

# **LEGAL EYE PARTNERS**

## **Research Article**

### **Farm Bills 2020: A Critical Analysis**

**Authored By Nidhi Dutia, Student, Bharati Vidyapeeth, New  
Law College**

#### **ABSTRACT:**

This critical analysis examines the Farm Bills introduced in India in 2020, exploring their key provisions, objectives, and the timeline of events leading to their eventual repeal in November 2021. The bills aimed to transform agriculture by giving farmers more autonomy in selling their produce. However, widespread protests ensued, with concerns about the impact on minimum support prices, corporate influence, and the bargaining power of farmers. Prime Minister Narendra Modi announced the repeal in November 2021, influenced by ongoing protests and impending state elections. The abrupt repeal without substantial debate sparked further discussions on farmers' demands for a guaranteed Minimum Support Price (MSP) and continued agricultural concerns.

#### **KEYWORDS:**

Farm Bills 2020, agricultural transformation, farmer protests, repeal, Minimum Support Price (MSP), government policies, stakeholders, Supreme Court, political response, India agriculture.

## **I. OVERVIEW OF THE FARM BILLS:**

The farm bill is an important set of laws that gets updated about every five years. It has a big impact on how farmers make a living, how food is grown, and what kinds of food are produced. The bill covers various programs, such as crop insurance for farmers, making healthy food accessible for low-income families, providing training for new farmers, and supporting sustainable farming practices. It plays a crucial role in shaping our food and farming systems.

## **II. TIMELINE OF EVENTS**

The timeline below shows key events related to the farm bills:-

**June 5, 2020:** The government introduces three farm bills - The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill, and The Essential Commodities (Amendment) Bill.



**September 25, 2020:** Farmers across India start protesting in the streets against the newly introduced farm bills.



**September 27, 2020:** President Ram Nath Kovind gives his assent to the bills, turning them into farm laws.



Eleven rounds of talks took place between the central government and farmers represented by the farm unions between **14 October 2020** and **22 January 2021**; all were inconclusive with agreement on only two relatively minor points.



**November 25, 2020:** Punjab and Haryana farmers initiate the "Delhi Chalo" movement, marching towards Delhi to protest against the farm laws.



**December 11, 2020:** Bharatiya Kisan Union moves the Supreme Court against the farm laws.



**January 12, 2021:** The Supreme Court stays the implementation of the farm laws.



**January 26, 2021:** Farmer unions call for a tractor parade as part of their protest.



**February 5, 2021:** FIR is filed against the creators of a toolkit related to the farmer protests.



**February 2021:** Protesting farmers conduct a nationwide rail roko (railway blockade).



**May 27, 2021:** Rakesh Tikait declares that the protest will continue until the repeal of the farm laws.



**October 22, 2021:** The Supreme Court observes that protesters cannot block public roads indefinitely.



**November 19, 2021:** On Gurupurab, Prime Minister Narendra Modi announces the government's decision to repeal the three farm laws.



**November 29, 2021:** The Indian Parliament swiftly passes the bill to repeal the farm laws without a debate.



**December 1, 2021:** The formal repeal took place.



**March 21, 2022:** The Supreme Court committee's report was made public

### **III. KEY PROVISIONS OF THE FARM BILLS:**

Three bills aimed at transformation of agriculture in the country and raising farmers' income were introduced in Lok Sabha today to replace ordinances promulgated on 5th June 2020–

1. The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020:<sup>1</sup>

(i) Provisions :

- (a) Farmers could trade outside traditional areas, like farm gates and cold storage, instead of just in APMC yards.
- (b) Farmers were given more options for selling their produce, promoting easier trade within and between states.
- (c) Electronic trading was allowed, enabling farmers to sell their products online using electronic devices and the internet.

(ii) Benefits :

- (a) Farmers can sell their produce outside APMC (Agricultural Produce Market Committee) 'mandis' to whoever they want.
- (b) The Act prevented state governments from charging market fees on farmers, traders, and online platforms for trading outside designated areas.
- (c) Aims to break the monopoly of government markets, letting farmers sell directly to private buyers.

---

<sup>1</sup> **Citation:** Act No. 21 of 2020

**Territorial extent:** India

**Lok Sabha:** The Bill was introduced in Lok Sabha on 14 September 2020, passed in Lok Sabha on **17 September 2020**.

**Rajya Sabha:** It was passed in Rajya Sabha on **20 September 2020**.

**Presidential Assent:** The Bill received Presidential Assent on **24 September 2020**.

**Introduced by:** Minister of Agriculture and Farmers Welfare, **Narendra Singh Tomar**

## 2. Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020:<sup>2</sup>

### (i) Provisions

- (a) Farmers and buyers could make agreements before growing crops or raising livestock.
- (b) Agreements lasted for at least one crop season or one livestock production cycle and could extend up to five years, or longer if agreed upon.
- (c) Pricing details, including guaranteed prices and any extra amounts, were required in the agreement.
- (d) Dispute resolution involved a three-step process: Conciliation Board, Sub-Divisional Magistrate, and Appellate Authority.

### (ii) Benefits :

- (a) Farmers and companies can sign contracts about the terms for what's grown and how much it's sold for.
- (b) If there are disputes, there's a process to resolve them, involving different levels of authority.

## 3. Essential Commodities (Amendment) Act, 2020:<sup>3</sup>

---

<sup>2</sup> **Citation:** Act No. 20 of 2020

**Territorial extent:** India

**Lok Sabha:** The Bill was introduced in Lok Sabha on 14 September 2020, passed in Lok Sabha on **17 September 2020**.

**Rajya Sabha:** It was passed in Rajya Sabha on **20 September 2020**.

**Presidential Assent:** The Bill received Presidential Assent on **24 September 2020**.

**Introduced by:** Minister of Agriculture and Farmers Welfare, **Narendra Singh Tomar**

<sup>3</sup> **Citation:** Act No. 10 of 1995

**Territorial extent:** India

**Status:** Amended

**Lok Sabha:** The Bill was introduced in Lok Sabha on 14 September 2020, passed in Lok Sabha on **15 September 2020**.

**Rajya Sabha:** It was passed in Rajya Sabha on **22 September 2020**.

**Presidential Assent:** The amendment received Presidential Assent on **26 September 2020**.

(i) Provisions:

- (a) The Central Government, in the past, oversaw the regulation of essential commodities' production, supply, and distribution for fair pricing.
- (b) They had the cority to set Maximum Retail Prices (MRP) for packaged products declared as essential commodities.
- (c) The Central Government could modify the list of essential commodities as needed, adding or removing items based on the situation.
- (d) In cases of commodity shortages and price spikes, the Government, at that time, could impose temporary stock-holding limits.
- (e) State Governments, in the past, had the option to not impose restrictions set by the Centre; however, if imposed, traders had to promptly sell excess stocks to enhance supply and lower prices.
- (f) The imposition of stock limits on agricultural produce, under the amendment, was contingent on significant price increases—100% for horticultural produce and 50% for non-perishable agricultural food items.

(ii) Benefits :

- (a) Certain foods like cereals, oils, and potatoes are no longer tightly regulated.
- (b) Limits on storing these items are removed, except during emergencies.
- (c) The government can only control supply during specific situations, like war or severe price increases.
- (d) Businesses can store more food, and the government can't restrict them without a good reason.

#### **IV. OBJECTIVES OF FARM LAWS**

1. Eliminating the dominance of agricultural markets (mandis).
2. Providing a legal framework for farmers.
3. Removing constraints on the sale of agricultural produce.

#### **V. WHY FARM LAWS ARE IMPORTANT?**

1. Those laws aimed to bring in private money to help farms grow and sell their products to more places.
2. They were meant to help farmers who didn't have much power to get better prices for their crops or buy new technology for their farms.
3. Farmers could make deals with big companies on fixed prices for what they grew.
4. Farmers in some areas got better prices, and people in other areas got to buy things at lower prices.
5. The laws encouraged farmers to work together more, making it easier for them to do business with big companies.
6. By making sure there were many buyers and sellers, these laws aimed to protect both the people who buy the food and the farmers who grow it. This meant fairer deals for everyone.

## **VI. PROTESTS BY FARMERS AND ISSUES INVOLVED**

Farmers in India voiced profound concerns about the impact of new farm laws, expressing fears that their livelihoods would be jeopardized.

1. Minimum Support Price (MSP) Apprehensions: Farmers feared a reduction in the government-set minimum support price for their crops, a crucial safety net for their income.
2. Doubts Regarding Middlemen: Farmers believed that middlemen or agents, who play a crucial role in the current system, are reliable. They argued that these intermediaries undergo thorough financial checks during the licensing process.
3. Commission Agents' Concerns: Commission agents, integral to the traditional agricultural setup, protested the new laws, fearing job loss as they anticipated being rendered redundant.
4. State Government Opposition: State governments joined the protest, foreseeing a decline in their revenues derived from agricultural markets (mandis) affected by the new laws.
5. Perceived Lack of Uniformity: While the government aimed to bring uniformity to contractual farming rules and state APMC acts, farmers contested this, asserting that the

legislation lacked a prescribed mechanism for price fixation. They believed it granted undue power to private entities, leaving farmers vulnerable to exploitation.

6. Diminished Bargaining Power: The new laws were perceived as diminishing farmers' bargaining power, raising anxieties about fair negotiations.
7. Lack of Consultation: Farmers expressed discontent over a perceived lack of consultation, feeling excluded from decisions that directly impacted their livelihoods.

The farmers, rallying for nearly 10 months, emphasized the following concerns:

1. Gathering Protests: Thousands congregated at grain markets and organized massive rallies outside Delhi, signaling widespread dissent.
2. Corporate Influence Apprehension: Farmers feared the laws would subject them to the dominance of powerful food companies, enabling these entities to dictate agricultural product prices and adversely affect farmers' incomes.
3. Persisting Protests: The protests persisted for an extended period, with warnings of even larger demonstrations in the future.

## **VII. IMPACT ON VARIOUS STAKEHOLDERS**

1. With the new laws, farmers took control of growing and selling their crops, making deals directly with private traders. However, worries arose about job losses for commission agents (Arthiyas) and possible disruptions in traditional markets (mandis) due to the changes.
2. People could now buy produce at much lower prices.
3. Even though middlemen didn't completely lose their role, they didn't have as much control over the trade.
4. The state governments, especially in places like Punjab and Haryana, were negatively impacted as they faced a significant loss in yearly revenue collection.

## **VIII. WHAT PEOPLE SAID - FARMERS AND POLITICAL PARTIES**



The response from farmers and opposition parties to the Farm Bills 2020 in India has been diverse, reflecting a range of perspectives.

1. Shetkari Sanghatana (Maharashtra): This group of farmers in Maharashtra liked the bills. They wanted the prices of crops to be decided by the market, not the government. They believed that the government's minimum support prices (MSPs) made farmers weaker.<sup>4</sup>
2. Supreme Court Appointed Committee: A committee chosen by the Supreme Court said that most farmer groups, about 85.7%, representing a lot of farmers, supported the new laws.<sup>5</sup>
3. State Resolutions: Many states, like Punjab, Chhattisgarh, Rajasthan, Delhi, Kerala, and West Bengal, said they didn't want these new farm laws. They passed resolutions against them.<sup>6</sup>
4. Allegations of Unconstitutionality: Some political parties said the laws were passed in the wrong way, not following the rules properly. They think the laws are against farmers and favor big companies.<sup>7</sup>
5. Call for Parliamentary Standing Committee Review: The Bharatiya Kisan Sangh (BKS), a farmer's organization that is associated with the ruling party, BJP, asked the government to send the laws to a special committee for review. They questioned why the government rushed to pass the laws.<sup>8</sup>
6. Historical Precedents: People against the laws mentioned past examples, like when the sugar industry was opened to private companies in 1998 or when APMC rules were changed in Bihar in 2006. They said these changes didn't help farmers.<sup>9</sup>
7. Concerns about MSP: Farmers in places like Punjab and Haryana, where a lot of wheat is bought by the government at a fixed minimum price, were worried because the new laws didn't support this minimum price.

---

<sup>4</sup> Biswas, Parthasarathi (23 December 2020) [Who are Shetkari Sanghatana, the group backing Govt on farm laws?](#)

<sup>5</sup> Mukherjee, Sanjeeb (21 March 2022) [86% farmer groups supported 3 repealed laws: SC-appointed panel found](#)

<sup>6</sup> [Kerala Assembly passes resolution demanding withdrawal of farm laws passed by Parliament](#);

Rai, Arpan, ed. (28 January 2021) [West Bengal passes resolution against three farm laws, sixth state to do so](#)

<sup>7</sup> [President Kovind gives nod to three farm bills cleared by Parliament](#)

<sup>8</sup> Anshuman, Kumar. [Govt must send farm bills to the parliamentary standing committee: Bhartiya Kisan Sangh](#)

<sup>9</sup> Mandal, Monika (2 December 2020) [Why Farmers Are Worried About New Laws: It's The History](#)

8. Protests from Farmers: Farmers in different parts of India protested, worried that the new laws might hurt their income. They were unsure about how the changes would happen, and there were debates about the minimum prices the government guarantees.

In Summary, some farmers and a committee liked the new laws, thinking they would benefit from them. However, many states, political parties, and protesting farmers were against the laws. They worried about the government's support for minimum prices, the influence of big companies, and the overall impact on farmers.

## **IX. REPEAL**

On November 19, 2021, during the Gurupurab celebration, India's Prime Minister, Narendra Modi, announced that his government would cancel the three farm laws in the upcoming winter session of Parliament in December. In a televised speech, Modi expressed regret that despite several attempts to explain the benefits of the laws to farmers, they were unsuccessful. He mentioned that the decision to repeal the laws was made on the occasion of Guru Purab.<sup>10</sup>

Experts and observers suggested that Modi's decision might have been influenced by the upcoming state elections in Punjab and Uttar Pradesh in 2022. On November 29, 2021, the Indian parliament passed the bill to repeal the farm laws. Notably, the bill passed without any debate in both the lower house (Lok Sabha) and the upper house (Rajya Sabha), despite demands for discussion.<sup>11</sup>

Regarding the ongoing protests, Rakesh Tikait, the national spokesperson of the Bharatiya Kisan Union, stated that the protests would only end once the laws were officially repealed. Additionally, he emphasized the need for a law guaranteeing a Minimum Support Price (MSP) to be passed in Parliament. Tikait also called for the formation of a committee to facilitate direct communication between farmers and the Government of India and the Ministry of Agriculture and Farmers' Welfare to address other agricultural concerns.

## **X. CONCLUSION**

---

<sup>10</sup> Saaliq, Sheikh (19 November 2021) [Bowling to protests, India's Modi agrees to repeal farm laws](#)

<sup>11</sup> Prusty, Nigam (29 November 2021) [India's parliament passes bill to repeal controversial farm laws](#)

The Farm Bills introduced in India in 2020 aimed to change how farming works in the country. They were meant to give farmers more freedom to sell their crops and make agreements with companies. However, many farmers were worried that these changes would remove government support for crop prices, leading to lower earnings. This concern led to widespread protests.

In November 2021, Prime Minister Narendra Modi announced that the government would cancel these laws.<sup>12</sup> The decision to repeal the laws happened quickly in Parliament, without much discussion. This move was seen as a response to the ongoing protests and upcoming state elections.

The protests, led by farmers, demanded not just the repeal of the laws but also a guarantee for minimum prices for crops. Even after the laws were repealed, some farmers continued to emphasize the need for laws that ensure a fair minimum price for their produce. The entire process, from introducing the laws to repealing them, took place over a period marked by protests, discussions, and a significant decision by the government.

Legal Research and Writing Team

Legal Eye Partners

---

<sup>12</sup> [Narendra Modi government relents, decides to spike farm laws](#)