

34. Hypocrisy of opposition over Agricultural reforms for Aatmanirbhar Bharat

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The unprecedented 23.9 per cent decline in the gross domestic product (GDP) in the first quarter of 2020-21 is a serious issue. But gross value added numbers show that, still agriculture sector grew by a respectable 3.4 per cent, giving ample indication that if the recovery in the economy has to come agriculture and rural sector will drive them. In order to deal with the consequences of Covid and the hardships, Modi Government announced an 'Aatmanirbhar Bharat' package in May 2020. While most of the measures pertained to addressing short term challenges, some big reform measures on agriculture, disinvestment etc. were also announced. Pursuant to these announcements, the Central Government promulgated 3 ordinances on 5th June 2020. They were The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020; The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Ordinance, 2020 and The Essential Commodities (Amendment) Ordinance, 2020. These ordinances were a clean break from the past when pernicious interventions by the Governments were justified in the name of farmers' welfare. The Supply Chain in farm sector requires massive investment from warehousing, cold storage, transportation to infrastructure in retail distribution. This mega push can come from private sector alone. But unless we remove limits on storage; processing and value addition will not happen. Indian agriculture has been moving from shortages to surplus and the policy on essential commodities from the year 1955 is bound to be reworked. For the agricultural sector, these reforms were similar to the 1991 moment for the wider economy and were hailed as such by leading economists and experts. The need for these reforms had been long felt. The 'Committee of State Ministers, in-charge of Agriculture Marketing to Promote Reforms' in its final report in had emphasized on the need for promoting competition in the interest of the farmers and so had the of the Standing Committee on Agriculture in its sixty second report. Since these reports were shorn of political positioning, it had the support of almost all the political parties. Now that the Government seeks to replace the Ordinances by Acts of Parliament, Congress and some other political parties and farmers unions affiliated to them and the interests of the middlemen are raising a hue and cry. A relentless misinformation campaign has been let loose by the opposition within and outside the

Parliament. The most sinister of them is that the Government will ultimately do away with the minimum support prices (MSP). The Government has made it sufficiently clear that there is no question of dismantling the MSP mechanism.

APMC and Mandi Act are in the State's domain and therefore there is no question of Centre amending it unilaterally. Only inter-state commodity trade is in Centre's domain. Existing APMC infrastructure is not being dismantled and as MSP is an administration mechanism implemented through the local mandies and procurements being done by the respective state government, it is going to continue as usual. Though the purpose of MSP was to provide an assured floor price to the farmers but over time it became the ceiling price. With the new Act on facilitating trade and commerce of agricultural produce, the Government is making it legally and institutionally possible for farmers to explore the possibility of selling at even higher price, while retaining the safety net of MSP. With competition from private markets, APMC markets would no longer enjoy the monopoly and the farmer would benefit from better services. As far as the argument of farmers losing their land to corporate is concerned, The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Ordinance, 2020 Act, talks about an agreement on the farm produce only and not about the land. The Act has further safeguards for farmers on land; in case of loss of produce, the farmers alone will get the benefit of insurance compensation and the infrastructure and equipment used at the farm land has been protected as belonging to the land owners. Even the dispute resolution within the Act has been delegated at the district level, with the formation of district boards etc. and the farmers will not have to run from one Court to the other to get justice. Lack of responsible opposition has been the bane of Indian politics since 2014. Anything that the Modi Government does must be opposed by Congress party and its lackeys even when the Congress led State governments advocate or themselves make such policies. Even in the present matter the Congress Party in its 2014 and 2019 election manifesto had promised these or similar measures. All the three Bills, are cumulatively for market reforms; giving options of new and national markets, attracting private investments to build infrastructure, helping in better price discovery, setting up information dissemination mechanism and providing

future price assurance to the farmers for their commodity produce. With the Prime Minister himself at the forefront to counter the misinformation campaign and the Bharatiya Janata Party amplifying his messages, there should not be any doubt on the future of these Bills.