

Farmer's Empowerment and Protection Act, 2020

The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020, is a significant legislation passed by the Government of India to empower farmers and provide them with opportunities for assured prices and better farm services. It aims to create a framework for contract farming agreements between farmers and buyers, offering farmers greater control over the sale of their agricultural produce.

Legal Framework:

The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020, establishes the legal framework for contract farming arrangements in India. It enables farmers to enter into agreements with buyers, including agri-business firms, processors, wholesalers, exporters, and large retailers, for the production and sale of agricultural produce.

Key Provisions:

Contract Farming Agreements:

The act facilitates the formation of contract farming agreements between farmers and buyers, providing a platform for mutually beneficial arrangements. It allows farmers to contractually commit to producing and supplying specified agricultural commodities to buyers at agreed-upon prices and terms.

Price Assurance:

One of the key features of the act is price assurance, which ensures that farmers receive a guaranteed price for their produce as per the terms of the contract. Buyers are obligated to purchase the agreed quantity of agricultural produce from farmers at the agreed price, providing farmers with income security and risk mitigation.

Farm Services:

The act encourages the provision of farm services by buyers to farmers, including technology, inputs, credit, and post-harvest infrastructure. Buyers are incentivized to invest in farm services that enhance productivity, reduce costs, and improve the quality of agricultural produce, benefiting both farmers and buyers.

Dispute Resolution Mechanism:

The act establishes a robust dispute resolution mechanism to address disputes arising from contract farming agreements. It provides for conciliation and arbitration procedures to resolve disputes in a timely and efficient manner, ensuring that farmers' interests are protected and disputes are resolved expeditiously.

Impact on Farmers:

The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020, has the potential to empower farmers by providing them with opportunities for assured prices, better

market access, and access to modern farm technologies and services. It enables farmers to diversify their income sources, reduce market risks, and improve their bargaining power vis-a-vis buyers.

Challenges and Concerns:

While the act aims to empower farmers and promote contract farming arrangements, it has also raised concerns about potential exploitation of farmers by buyers, imbalance in contractual negotiations, and lack of safeguards for small and marginal farmers. There are concerns about the unequal bargaining power between farmers and buyers, the enforceability of contracts, and the vulnerability of farmers to price volatility and market fluctuations.

Conclusion:

The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020, represents a significant step towards transforming India's agricultural sector and empowering farmers. By providing a legal framework for contract farming agreements, the act offers farmers opportunities for assured prices, better market access, and access to modern farm technologies and services. However, there is a need for continuous monitoring, review, and reform to address concerns, safeguard farmers' interests, and ensure that the benefits of contract farming accrue to all stakeholders involved.