traders.
6	<p>a) <i>“Revenue loss of APMC mandis”</i></p> <p>b) <i>“The Bill will block the ways for the state to generate revenue from agriculture trade and will lead to the closure of APMCs eventually giving corporates monopoly on agriculture trade”</i></p>	<ul style="list-style-type: none"> ❖ The State/ APMC will continue to have regulatory powers to impose mandi fees and other charges within market yards/ sub yards as per State Legislation. State APMC Act and institutions established under such statutes will continue to operate and are not affected in any way by this reform ordinance. But it allows for the development of private mandi infrastructure in the state and hence, improved market access for farmers. The states with efficient services at APMC market premises will continue to attract farmers and generate revenue. ❖ Overall, the Bill will ensure the creation of a competitive market setup, improved market access, and farmer welfare.