

The Farmers Agreement on Price Assurance and Farm Service Ordinance 2020.

In the wake of pandemic the Union government has taken several decisions to overhaul agriculture sector, one of them is "Farmers Agreement on Price Assurance and Farm service ordinance, 2020," related to contract farming.

Prelude → Indian agriculture is known for

1) government restrictions, like APMC Act, Essential commodity Act etc, which limits farmer & buyer engagement.

and) small land holding of average 1.1 hectare (2015-16) with regional divide like - Punjab, Haryana have large while central India small.

2nd) No private participation and underdeveloped Food Processing sector.

4th) No insurance penetration specially in North East due to no historical records and land records.

5th) Absence and of forward-backward linkage, storage facility and poor-stressed farmers who can't afford qualitative inputs.

The ordinance provides → A contract farming ~~and~~ mechanism which can engage farmers with wholesalers, aggregators, large retailers.
→ Farmers can avail inputs at time and can utilise assured markets.
→ Grievance addressal mechanism with timely redressal is provided by keeping farmer as vulnerable among two and no permanent ownership of farm property.

The ordinance along with other schemes like PMKSY, Essential commodity Amendment etc can change agriculture, however states cooperation is required :-

- (i) objection - Few states like punjab has strongly objected the ordinance as usurping states power since Agriculture comes under state list [7th sch.]
- (ii) implementation - states like in north east for example Nagaland, Assam needs different approach because of different land size & ecology.
- (iii) While Few companies like pepsico in MH, 3F ~~etc~~ and Spice jet are early entrants, it is state government
- (iv) land consolidation, land record, historical record etc comes under state domain.

which can effectively support them due to geographic proximity.

iv) Grievance - It is state government which is closest to farmer, it should empower local bodies to effectively address grievance of farmers which are prone to exploitation.

v) Environment protection - state government should also take care of environment from profit obsessed private companies.

vi) Electricity - infrastructure [Road, irrigation] needs state support. Thus the well intentioned ordinance need state cooperation for doubling farmers' income in the wake of Atmanirbhar Bharat.